

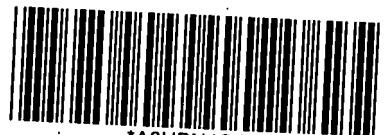
Registered number
617406

Abbey Metal Finishing Company Ltd

Annual report and financial statements

31 December 2013

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Abbey Metal Finishing Company Ltd
Annual report and financial statements
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Abbey Metal Finishing Company Ltd
Company Information

Directors during the year, and up to the date of signing the financial statements

P. Bennett

C. Ames

G. R. Vaughan (appointed 7 March 2014)

Company Secretary

J Morton

Principal place of business

Unit 2, Dodwells Bridge Industrial Estate

Hinckley

West Midlands

LE10 3BZ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cornwall Court

19 Cornwall Street

Birmingham

B3 2DT

Registered office

Linton Park

Linton

Near Maidstone

Kent ME17 4AB

Registered number

617406

Abbey Metal Finishing Company Ltd
Strategic report for the year ended 31 December 2013

Principal activities

The company trades as metal finishers.

Business review and future developments

The company continues to operate as a trading company. The results for the year and the financial position of the company are as shown in the annexed financial statements.

Key performance indicator

The directors consider the performance measurement of EBITDA, which is set out in the table below, to be the most appropriate

	2013	2012
	£	£
EBITDA	<u>(840,752)</u>	<u>635,959</u>

Principal risks and uncertainties

These are set out in Note 23 to these financial statements

Operational risk management

A significant downturn in the aerospace industry, which is the sector in which the majority of the company's customers operate, would have an adverse effect on financial performance. The company is represented on a number of trade bodies in the aerospace sector, and monitors developments in the sector on a regular basis.

This report was approved by the board on 11th September 2014.



P Bennett
Director

Abbey Metal Finishing Company Ltd
Directors' report for the year ended 31st December 2013.

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2013. The registration number of the company is 617406.

Future developments

The company will continue to trade as metal finishers.

Results and dividends

The loss for the financial year is £1,297,195 (2012: profit of £18,624). The directors have not paid a dividend for the year (2012:£Nil).

The directors have given due consideration to all the relevant circumstances, and, notwithstanding that the company had net current liabilities, have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future, and therefore have concluded that the going concern basis is appropriate for the preparation of the accounts for the year ended 31st December 2013.

The directors of the company are listed on page 2, and there were no changes to the directors during the year .

Principal risks and uncertainties

The company is dependent , for a significant portion of its revenue, on the aerospace industry, and a downturn in this sector would have an impact on turnover and profitability. Some of the processes used by the company require high standards of health and safety and environmental management; failure to maintain these standards could give rise to accidents or environmental damage. The company is a wholly owned subsidiary of Camellia plc. As such, all relevant risks and performance reporting through key performance indicators is available within the annual report of Camellia plc.

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. Given the size of the company, the directors have not delegated the responsibility for monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit.

Liquidity Risk

The company has access to banking facilities and inter-company funding so as to ensure that it has sufficient funds available to operate.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and accounting estimates that are reasonable and prudent;
- * state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- * 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved:

- (a) So far as the the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


Charitable contributions

During the year the company made no charitable donations (2012: £nil).

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

This report was approved by the board on 11th September 2014



J Morton
Secretary

Independent auditors' report to the members of Abbey Metal Finishing Company Ltd.

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Abbey Metal Finishing Company Ltd, comprise:

- the Balance sheet as at 31 December 2013;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
26 September 2014

Abbey Metal Finishing Company Ltd
Statement of Comprehensive Income
for the year ended 31 December 2013

	Note	2013 £	2012 £
Revenue	2	2,513,729	2,095,968
Cost of sales		<u>(2,252,153)</u>	<u>(1,907,312)</u>
Gross profit		261,576	188,656
Administrative expenses		(2,273,465)	(1,900,176)
Other operating income	4	600,000	1,789,896
Loss on disposal of property, plant and equipment		(10,688)	-
Finance income	5	15,809	1,668
Finance costs	6	(19,292)	-
(Loss)/profit before income tax	3	<u>(1,426,060)</u>	<u>80,044</u>
Income tax expense	7	128,865	(61,420)
(Loss)/profit for the year attributable to owners of the parent		<u>(1,297,195)</u>	<u>18,624</u>
Total comprehensive (expense)/ income for the year		<u>(1,297,195)</u>	<u>18,624</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

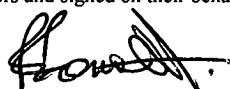
The notes on pages 10 to 22 form an integral part of these financial statements.

