

COMPANY NUMBER 131358

ABBAY MANOR GROUP LIMITED

ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

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**ABBAY MANOR GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

**INDEX**

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
Company Information	1
Report of the Directors	2 - 3
Statement of Directors' Responsibilities	4
Auditors' Report	5
Group Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheets	8 - 9
Group Cash Flow Statement	10
Accounting Policies	11 - 13
Notes to the Financial Statements	14 - 30

**ABBAY MANOR GROUP LIMITED**

COMPANY INFORMATION

DIRECTORS	N R S TIMMIS J A S TIMMIS I P BOWKER
SECRETARY	I P BOWKER
AUDITORS	BDO LLP BRIDGEWATER HOUSE FINZELS REACH COUNTERSLIP BRISTOL BS1 6BX
REGISTERED OFFICE	THE ABBEY PRESTON ROAD YEOVIL SOMERSET BA20 2EN
BANKERS	NATIONAL WESTMINSTER BANK PLC 2 HENDFORD YEOVIL SOMERSET BA20 1TN
SOLICITORS	BATTENS CHURCH HOUSE YEOVIL SOMERSET BA20 1HB

**ABBAY MANOR GROUP LIMITED****REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012**

The Directors submit their Annual Report and audited consolidated financial statements for the year ended 31 December 2012

**PRINCIPAL ACTIVITIES**

The group is based in the United Kingdom and its principal activities are those of property development and management, and waste management

**REVIEW OF THE BUSINESS**

The level of development turnover fell away sharply, reflecting continued difficult market conditions, and was limited to coastal residential activity

Our policy is to continue to develop on a profitable basis, both on existing sites and newly acquired sites, and the increase in value of work-in-progress during the year reflects both construction and planning work on several sites with good prospects of future sales

The outlook for the residential market has improved in 2013 following government measures to liberalise credit and the planning system, which are likely to have a positive impact on the Group in the coming year

Our let fixed asset investment property maintained a good level of occupancy in 2012

Our waste business, YPH Waste Management, grew modestly but suffered tighter margins with the continued downturn in the construction and housebuilding industries

**PRINCIPAL RISKS AND UNCERTAINTIES**

The group's activities expose it to a number of risks including credit, liquidity and price risk. The group does not use derivative financial instruments

***Credit risk***

The group's principal financial assets are stocks and work in progress, bank balances and cash and receivables. The credit risk associated with receivables is not significant, and amounts presented in the balance sheet are net of allowances for doubtful receivables

All transactions are entered into and settled in sterling and therefore the group is not exposed to movements in foreign currencies

The credit risk on liquid funds is limited because the counterparties are banks with reasonable credit ratings

***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of medium-term and short-term debt finance. All finance is in sterling and secured, and in addition to its cash reserves it has access to £8m of bank facilities being provided on a committed basis for two years, of which £7.8m was undrawn at year end. Of the Group's land and property assets, 31% in terms of cost were pledged at year-end

***Price risk***

The group is exposed to market movements in the property & development sector, and it has sought with its considerable experience of this sector to capitalise on this. However, the group recognises the risks involved and maintains a long term strategy designed to address both positive and negative market movements

**RESULTS AND DIVIDEND**

The results for the group are shown on pages 6 – 10. Dividends of £329,143 were paid during the year

ABBAY MANOR GROUP LIMITEDREPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012DIRECTORS

The Directors of the company who served during the year are as follows

N R S Timmis

J A S Timmis

I P Bowker

STATEMENT OF MARKET VALUE OF LAND AND BUILDINGS

Freehold property included in fixed assets in the balance sheet at 31 December 2012 is at a market value of £2,060,000 (2011 £2,143,000) as estimated by the Directors. If this value were realised, a tax charge of approximately £143,000 (2011 £187,000) would crystallise.

ADDITIONS TO FIXED ASSETS

The movements in tangible fixed assets for the year are as disclosed in note 9 to the financial statements. The significant movements are assets replaced under the group's normal policy.

CHARITABLE AND POLITICAL DONATIONS

During the year the Group made donations of £14,177 to charitable organisations.

AUDITORS

BDO LLP have indicated their willingness to continue as Auditors.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

BY ORDER OF THE BOARD



I P BOWKER  
SECRETARY

DATED

23 July

2013

**ABBAY MANOR GROUP LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 group and company 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 group and of the profit or loss of the company and group for that period. In preparing these 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,
- 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ABBAY MANOR GROUP LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of Abbey Manor Group Limited for the year ended 31 December 2012 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
 SIMON BROOKER (Senior Statutory Auditor) for and on behalf of  
**BDO LLP, Statutory Auditor, Bristol, United Kingdom**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Date 23 July 2013

**ABBAY MANOR GROUP LIMITED****GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012**

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		<u>£000</u>	<u>£000</u>
<u>TURNOVER</u>	1	1,953	9,011
Changes in Work in Progress and Finished Goods		1,579	(1,076)
		<u>3,532</u>	<u>7,935</u>
Other Operating Income	2	<u>1,371</u>	<u>1,245</u>
		4,903	9,180
Materials, Sub-Contractors Charges, Land and Consumables		1,619	2,405
Other External Charges		<u>1,021</u>	<u>1,083</u>
		(2,640)	(3,488)
		<u>2,263</u>	<u>5,692</u>
Staff Costs	3	1,141	2,072
Depreciation		168	77
Other Operating Charges		<u>818</u>	<u>755</u>
		(2,127)	(2,904)
<u>OPERATING PROFIT FOR THE YEAR</u>	4	<u>136</u>	<u>2,788</u>
Interest Receivable and Similar Income		144	127
Interest Payable and Similar Charges	5	<u>(36)</u>	<u>(23)</u>
		108	104
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		<u>244</u>	<u>2,892</u>
Tax on Profit on Ordinary Activities	6	(43)	(764)
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		<u>201</u>	<u>2,128</u>
Minority Interests		<u>(4)</u>	<u>(165)</u>
<u>PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR THE FINANCIAL YEAR</u>		<u>197</u>	<u>1,963</u>

