

Registered No 3553786

ABI (UK) Limited

Report and Financial Statements

31 August 2008

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COMPANIES HOUSE

ABI (UK) Limited

Registered No: 3553786

Directors

M G Copper

R J Jones

D A Hague (appointed 1 September 2008)

Secretary

R J Jones

Auditors

Ernst & Young LLP

P O Box 3

Lowgate House

Lowgate

Hull

HU1 1JJ

Bankers

Barclays Bank PLC

6 East Parade

Leeds

LS1 2UX

Solicitors

DLA LLP

Princes Exchange

Princes Square

Leeds

LS1 4BY

Registered Office

Swinemoor Lane

Beverley

East Yorkshire

HU17 0LJ

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 August 2008.

Results and dividends

The profit for the year, after taxation, amounted to £3,564,000 (2007 - £3,811,000).

The company has paid an interim dividend of £1,000,000 (2007 - £1,000,000) during the year. The company does not propose a final dividend for the year ended 31 August 2008.

Preference dividends of £nil (2007 - £nil) were declared during the year. See note 8 for further information.

Principal activity

The principal activity of the company is the manufacture and sale of Caravan Holiday Homes.

Business review and future developments

The overall market for our products deteriorated significantly during the second half of the financial year and capacity reduction was implemented to ensure the business' production output was consistent with this reduction in demand. These actions resulted in a decrease in profitability.

The directors anticipate that their market will continue to reduce significantly during the current financial year.

Principal risks and uncertainties

The market remains the principal risk to the business, and any decline in the overall market increases competitive pressures. The market is monitored monthly. The business manages this risk by maintaining strong relationships with its customers and adapting to market demands and the needs of these customers.

Financial key performance indicators

The pre-eminent KPI for the business is the order book (future prospects) and the management of capacity to match demand. This is monitored and tracked continually and capacity adjusted accordingly.

Other KPI's that are monitored regularly in the management of the business are gross margin %, EBITDA as a % of sales turnover and the level of stock.

We continue to closely monitor the working environment of our employees in order to minimise the risk of work and environmental hazards.

Directors

The directors of the company are set out on page 1. The directors who served during the year were as follows:

M G Copper

R J Jones

Directors' report

Employees

During the year, the company continued to provide employees with relevant information and to seek their views on matters of common concern through their representatives and line managers. Priority is given to ensuring that employees are aware of all significant matters affecting the company's trading position and of any significant organisational changes.

It is the policy of the company to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled while in the employment of the company, as well as generally through training and career development.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

The report of the directors was approved by the Board on 22 June 2009 and signed on its behalf by:



R J Jones
Director

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of ABI (UK) Limited

We have audited the company's financial statements for the year ended 31 August 2008 which comprise the Profit and Loss Account, Note of Historical Profits and Losses, Balance Sheet and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

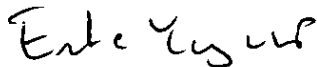
Independent auditors' report

to the members of ABI (UK) Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
Hull

22 June 2009

Profit and loss account

for the year ended 31 August 2008

	Notes	2008 £000	2007 £000
Turnover	2	43,779	41,666
Cost of sales		(36,996)	(34,396)
Gross profit		6,783	7,270
Administrative expenses		(1,374)	(1,556)
Operating profit	3	5,409	5,714
Profit/(loss) on sale of fixed assets		8	(3)
Interest receivable and similar income		2	5
Interest payable and similar charges	6	(399)	(213)
Profit on ordinary activities before taxation		5,020	5,503
Taxation on profit on ordinary activities	7	(1,456)	(1,692)
Profit for the financial year		3,564	3,811

There were no recognised gains or losses other than those disclosed in the profit and loss account above.