Abbey Metal Finishing Company Ltd
Balance Sheet
as 31 December 2013

	Notes	2013 £	2012 £
Non-current assets			
Property, plant and equipment	11	7,029,026	7,221,633
Investment in subsidiary undertaking	14	27,602	-
Trade and other receivables	15	1,296,443	-
Total non-current assets		8,353,071	7,221,633
Current assets			
Inventories	12	196,863	210,606
Trade and other receivables	15	702,472	527,853
Cash and cash equivalents	16	168,222	1,328,822
Total current assets		1,067,557	2,067,281
Current liabilities			
Trade and other payables	17	(716,403)	(1,259,296)
Provisions	19	-	(206,289)
Current income tax group relief		(266,501)	(266,501)
Total current liabilities		(982,904)	(1,732,086)
Net current assets		84,653	335,195
Total assets less current liabilities		8,437,724	7,556,828
Non-current liabilities			
Amounts due to group undertakings	18	(2,306,956)	-
Deferred income tax liability	19	-	(128,865)
Total non-current liabilities		(2,306,956)	(128,865)
Net assets		6,130,768	7,427,963
Equity			
Share Capital	20	1,000,200	1,000,200
Retained earnings	22	5,054,717	6,351,912
Other reserves		75,851	75,851
Total equity		6,130,768	7,427,963

The notes on pages 10 to 22 form an integral part of these financial statements.

Approved on 11th September 2014 by the board of
directors and signed on their behalf by:



P Bennett

Director

Abbey Metal Finishing Company Ltd
Statement of Changes in Equity
for the year ended 31 December 2013

	Notes	Attributable to the owners of the parent Share capital £	Retained earnings £	Other reserves £	Total equity £
At 1 January 2012		1,000,200	6,333,288	75,851	7,409,339
Total comprehensive income for the year		-	18,624	-	18,624
At 31 December 2012		<u>1,000,200</u>	<u>6,351,912</u>	<u>75,851</u>	<u>7,427,963</u>
Total comprehensive income for the year		-	(1,297,195)	-	(1,297,195)
At 31 December 2013		<u>1,000,200</u>	<u>5,054,717</u>	<u>75,851</u>	<u>6,130,768</u>

Abbey Metal Finishing Company Ltd
Cash Flow Statement
for the year ended 31 December 2013

	Notes	2013 £	2012 £
Cash flows from operating activities			
(Loss)/profit before tax		(1,426,060)	80,044
Adjustments for:			
Depreciation		581,825	557,583
Loss on disposal of property, plant and equipment		10,688	-
Net finance income		3,483	(1,668)
		<u>(830,064)</u>	<u>635,959</u>
Decrease/(increase in stocks)		13,743	(46,944)
(Increase)/decrease in trade and other receivables		(174,619)	495,597
(Decrease)/increase in trade and other payables		(542,893)	355,909
(Decrease)/increase in provisions		(206,289)	142,275
Cash generated from operations		<u>(1,740,122)</u>	<u>1,582,796</u>
Interest paid		(19,292)	-
Net cash from operating activities		<u>(1,759,414)</u>	<u>1,582,796</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(405,906)	(401,194)
Acquisition of subsidiary undertaking	14	(27,602)	-
Loans to subsidiary undertaking	14	(1,296,443)	-
Interest income		15,809	1,668
Proceeds from sale of property, plant and equipment		6,000	-
Net cash from investing activities		<u>(1,708,142)</u>	<u>(399,526)</u>
Cash flows from financing activities			
Loans from group undertakings		2,306,956	-
Net cash from financing activities		<u>2,306,956</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	16	<u>(1,160,600)</u>	<u>1,183,270</u>
Cash and cash equivalents at beginning of year		1,328,822	145,552
Cash and cash equivalents at end of year		<u>168,222</u>	<u>1,328,822</u>
		<u>(1,160,600)</u>	<u>1,183,270</u>

The notes on pages 10 to 22 form an integral part of these financial statements.

Abbey Metal Finishing Company Ltd
Notes to the financial statements
for the year ended 31 December 2013

Abbey Metal Finishing Company Ltd (the Company) is a member of the Camellia group (the Group). The primary business of the company is in the trade of metal finishing. The financial statements were authorised for issue by the Board of Directors on 11 September 2014.