All profits arise from continuing operations

Movements in Reserves are shown in note 18

The notes on pages 14 to 30 form an integral part of these financial statements



**ABBAY MANOR GROUP LIMITED****GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b><u>2012</u></b> <b><u>£000</u></b>	<b><u>2011</u></b> <b><u>£000</u></b>
Profit for the Financial Year	197	1,963
(Deficit)/Surplus on Revaluation on Freehold and Leasehold Properties	(83)	173
Actuarial Loss in respect of the defined benefit pension scheme	(39)	(47)
Deferred tax in respect of the actuarial loss of the defined benefit pension scheme	0	2
Total Recognised Gains for the year	<u>75</u>	<u>2,091</u>

There is no difference between the reported gain on ordinary income and the historical cost equivalent

**ABBHEY MANOR GROUP LIMITED**

Company Number 131358

GROUP BALANCE SHEET31 DECEMBER 2012

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		<u>£000</u>	<u>£000</u>
<u>FIXED ASSETS</u>			
Tangible Assets	9	3,446	3,389
Investments	10	426	0
		<u>3,872</u>	<u>3,389</u>
<u>CURRENT ASSETS</u>			
Stocks and Work-in-Progress	11	16,181	14,603
Debtors	12	1,276	4,908
Investments	13	4,833	0
Cash at Bank and In Hand		<u>2,633</u>	<u>7,238</u>
		<u>24,923</u>	<u>26,749</u>
<u>CREDITORS</u>			
Amounts Falling Due Within One Year	14	<u>(1,915)</u>	<u>(3,022)</u>
<u>NET CURRENT ASSETS</u>		<u>23,008</u>	<u>23,727</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>26,880</u>	<u>27,116</u>
<u>CREDITORS</u>			
Amounts Falling Due After More Than One Year	15	(202)	(191)
Provision for Liabilities and Charges	16	<u>(76)</u>	<u>(76)</u>
<u>NET ASSETS excluding Pension Liability</u>		<u>26,602</u>	<u>26,849</u>
Pension Liability	21	(2)	(2)
<u>NET ASSETS including Pension Liability</u>		<u>26,600</u>	<u>26,847</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	17	180	180
Revaluation Reserve	18	1,558	1,641
Other Reserves	18	79	79
Profit & Loss Account	18	<u>22,985</u>	<u>23,154</u>
<u>SHAREHOLDERS' FUNDS</u>	19	<u>24,802</u>	<u>25,054</u>
MINORITY INTERESTS		1,798	1,793
<u>TOTAL CAPITAL EMPLOYED</u>		<u>26,600</u>	<u>26,847</u>

APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS


N R S TIMMIS  
DIRECTOR


DATED 23 July 2013

The notes on pages 14 to 30 form an integral part of these financial statements

**ABBHEY MANOR GROUP LIMITED**  
 Company Number 131358  
**COMPANY BALANCE SHEET**  
31 DECEMBER 2012

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		£000	£000
<u>FIXED ASSETS</u>			
Tangible Assets	9	115	130
Investments	10	<u>273</u>	<u>273</u>
		388	403
<u>CURRENT ASSETS</u>			
Stocks and Work-in-Progress	11	12,804	12,630
Debtors	12	11,714	11,280
Cash at Bank and In Hand		<u>881</u>	<u>2,665</u>
		25,399	26,575
<u>CREDITORS</u>			
Amounts Falling Due Within One Year	14	<u>(18,291)</u>	<u>(19,271)</u>
<u>NET CURRENT ASSETS</u>		<u>7,108</u>	<u>7,304</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		7,496	7,707
<u>CREDITORS</u>			
Amounts Falling Due After More Than One Year	15	(82)	(75)
Provision for Liabilities and Charges	16	(3)	(4)
<u>NET ASSETS excluding Pension Liability</u>		<u>7,411</u>	<u>7,628</u>
Pension Liability	21	(2)	(2)
<u>NET ASSETS including Pension Liability</u>		<u>7,409</u>	<u>7,626</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	17	180	180
Revaluation Reserve	18	0	0
Other Reserves	18	67	67
Profit & Loss Account	18	7,162	7,379
<u>SHAREHOLDERS' FUNDS</u>	19	<u>7,409</u>	<u>7,626</u>

APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS



N R S TIMMIS  
 DIRECTOR

DATED 23 JULY 2013

The notes on pages 14 to 30 form an integral part of these financial statements

**ABBHEY MANOR GROUP LIMITED****GROUP CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<u>Note</u>	<u>2012</u> £000	<u>2011</u> £000
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	20(a)	1,493	7,379
<u>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</u>	20(b)	88	41
<u>TAXATION</u>		(320)	(1,285)
<u>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS</u>	20(b)	(5,554)	(1,007)
<u>ACQUISITIONS AND DISPOSALS</u>	20(b)	0	0
<u>EQUITY DIVIDENDS PAID</u>		(329)	(459)
Cash Inflow Before Use of Liquid Resources and Financing		<u>(4,622)</u>	<u>4,669</u>
<u>FINANCING</u>			
Issue of shares		0	0
Increase/(Decrease) in Debt		<u>11</u>	<u>(11)</u>
		11	(11)
<u>(DECREASE)/INCREASE IN CASH IN PERIOD</u>		<u>(4,611)</u>	<u>4,658</u>
<u>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH</u>	20(c)		
(Decrease)/Increase in Cash in the Period		(4,611)	4,658
Cash (Inflow)/Outflow from Decrease in Lease Financing and Borrowings		(11)	11
Movement in Cash in the Period		<u>(4,622)</u>	<u>4,669</u>
Net Cash at 1 January		6,601	1,932
<u>NET CASH AT 31 DECEMBER</u>	20(c)	<u>1,979</u>	<u>6,601</u>

**ABBAY MANOR GROUP LIMITED****ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2012****a ACCOUNTING CONVENTION**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention as modified to include the revaluation of certain land and buildings

**b GOING CONCERN**

In considering the ability of the group to continue to trade as a going concern, the directors prepare rolling 12 month profit and cashflow forecasts that take account of all major inflows and outflows and any reasonably foreseeable impacts of the current economic situation. At the year-end the group had £7.4m in short dated gilts and on deposit with banks, no bank borrowings and its projections show growing cash reserves over the next 12 months. In addition, the group has access to committed bank facilities of £8m which will further enable it to take advantage of investment and development opportunities as they arise.

As a result the directors have a reasonable expectation that the group will continue to meet its obligations as they fall due and accordingly have continued to prepare the accounts on the going concern basis.

**c BASIS OF CONSOLIDATION**

The Group Financial Statements consolidate the accounts of Abbey Manor Group Limited and its subsidiary companies made up to 31 December each year. No Profit and Loss Account is presented for Abbey Manor Group Limited, as permitted by Section 408 of the Companies Act 2006.

**d TURNOVER**

Turnover represents the amount of sales and work invoiced, including rents collected on properties held for re-sale, excluding Value Added Tax and work in progress. Sales of development property and properties held for re-sale are accounted for at completion. Rent and other income received in respect of properties held for re-sale is included in turnover on a straight line basis over rent review periods.

Contract work in progress is recorded in turnover by reference to the stage of completion based on the value of work carried out to date. No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty.

**e INVESTMENT PROPERTIES**

It is the Group's policy to revalue freehold and leasehold investment properties to their open market value with vacant possession at the year end in accordance with Statement of Standard Accounting Practice Number 19.

No depreciation is provided in respect of the group's investment properties. Although the Companies Act 2006 requires the depreciation of fixed assets, it is believed that the policy of not providing depreciation is necessary in order for the financial statements to show a true and fair view as market valuation is more relevant than a measure of consumption in regard to these assets.

**f FIXED ASSET INVESTMENTS**

Fixed Asset Investments are stated at cost less any provision for impairment.

**ABBAY MANOR GROUP LIMITED****ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2012****g DEPRECIATION**

Depreciation is calculated to write off the cost of the assets, less their estimated residual value, over their estimated useful lives

The main rates and methods of depreciation are

Motor Cars	-	25% straight line
Other Motor Vehicles, Plant, Equipment,	-	At varying rates of between 5% and
Office Furniture, Fittings and Equipment		33 3% straight line

Freehold land has not been depreciated. Freehold property used for the Group's own purposes has been depreciated at a rate of 2% pa

**h STOCKS AND WORK-IN-PROGRESS****Stocks**

- i) The stocks of materials, fuel and lubricants are valued at the lower of cost and net realisable value. Cost comprises the cost of materials on a first in, first out basis, and is arrived at by taking manufacturers' list prices less the trade discounts available
- ii) Undeveloped land and buildings, where no planning application has been made, are valued at the lower of cost and the estimated net realisable value for each individual holding
- iii) Completed houses and commercial buildings are valued, at the lower of cost and valuation on the basis of net realisable value, subject to existing tenancies

**Work-in-Progress**

- i) Work-in-progress in respect of construction and building contracts is stated at cost of labour, materials and subcontractors charges plus attributable overheads, less foreseeable losses
- ii) Work in progress in respect of speculative trading and civil engineering is valued at the lower of cost and net realisable value. Cost comprises the cost attributable to the land, including expenditure on roadways and houses under construction
- iii) Long-term contracts in respect of buildings under construction are assessed on a contract-by-contract basis. These represent costs incurred, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover

**Revenue Grants**

Revenue grants are matched against the related revenue income and expenditure. Where costs are carried forward in short-term work in progress, revenue grants are deducted from the value of that work in progress

**i DEFERRED TAXATION**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

**ABBAY MANOR GROUP LIMITED****ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2012****j LEASING AND HIRE PURCHASE COMMITMENTS**

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives

The interest element of the rental obligation is charged to the Profit and Loss Account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease

**k PENSIONS**

The Group operates a defined contribution pension scheme, which includes a defined benefit element (see note 21) The assets of the scheme are held separately from those of the Group, in an independently administered fund

Contributions are charged to the Profit and Loss Account as they become payable in accordance with the rules of the scheme

**ABBAY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20121 TURNOVER

The Directors are of the opinion that the Group carries on three classes of business, all of which are performed in the United Kingdom

	<u>2012</u> <u>£000</u>	<u>2011</u> <u>£000</u>
Sales of development properties	203	7,346
Rents receivable on investment properties	245	227
Waste Management	1,505	1,438
	<u>1,953</u>	<u>9,011</u>