Note of historical cost profits and losses

for the year ended 31 August 2008

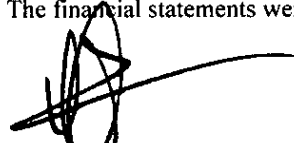
	2008 £000	2007 £000
Reported profit on ordinary activities before taxation	5,020	5,503
Excess of actual depreciation charge over historical cost depreciation	7	7
Historical cost profit on ordinary activities before taxation	5,027	5,510

Balance sheet

at 31 August 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Tangible assets	9	4,272	3,830
Current assets			
Stocks	10	2,287	1,995
Debtors	11	21,126	21,647
Cash at bank and in hand		3	1
		23,416	23,643
Creditors: amounts falling due within one year	12	(6,435)	(8,917)
Net current assets		16,981	14,726
Total assets less current liabilities		21,253	18,556
Provisions for liabilities and charges			
Deferred taxation	13	-	-
Net assets		21,253	18,556
Capital and reserves			
Called up share capital	14	7,059	7,059
Revaluation reserve	15	1,611	1,485
Profit and loss account	15	12,583	10,012
Equity shareholders' funds	16	21,253	18,556

The financial statements were approved by the Board on 22 June 2009 and signed on its behalf by:



M G Copper
Director

Notes to the financial statements

at 31 August 2008

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with appropriate accounting standards.

Tangible fixed assets

Tangible fixed assets, other than land and buildings, are stated at their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, using the straight line method over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Land	Nil
Buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Office equipment	20%

Land and buildings are held at valuation on the basis of open market value for existing use based on valuations carried out every three years by independent professional valuers and updated on an annual basis by the directors after taking advice from independent professional advisers.

Finance and operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the assets had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account on a straight-line basis. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date that the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 August. Exchange differences are taken to the profit and loss account.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoice value of goods and services supplied.

Cash flow

The directors have taken advantage of the exemption in Financial Reporting Statement No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes consolidated financial statements.

Notes to the financial statements

at 31 August 2008

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised on all timing differences that have originated but have not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The company operates a stakeholder pension scheme for staff and a money purchase pension scheme for directors. The assets of the schemes are invested and managed independently of the finances of the company. The pension cost charge relates to the money purchase scheme and represents contributions payable in the year.

2. Turnover

Turnover originates in the UK from the company's continuing principal activity, being the manufacture and sales of leisure homes. Turnover, which excludes value added tax, is analysed by geographical area below:

	2008 £000	2007 £000
United Kingdom	40,343	38,103
Europe (excluding United Kingdom)	3,436	3,563
	<u>43,779</u>	<u>41,666</u>

Notes to the financial statements

at 31 August 2008

3. Operating profit

Operating profit is stated after charging:

	2008 £000	2007 £000
Depreciation charge for the year:		
- Tangible owned fixed assets	184	168
Auditors' remuneration:		
- Audit services	35	35
- Other services	10	9
Operating leases:		
- Hire of plant and machinery	41	42
- Hire of land and buildings	81	67

Included within auditors' remuneration for audit services, is £1,000 in respect of the audit of ABI (UK) Holdings Limited, the company's immediate parent company, and £1,000 in respect of ABI (UK) Group Limited, the company's ultimate parent company.

4. Directors' emoluments

The emoluments paid or payable to the company's directors are:

	2008 £000	2007 £000
Aggregate emoluments:		
Emoluments	378	512
Contributions to money purchase pension schemes	36	35
	414	547
In respect of the highest paid director:		
Emoluments	197	292
Contributions to money purchase pension schemes	25	23
Aggregate emoluments	222	315

There are two directors accruing retirement benefits under money purchase pension schemes (2007 – 2).

Notes to the financial statements

at 31 August 2008

5. Staff costs

	2008	2007
	£000	£000
Wages and salaries	8,181	7,152
Social security costs	833	718
Employer pension contributions	40	34
	<u>9,054</u>	<u>7,904</u>

The average monthly number of persons (including executive directors), employed by the company during the year was:

	2008	2007
	No.	No.
Production	284	264
Office and management	27	27
	<u>311</u>	<u>291</u>

6. Interest payable and similar charges

	2008	2007
	£000	£000
Interest payable on amounts wholly due within five years:		
Lease interest	-	1
Interest and charges on financing of trade debtors	397	212
Other interest payable	2	-
	<u>399</u>	<u>213</u>

Notes to the financial statements

at 31 August 2008

7. Tax on profit on ordinary activities

(a) Analysis of charge in year:

	2008 £000	2007 £000
UK corporation tax on profits of the year	1,132	1,264
Group relief payable	355	419
Adjustment in respect of previous year	(7)	3
Total current tax	1,480	1,686
Deferred tax:		
Origination and reversal of timing differences:		
- current year	8	4
- prior year	(32)	2
Total deferred tax	(24)	6
Tax on profit on ordinary activities	1,456	1,692

(b) Current tax reconciliation:

The tax assessed is higher than the standard rate of corporation tax in the UK 29.16%, (2007 – 30%). The differences are explained below:

	2008 £000	2007 £000
Profit on ordinary activities before tax	5,020	5,503
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.16% (2007 – 30%).	1,464	1,651
Effects of:		
Expenses not deductible for tax purposes	32	35
Capital allowances in excess of depreciation	(8)	(3)
Adjustment in respect of previous year	(7)	3
Other timing differences	(1)	-
Current tax charge for year	1,480	1,686

Notes to the financial statements

at 31 August 2008

7. Tax on profit on ordinary activities (continued)

(c) Factors affecting future charges:

No provision is made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided is £175,000 (2007 - £210,000). At present it is not envisaged that any tax will become payable in the foreseeable future.

The company will benefit from the reduction in the main rate of corporation tax to 28% from 1 April 2008. FRS19 requires deferred tax to be measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse and hence deferred tax has been provided at 28%.

8. Dividends

	2008 £000	2007 £000
Waived preference dividend	-	-
Dividend on ordinary shares	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

Preference shareholders have waived their right to receive preference dividends in the current and prior year.

9. Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation:					
At 31 August 2007	3,603	1,432	91	592	5,718
Additions	-	416	74	11	501
Revaluation	22	-	-	-	22
Disposals	-	-	(41)	-	(41)
At 31 August 2008	<u>3,625</u>	<u>1,848</u>	<u>124</u>	<u>603</u>	<u>6,200</u>
Depreciation:					
At 31 August 2007	74	1,211	60	543	1,888
Charge for the year	37	107	19	21	184
Revaluation	(111)	-	-	-	(111)
Disposals	-	-	(33)	-	(33)
At 31 August 2008	<u>-</u>	<u>1,318</u>	<u>46</u>	<u>564</u>	<u>1,928</u>
Net book value:					
At 31 August 2008	<u>3,625</u>	<u>530</u>	<u>78</u>	<u>39</u>	<u>4,272</u>
At 31 August 2007	<u>3,529</u>	<u>221</u>	<u>31</u>	<u>49</u>	<u>3,830</u>

Notes to the financial statements

at 31 August 2008

9. Tangible fixed assets (continued)

The net book value of tangible fixed assets includes an amount of £nil (2007 - £nil) in respect of assets held under finance leases.

The land and buildings were revalued as at 31 August 2008 by external Independent Chartered Surveyors, DTZ Debenham Tie Leung on the basis of open market value for existing use.

If the properties had never been valued they would have been included in the balance sheet at the following amounts:

	2008 £000	2007 £000
Historical cost	2,112	2,112
Depreciation based on historical cost	(267)	(237)
Net book value based on historical cost	1,845	1,875

10. Stocks

	2008 £000	2007 £000
Raw materials and consumables	1,047	1,261
Work in progress	824	734
Finished goods	416	-
	2,287	1,995

The replacement cost of the above stocks is not significantly different from the book values.

11. Debtors

	2008 £000	2007 £000
Debtors falling due within one year:		
Trade debtors	8,440	11,114
Other debtors	241	146
Prepayments and accrued income	237	196
Deferred tax	43	19
	8,961	11,475
Debtors falling due after one year:		
Amounts owed by group undertakings	12,165	10,172
	21,126	21,647

Notes to the financial statements

at 31 August 2008

12. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank overdraft	138	57
Financing of trade debtors	400	1,341
Total debt	538	1,398
Trade creditors	4,504	5,868
Corporation tax	542	711
Other taxation and social security	216	202
Other creditors	234	174
Accruals and deferred income	401	564
	6,435	8,917

The financing of trade debtors is secured by a fixed and floating charge over the assets of the company.