2 OTHER OPERATING INCOME

Rental Income	775	779
Management Fees	201	201
Sundry Income	395	265
	<u>1,371</u>	<u>1,245</u>

3a) STAFF COSTS

Wages and Salaries	936	1,599
Social Security Costs	110	187
Group Pension Scheme Contributions – Defined Contribution Scheme	95	286
	<u>1,141</u>	<u>2,072</u>

The average monthly number of employees during the year was made up as follows

	<u>2012</u> <u>No</u>	<u>2011</u> <u>No</u>
Productive	16	15
Service, Administrative and Directors	16	16
	<u>32</u>	<u>31</u>



**ABBAY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

3b)	<b><u>DIRECTORS' REMUNERATION</u></b>	<b><u>2012</u></b> <b><u>£000</u></b>	<b><u>2011</u></b> <b><u>£000</u></b>
	Other Emoluments and Benefits	365	962
	Compensation for loss of office	0	97
	Pension Costs – Defined Contribution Scheme	80	253
		<u>445</u>	<u>1,312</u>
	The amounts in respect of the highest paid director are as follows		
	Emoluments	<u>162</u>	<u>277</u>
	Company contributions paid to money purchase schemes	<u>80</u>	<u>180</u>
	Number of Directors Accruing Retirement Benefits	<u>2</u>	<u>3</u>
4	<b><u>OPERATING PROFIT</u></b>	<b><u>2012</u></b> <b><u>£000</u></b>	<b><u>2011</u></b> <b><u>£000</u></b>
	The operating profit is stated after charging		
	Fees payable to the company's auditor for the audit of the company's annual accounts	12	12
	The audit of the company's subsidiaries pursuant to legislation	10	10
	Tax Services	7	6
	Profit/(Loss) on disposal of assets	12	10
	Operating Lease Charges		
	Plant and Machinery		0
	Other Assets	239	241
	Depreciation		
	Owned Assets	<u>168</u>	<u>77</u>
5	<b><u>INTEREST PAYABLE AND SIMILAR CHARGES</u></b>		
	Borrowings wholly repayable within five years		
	Bank Overdraft	0	1
	Preference share dividend	21	21
	Other Interest Payable	15	1
		<u>36</u>	<u>23</u>

**ABBAY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20126 TAX ON PROFIT ON ORDINARY ACTIVITIES

a)	<u>2012</u> £000	<u>2011</u> £000
Current Tax		
Based on profit for the year		
UK corporation tax at 24% (2011 26%)	48	729
Adjustment to previous years	<u>(5)</u>	<u>(3)</u>
Total current tax	43	726
Deferred Tax		
(Decrease)/Increase in deferred tax provision		
Capital allowances	0	38
Tax on profit on ordinary activities	<u>43</u>	<u>764</u>

## b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)

Profit on ordinary activities before taxation	244	2,892
Profit on ordinary activities multiplied by 24.5% (2011 26.5%)	60	767
Investment write-down	0	0
Tax losses utilised	0	0
Tax losses not utilised	0	3
Under/(Over) provisions in previous years	(5)	(3)
Disallowed expenses	(3)	7
Pension Scheme Notional Entries	0	(1)
Land Remediation Relief	0	0
Marginal Relief	(6)	0
Depreciation Over/(Under) Capital Allowances	<u>(3)</u>	<u>(47)</u>
Total current tax (note 6a)	<u>43</u>	<u>726</u>

7 DIVIDENDS

Ordinary dividend paid	<u>329</u>	<u>459</u>
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8 PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

The profit dealt with in the financial statements of the holding company was	<u>151</u>	<u>935</u>
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**ABBHEY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 20129 TANGIBLE FIXED ASSETSa) *The Group*

	<u>Investment Properties</u> £000	<u>Freehold and Long Leasehold Property</u> £000	<u>Leasehold Improvements</u> £000	<u>Plant, Equipment and Motor Vehicles</u> £000	<u>Total</u> £000
Cost or Valuation					
As at 1 January 2012	2,143	224	271	1,830	4,468
Additions	0	0	1	314	315
Disposals	0	0	0	(37)	(37)
Reclassification	0	0	0	0	0
Revaluation	(83)	0	0	0	(83)
As at 31 December 2012	<u>2,060</u>	<u>224</u>	<u>272</u>	<u>2,107</u>	<u>4,663</u>
Accumulated Depreciation					
As at 1 January 2012	0	26	2	1,051	1,079
Amounts Provided	0	0	11	157	168
Disposals	0	0	0	(30)	(30)
As at 31 December 2012	<u>0</u>	<u>26</u>	<u>13</u>	<u>1,178</u>	<u>1,217</u>
Net Book Values					
As at 31 December 2012	<u>2,060</u>	<u>198</u>	<u>259</u>	<u>929</u>	<u>3,446</u>
As at 31 December 2011	<u>2,143</u>	<u>198</u>	<u>269</u>	<u>779</u>	<u>3,389</u>

b) *The Company*

	<u>Investment Properties</u> £000	<u>Long Leasehold Property</u> £000	<u>Leasehold Improvements</u> £000	<u>Plant, Equipment and Motor Vehicles</u> £000	<u>Total</u> £000
Cost or Valuation					
As at 1 January 2012	0	26	58	446	530
Additions	0	0	1	6	7
Disposals	0	0	0	(1)	(1)
Revaluation	0	0	0	0	0
As at 31 December 2012	<u>0</u>	<u>26</u>	<u>59</u>	<u>451</u>	<u>536</u>
Accumulated Depreciation					
As at 1 January 2012	0	26	2	372	400
Amounts Provided	0	0	1	21	22
Disposals	0	0	0	(1)	(1)
As at 31 December 2012	<u>0</u>	<u>26</u>	<u>3</u>	<u>392</u>	<u>421</u>
Net Book Values					
As at 31 December 2012	<u>0</u>	<u>0</u>	<u>56</u>	<u>59</u>	<u>115</u>
As at 31 December 2011	<u>0</u>	<u>0</u>	<u>56</u>	<u>74</u>	<u>130</u>

**ABBAY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Investment properties were valued by J A S Timmis, a Director of this Company and a member of the Royal Institution of Chartered Surveyors, on the basis of open market value at the year end

The comparable historical cost of these assets is £634,000, their accumulated depreciation had it been charged £307,000 and historical net book value £327,000. If the market value of these assets were realised a tax charge of £143,000 would arise accordingly

**10 INVESTMENTS**

<i>The Company</i>	<b><u>2012</u></b> <b>£000</b>	<b><u>2011</u></b> <b>£000</b>
Shares in Subsidiaries at Cost		
As at 1 January	273	273
Amounts previously provided, written off during the year	0	0
Amounts Provided		
As at 1 January	0	0
Written off during the year	0	0
	<u>0</u>	<u>0</u>
As at 31 December	<u>273</u>	<u>273</u>

The Group holds more than 10% of the equity in the following companies

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Class of Shares</u>	<u>Proportion Held</u>	<u>Nature of Business</u>
Abbey Manor Homes Limited	England	Ordinary	91%	Residential Property Development
Abbey Manor Property Holdings Limited	England	Ordinary	100%	Property Letting and Management
Cattedown Regeneration Limited	England	Ordinary	60%	Commercial Property Development
YPH Waste Management Limited	England	Ordinary	91%	Waste Management
Abbey Manor Capital Partners Limited	England	Ordinary	100%	Commercial Property Development
Abbey Manor Pension Trustees Limited	England	Ordinary	100%	Pension Fund Administration
Sparrow & Newman Limited	England	Ordinary	100%	Dormant
Abbey Manor Developments (Western) Limited	England	Ordinary	100%	Commercial Property Development
F R Bartlett Limited	England	Ordinary	100%	Dormant

**ABBAY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

All of the above subsidiary undertakings have financial years ending on 31 December, with the exception of Abbey Manor Developments (Western) Limited, which has a financial year end of 30 November, and Cattedown Regeneration Limited, which has a financial year end of 30 June for historical purposes

*The Group*

## Loan to an External Party at Cost

	<b>£000</b>
Cost	
As at 1 January 2012	0
Additions	426
Disposals	0
Amortisation of costs	0
As at 31 December 2012	<u>426</u>

The fixed asset investment represents a loan to an external party. The available loan facility of £800,000, which is not fully drawn at the year-end, is available for a period of thirty one months ending 1 July 2015. £6,000 of related costs have been borne by the company and are included as part of the cost of the investment. The costs are being amortised over the period of the loan.

**ABBAY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012****11 STOCKS AND WORK IN PROGRESS**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Work in Progress:</b>				
Net Cost Less Foreseeable Losses	14,032	12,454	11,053	10,879
	<u>14,032</u>	<u>12,454</u>	<u>11,053</u>	<u>10,879</u>
<b>Stocks</b>				
Land and Buildings	2,149	2,149	1,751	1,751
Materials and Consumables	0	0	0	0
Other Stocks	0	0	0	0
	<u>2,149</u>	<u>2,149</u>	<u>1,751</u>	<u>1,751</u>
	<u>16,181</u>	<u>14,603</u>	<u>12,804</u>	<u>12,630</u>

**12 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade Debtors	637	491	180	133
Amounts Due from Group Undertakings	0	0	11,328	7,088
Corporation Tax	0	0	0	0
Other Taxes and Social Security Costs	0	0	0	0
Amounts Due from Related Companies	354	3,641	3	3,295
Other Debtors	214	708	149	708
Prepayments	71	68	54	56
	<u>1,276</u>	<u>4,908</u>	<u>11,714</u>	<u>11,280</u>

All amounts shown under debtors fall due for payment within one year

**13 CURRENT ASSET INVESTMENTS**

	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
Gilt edged securities	<u>4,833</u>	<u>0</u>

Gilts were purchased by a subsidiary during the year in order to preserve the Group's cash holding at a time when bank deposits were considered to be risky  
The market value of the gilts is not considered to be different from cost

**ABBAY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 201214 CREDITORSAmounts Falling Due Within One Year

	<u>Group</u>		<u>Company</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Bank Overdrafts	94	88	0	0
Loans	0	0	0	0
Shares classed as financial liabilities	358	358	358	358
Corporation Tax	14	579	1	0
Other Taxes and Social Security Costs	61	21	32	19
Trade Creditors	519	492	97	86
Payments on account	0	0	0	0
Amounts Due to Group Undertakings	0	0	17,352	18,142
Amounts Due to Related Companies	14	0	14	0
Other Creditors	64	57	40	43
Accruals	791	1,427	397	623
	<u>1,915</u>	<u>3,022</u>	<u>18,291</u>	<u>19,271</u>

Bank overdrafts and loans are secured by mortgages on certain freehold properties, a floating charge over all other assets of one subsidiary and an unlimited guarantee by subsidiary companies

15 CREDITORSAmounts Falling Due After More Than One Year

	<u>Group</u>		<u>Company</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Loan	0	0	0	0
Sinking and Building Funds	202	191	82	75
	<u>202</u>	<u>191</u>	<u>82</u>	<u>75</u>