13. Deferred taxation

	2008 £000	2007 £000
Accelerated capital allowances	(43)	(19)
Provision for deferred tax	(43)	(19)
Provision at start of year	(19)	(25)
Deferred tax charge in profit and loss account for year (note 7)	8	4
Deferred tax (credit)/charge in profit and loss account for prior year (note 7)	(32)	2
Provision at end of year – included in debtors (note 11)	(43)	(19)

14. Share capital

	2008 £000	2007 £000
<i>Authorised:</i>		
2,000,000 ordinary shares of £1 each	2,000	2,000
3,000,000 6% cumulative preference shares of £1 each	3,000	3,000
2,059,000 15% cumulative preference shares of £1 each	2,059	2,059
	7,059	7,059

Notes to the financial statements

at 31 August 2008

14. Share capital (continued)

Allotted, called up and fully paid:

2,000,000 ordinary shares of £1 each	2,000	2,000
3,000,000 6% cumulative preference shares of £1 each	3,000	3,000
2,059,000 15% cumulative preference shares of £1 each	2,059	2,059
	<u>7,059</u>	<u>7,059</u>

The 15% cumulative preference shares carry a fixed cumulative preferential dividend at the rate of 15% per annum. The 6% cumulative preference shares carry a fixed cumulative preferential dividend at the rate of 6% per annum. The preference shares carry the right on winding up the company or other return of capital of the company, in priority to the holders of any other classes of shares, to the amount in respect of each preference share held equal to the amount paid up thereon and any premium paid. The preference shares carry no other rights to shares in the profits or assets of the company. All rights to preference dividends have been waived by shareholders and as a result the shares are retained within equity.

15. Reserves

	<i>Revaluation reserve £000</i>	<i>Profit and loss account £000</i>
At 31 August 2007	1,485	10,012
Retained profit	-	3,564
Dividends	-	(1,000)
Transfer in respect of depreciation on revalued fixed assets	(7)	7
Revaluation of land and buildings	133	-
At 31 August 2008	<u>1,611</u>	<u>12,583</u>

16. Reconciliation of movements in shareholders' funds

	<i>2008 £000</i>	<i>2007 £000</i>
Opening shareholders' funds	18,556	15,745
Result for the year	3,564	3,811
Dividends	(1,000)	(1,000)
Revaluation of land and buildings	133	-
Closing shareholders' funds	<u>21,253</u>	<u>18,556</u>

17. Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements was £nil (2007 - £145,000).

Notes to the financial statements

at 31 August 2008

18. Pension commitments

The company operates a defined contribution and stakeholder pension scheme whereby contributions are made to the scheme operated by a number of major insurance companies. The amount charged to the profit and loss account is disclosed in note 4. There are no outstanding contributions at the year-end (2007 - £nil).

19. Financial commitments

At 31 August 2008, the company had annual commitments under non-cancellable operating leases expiring as follows:

	<i>Land and buildings</i>		<i>Plant and machinery</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Leases which expire:				
Within one year	-	-	3	18
Between two and five years	-	-	24	13
More than five years	81	75	-	3
	<u>81</u>	<u>75</u>	<u>27</u>	<u>34</u>

20. Ultimate parent undertaking

At 31 August 2008, the ultimate parent undertaking was ABI (UK) Group Limited, a company incorporated in the United Kingdom. Copies of the accounts of ABI (UK) Group Limited can be obtained from the Company Secretary, Swinemoor Lane, Beverley, East Yorkshire, HU17 0LJ.

At 31 August 2008, the immediate parent undertaking was ABI (UK) Holdings Limited, a company incorporated in the United Kingdom. Copies of the accounts of ABI (UK) Holdings Limited can be obtained from the Company Secretary, Swinemoor Lane, Beverley, East Yorkshire, HU17 0LJ.

The largest group in which the results of the company are consolidated is that headed by ABI (UK) Group Limited. No other group accounts include the results of the company.

21. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing related party transactions on the grounds that the consolidated accounts of the parent undertaking are publicly available.