The above undrawn loan refers to a 10 year facility to 2015, committed for two years on an annual rolling basis, provided by Lloyds Bank plc at a rate of bank base plus 2%. The sinking funds are provided by tenants for future expenditure on buildings, the timing of which is not known but which is not expected to be within the next 12 months

**ABBAY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**16 **PROVISIONS FOR LIABILITIES AND CHARGES**

<b>Group</b>	<b>Deferred Taxation £000</b>	<b>Other £000</b>	<b>Total £000</b>
Balance at 1 January 2012	76	0	76
Released/Utilised in the Year	0	0	0
Arising in the Year	0	0	0
Balance at 31 December 2012	<u>76</u>	<u>0</u>	<u>76</u>

The full potential deferred tax liability is as follows -

## a) The Group -

	<b>Provided</b>		<b>Not Provided</b>	
	<b>2012 £000</b>	<b>2011 £000</b>	<b>2012 £000</b>	<b>2011 £000</b>
Capital Allowances in Advance of Depreciation	76	76	0	0
Capitalised Finance Leases	0	0	0	0
Other Timing Differences	0	0	(1)	0
	<u>76</u>	<u>76</u>	<u>(1)</u>	<u>0</u>
Less Tax Losses	0	0	0	0
	<u>76</u>	<u>76</u>	<u>(1)</u>	<u>0</u>
Tax on Revaluation Surplus	0	0	143	187
	<u>76</u>	<u>76</u>	<u>142</u>	<u>187</u>

## b) The Company -

Capital Allowances in Advance of Depreciation	3	4	0	0
Capitalised Finance Leases	0	0	0	0
Other Timing Differences	0	0	0	0
	<u>3</u>	<u>4</u>	<u>0</u>	<u>0</u>
Less Tax Losses	0	0	0	0
	<u>3</u>	<u>4</u>	<u>0</u>	<u>0</u>
Tax on Revaluation Surplus	0	0	0	0
	<u>3</u>	<u>4</u>	<u>0</u>	<u>0</u>



**ABBAY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

17 <u>CALLED UP SHARE CAPITAL</u>	<u>2012</u> <u>£000</u>	<u>2011</u> <u>£000</u>
<i>Authorised</i>		
Equity		
500,000 'A' Ordinary Shares of £1 Each	500	500
500,000 'B' Ordinary Shares of £1 Each	500	500
	<u>1,000</u>	<u>1,000</u>
Non-equity		
358,000 Preference Shares of £1 Each	<u>358</u>	<u>358</u>
 <i>Allotted, Called Up and Fully Paid</i>		
Equity		
90,100 'A' Ordinary Shares of £1 Each	90	90
90,100 'B' Ordinary Shares of £1 Each	90	90
	<u>180</u>	<u>180</u>
Non-equity		
Shares classed as financial liabilities	<u>358</u>	<u>358</u>
	<u>538</u>	<u>538</u>

SUMMARY OF RIGHTS OF DIFFERENT CLASSES OF ORDINARY SHARES

- i) Voting      The 'A' Ordinary Shares carry full voting rights, the 'B' Ordinary Shares carry no voting rights
- ii) Dividends      The holders of the 'A' Ordinary Shares have the right to receive in full any dividend paid by the company up to £125,000 as adjusted for movements in the RPI since December 1990. Half of any dividend paid in excess of this amount is paid to the holders of 'B' Ordinary Shares
- iii) Winding Up      Upon a winding up the surplus of assets shall be distributed in the following order of priority
  - a) Repayment of Capital to 'A' Shareholders
  - b) Repayment of Capital to 'B' Shareholders
  - c) Repayment of Balance of 'A' Reserve to 'A' Shareholders
  - d) Repayment of Balance of 'B' Reserve to 'B' Shareholders
  - e) Repayment of Retained Profit to 31 December 1990 to 'A' Shareholders
  - f) Any remaining balance to 'B' Shareholders

PREFERENCE SHARES

The cumulative preference shares carry a dividend of 6% per annum, payable annually within one month of the date of the directors' approval of the financial statements. Each year, within one month of the accounts being signed, either the shareholder or the company can redeem any or all of the shares providing the company has sufficient cash and distributable reserves.

**ABBAY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**18 **RESERVES**

	<b>Non Distributable</b>			<b>Distributable Profit and Loss Account</b>	
	<b>Redemption Reserve</b>	<b>Capital Reserve</b>	<b>Revaluation Reserve</b>	<b>Reserves</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
a) <i>The Group</i>					
As at 1 January 2012	10	69	1,641	23,154	24,874
Profit for the Year	-	-	-	197	197
Dividends	-	-	-	(329)	(329)
Deficit on Revaluation of Properties	-	-	(83)	-	(83)
Amounts included in the STRGL	-	-	-	(39)	(39)
Other adjustments	-	-	-	2	2
As at 31 December 2012	10	69	1,558	22,985	24,622

	<b>Redemption Reserve</b>	<b>Capital Reserve</b>	<b>Revaluation Reserve</b>	<b>A Reserve</b>	<b>B Reserve</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	b) <i>The Company</i>					
As at 1 January 2012	10	57	0	6,723	656	7,446
Profit for the Year	-	-	-	151	0	151
Dividends	-	-	-	(280)	(49)	(329)
Surplus on Revaluation of Properties	-	-	-	-	-	0
Amounts included in the STRGL	-	-	-	(39)	-	(39)
As at 31 December 2012	10	57	0	6,555	607	7,229

The capital reserve arises from profit on disposal of freehold properties, profit on liquidation of a subsidiary company, and profit on purchase of a minority interest in a subsidiary company. The revaluation surplus arises on the Directors' revaluation of the group's investment properties.

19 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Profit/(Loss) for the Financial Year representing a net addition/(reduction) to shareholders' funds	197	1,963	151	934
Increase/(Decrease) in Other Reserves	(81)	172	0	0
Amounts included in the STRGL	(39)	(45)	(39)	(45)
Dividend paid	(329)	(459)	(329)	(459)
Net addition/(reduction) to Shareholders' Funds	(252)	1,631	(217)	430
Opening Shareholders' Funds	25,054	23,423	7,626	7,196
Closing Shareholders' Funds	24,802	25,054	7,409	7,626

**ABBAY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 201220 CASH FLOW STATEMENTa) **Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities**

	<u>2012</u> £000	<u>2011</u> £000
Operating Profit	136	2,788
Depreciation Charges	168	77
(Increase)/Decrease in Stocks and Work in Progress	(1,578)	1,076
Decrease in Debtors	3,377	5,439
Decrease in Creditors	(610)	(1,993)
Adjustment for pension funding	0	(8)
	<u>1,493</u>	<u>7,379</u>

b) **Analysis of Cash Flows for Headings Netted in the Cash Flow Statement:-**

	<u>2012</u> £000	<u>2011</u> £000
<b>Returns on Investments and Servicing of Finance</b>		
Interest Received	111	79
Interest Paid	(23)	(38)
Interest Element of Finance Lease Rentals	0	0
Dividends Paid to Minority Shareholders in Subsidiary Undertakings	0	0
Shares purchased from Minority Shareholders	0	0
<b>Net Cash Inflow for Returns on Investments and Servicing of Finance</b>	<u>88</u>	<u>41</u>
<b>Capital Expenditure and Financial Investment:</b>		
Sale of Property, Plant or Equipment	20	26
Purchase of Property, Plant or Equipment	(315)	(1,033)
Purchase of Current Asset Investment	(4,833)	0
Grant of external party loan	(426)	0
<b>Net Cash Outflow for Capital Expenditure and Financial Investment</b>	<u>(5,554)</u>	<u>(1,007)</u>
<b>Acquisitions and Disposals</b>		
Purchase of Subsidiary	0	0
Cash acquired with Subsidiary	0	0
	<u>0</u>	<u>0</u>

**ABBAY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

b)	cont	<b>2012</b>	<b>2011</b>
		<b>£000</b>	<b>£000</b>

**Financing**

Debt Due within One Year Increase/(Decrease) in Short Term Borrowings	0	0
Debt Due after One Year Increase/(Decrease) in Long Term Borrowings	0	0
Sinking and Building Fund Transfers	11	(11)
<b>Net Cash Inflow/(Outflow) from Financing</b>	<b>11</b>	<b>(11)</b>

c) **Analysis of Cash/(Net Debt)**

	<b>At 1 January 2012</b>	<b>Cash Flow</b>	<b>At 31 December 2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash in Hand and at Bank	7,238	(4,605)	2,633
Overdrafts	(88)	(6)	(94)
		(4,611)	
Finance Leases	0	0	0
Debt Due Within One Year	(358)	0	(358)
Debt Due After More Than One Year	0	0	0
Sinking and Building Funds	(191)	(11)	(202)
		(11)	
	<b>6,601</b>	<b>(4,622)</b>	<b>1,979</b>

**ABBHEY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 201221 PENSIONS AND OTHER POST RETIREMENT BENEFITS

The Group sponsors the Abbey Manor Group Pension Scheme, which is a defined benefit scheme. The latest full actuarial valuation of the scheme was carried out by a qualified independent actuary as at 1 August 2009 and updated on an approximate basis to 31 December 2012.

The contributions made by the employer including expenses over the last financial year have been £40,000, equivalent to contributions excluding expenses of £3,360 per month. This contribution rate has been reviewed following the triennial valuation of the scheme as at 1 August 2009. The group's best estimate of the contributions to be paid in the year beginning on 1 January 2013 is £41,000.

The scheme is now closed to new employees.

The amount recognised in the profit and loss account are as follows:

	<u>2012</u> £000	<u>2011</u> £000
Amounts charged to operating profit/(loss)		
Current service cost	0	0
Losses on settlements and curtailments	0	0
Total operating charge	0	0
Amounts charged to operating profit/(loss)		
Expected return on scheme assets	17	29
Interest on scheme liabilities	(18)	(28)
Other finance (income)/expense	<u>(1)</u>	<u>1</u>
Actual return on scheme assets	<u>18</u>	<u>19</u>

Other finance (income)/expense is included in the profit and loss account within interest payable and similar charges.

Actuarial losses of £39,000 (2011: £47,000) have been recognised in the statement of total recognised gains and losses. At 31 December 2012 the cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses is £423,000 (2011: £384,000).

The amounts recognised in the balance sheet are as follows:

	<u>2012</u> £000	<u>2011</u> £000
Present value of funded obligations	(247)	(568)
Fair value of scheme assets	<u>244</u>	<u>565</u>
Related deferred tax asset/(liability)	<u>(3)</u>	<u>(3)</u>
Net pension (liability)/asset	<u>1</u>	<u>1</u>
	<u>(2)</u>	<u>(2)</u>

**ABBAY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

Changes in the present value of the defined benefit obligation scheme are as follows

	<b><u>2012</u></b> <b>£000</b>	<b><u>2011</u></b> <b>£000</b>
Opening defined benefit obligation	568	538
Benefits paid	(379)	(35)
Interest on scheme liabilities	18	28
Actuarial loss	40	37
Closing defined benefit obligation	<u>247</u>	<u>568</u>

Changes in the fair value of scheme assets are as follows

Opening fair value of scheme assets	565	542
Expected return on scheme assets	17	29
Benefits paid	(379)	(35)
Contributions by the Employer	40	39
Actuarial gain/(loss)	1	(10)
Closing fair value of scheme assets	<u>244</u>	<u>565</u>

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows

	<b>Expected return</b>		<b>Fair value of assets</b>	
	<b><u>2012</u></b> %	<b><u>2011</u></b> %	<b><u>2012</u></b> £000	<b><u>2011</u></b> £000
Equities	6.3%	6.5%	43	159
Bonds	3.4%	3.6%	138	334
Other assets	1.8%	2.0%	63	72
Fair value of scheme assets	3.5%	4.2%	<u>244</u>	<u>565</u>

The expected returns on scheme assets are estimates of market expectations at the beginning of the period for returns over the entire life of the benefit obligation

The principal actuarial assumptions as at the balance sheet date were

	<b><u>2012</u></b> %	<b><u>2011</u></b> %
Discount rate	4.5%	4.7%
Rate of increase in pensions in payments	2.0%	1.7%
Proportion of employees opting for early retirement	0%	0%
Inflation - CPI	2.0%	1.7%
Inflation - RPI	3.0%	2.7%

**ABBEY MANOR GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

Amounts for the current and previous four periods are as follows

	<u>2012</u> £000	<u>2011</u> £000	<u>2010</u> £000	<u>2009</u> £000	<u>2008</u> £000
Defined benefit obligation	247	568	538	623	563
Fair value of scheme assets	244	565	542	578	547
Surplus/(Deficit) in the scheme	<u>(3)</u>	<u>(3)</u>	<u>4</u>	<u>(45)</u>	<u>(16)</u>
Experience adjustments on scheme assets	<u>1</u>	<u>(10)</u>	<u>36</u>	<u>26</u>	<u>(138)</u>
Experience adjustments on scheme liabilities	<u>(12)</u>	<u>20</u>	<u>5</u>	<u>22</u>	<u>(8)</u>

## 22 OPERATING LEASE COMMITMENTS

There are annual commitments under operating leases that expire

	<u>Group</u>		<u>Company</u>	
	<u>2012</u> £000	<u>2011</u> £000	<u>2012</u> £000	<u>2011</u> £000
<b>Land and Buildings</b>				
Within One Year	0	0	0	0
Within Two to Five Years	0	0	0	0
After Five Years	240	234	200	200
	<u>240</u>	<u>234</u>	<u>200</u>	<u>200</u>

## 23 CAPITAL COMMITMENTS

Capital commitments contracted for but not provided for at 31 December 2012 were £Nil (2011 £48,351) for the Group, and £Nil (2011 £Nil) for the company and no capital expenditure had been authorised by the Directors which had not been contracted for (2011 £Nil)

## 24 CONTINGENT LIABILITIES

There are contingent liabilities as follows

- a) Performance and cash bonds in favour of the Group's bankers in connection with the construction and acquisition of properties by the Group and amounting to £128,442 (2011 £128,442)
- b) There is a cross corporate guarantee for all Natwest Bank plc accounts between the company and fellow subsidiaries. At 31 December 2012, the amount owed by the group under the terms of the guarantee was £Nil (2011 - £Nil)

**ABBEY MANOR GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 201225 RELATED PARTIES

The following companies are related parties by virtue of N R S Timmis being a Director and major shareholder of those companies

Abbotsdale Homes Limited  
Abbey Manor Developments Limited

Trading during the year and balances at the year end were as follows

Sales of Goods and Services by the Group in the ordinary course of business to

	<b>2012</b>	<b>2011</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Abbotsdale Homes Limited	62	66
Abbey Manor Developments Limited	172	115
	<u>234</u>	<u>181</u>

Purchases of Goods and Services by the Group in the ordinary course of business from

	<b>2012</b>	<b>2011</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>
Abbey Manor Developments Limited	<u>45</u>	<u>230</u>

Balances at the year-end in

Trade Debtors (Note 12)		
Abbey Manor Developments Limited	36	0
Abbotsdale Homes Limited	<u>17</u>	<u>0</u>

Amounts Due from Related Companies & Other Debtors (Note 12)

Abbey Manor Developments Limited	<u>446</u>	<u>3,771</u>
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Amounts Due to Related Companies & Accruals ( Note 13)

Abbey Manor Developments Limited	<u>28</u>	<u>0</u>
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As well as trading movements, transactions also take place between group and associated companies which are in the nature of funding arrangements, thus giving rise to the inter-company balances shown

Interest is charged on balances between the Group and the above companies at rates of between bank base plus 1.25% and 1.5%. Included in the balances above are amounts of interest receivable accrued of £92,754 (2011 - £130,092) and interest payable of £13,596 (2011 - £Nil)

Advantage has been taken of the FRS8 exemption from disclosure of intra-group transactions with wholly owned subsidiaries

Rent is payable by Abbey Manor Group Limited to the Abbeygate Executive Pension Trust for the lease of the Abbey Manor Business Centre at a rate of £200,000 pa (2011 - £200,000)

Rent prepaid at the year-end was £Nil (2011 - £Nil)