(1) Accounting policies

The principal accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU IFRIC interpretations, and the Companies Act 2006 applicable to companies reporting under IFRS using the historic cost convention. These financial statements contain information about Abbey Metal Finishing Company Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, as it and its subsidiary are included in the consolidated financial statements of Camellia plc.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources, including access to group facilities if required, to continue to operate for the foreseeable future.

The company has received support from Linton Park Plc that it will provide sufficient resources to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Translation differences on non-monetary items carried at fair value are reported as part of the fair value gain or loss. Gains and losses arising on retranslation are included in the income statement, except for exchange differences arising on non-monetary items where the changes in fair value are recognised directly in equity.

The financial statements are presented in sterling, which is the company's functional and presentation currency.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes. Revenue is recognised at the point when processed goods are delivered to, or collected by, the customer. Amounts agreed as being receivable from insurers are recognised as other operating income.

The company is a private limited company, which is domiciled in England.

Abbey Metal Finishing Company Ltd
Notes to the financial statements
for the year ended 31 December 2013

(1) Accounting policies (continued)

Property, plant and equipment

All property, plant and equipment (PPE), is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of these assets.

On transition to IFRS, the company has followed the transitional provisions and elected that previous UK GAAP revaluations be treated as deemed cost.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

No depreciation is provided on freehold land. Depreciation of other fixed assets is calculated to write off their cost less residual value on a straight-line basis over their expected useful lives.

The rates of depreciation used for the other assets are as follows:-

Freehold buildings	2.5 to 3.5 per cent. per annum
Plant, machinery, fixtures, fittings, motor vehicles and equipment	10 to 25 per cent. per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the income statement.

Impairment of assets

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Trade and other receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables.

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in the income statement. Other receivables include amounts that are expected to be received from the company's insurers in relation to the business interruption policy.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and other payables

Trade and other payables are carried at book value.

Inventories

Inventories are carried at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less all estimated selling expenses.

Segmental analysis

The company only operates in a single segment, as described in the directors' report.

Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Abbey Metal Finishing Company Ltd
Notes to the financial statements
for the year ended 31 December 2013

(1) Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than in a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related tax asset is realised or the tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Employee benefits

Pension obligations

The company operates a defined benefit pension scheme. The scheme is funded through payments to a trustee-administered fund.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension cost for defined benefit schemes is assessed in accordance with the advice of qualified independent actuaries using the "projected unit" funding method. Abbey Metal Finishing Company Ltd is a participating employer in the Unochrome Group Pension Scheme, a multi-employer defined benefit pension scheme. This is a scheme providing pension benefits to all members of that scheme and for which it is not possible to identify that company's share of the underlying assets and liabilities. For this reason pension costs for that company are charged to the income statement in the period in which they fall due.

The company also operates a defined contribution scheme. Payments to defined contribution retirement schemes are charged as an expense as they fall due.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out on page 10 under Property, plant and equipment; and Trade and other receivables.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Investments in subsidiary companies

Investments in subsidiary companies are included at cost less any provision for impairment. Impairment reviews are carried out by the directors when there has been an indication of potential impairment.

(1) Accounting policies (continued)

Changes in accounting policy and disclosures

(i) New and amended standards adopted by the company

IAS 1 (amendment) Financial statement presentation – effective from 1 July 2012

The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The amendments do not address which items are presented in other comprehensive income.

IFRS 13 Fair value measurement – effective from 1 January 2013

This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2013 or later periods, but the company has not adopted them early:

IFRS 12 Disclosures of interests in other entities – effective from 1 January 2013

This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. This standard has been endorsed by the EU with an effective date of 1 January 2014.

IAS 27 (revised 2011) Separate financial statements – effective from 1 January 2013

This revision includes the requirements relating to separate financial statements. This revised standard has been endorsed by the EU with an effective date of 1 January 2014.

IFRS 9 Financial instruments – effective from 1 January 2015

This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. This standard has not yet been endorsed by the EU.

Abbey Metal Finishing Company Ltd
Notes to the financial statements
for the year ended 31 December 2013

2 Revenue	2013	2012
An analysis of the company's revenue, split by destination, is as follows:	£	£
Trading revenues		
United Kingdom	2,117,535	1,621,181
Europe	396,194	474,787
	<u>2,513,729</u>	<u>2,095,968</u>

Revenue originates from operations in England. In the opinion of the directors the activities of the company represent a single class of business.

3 (Loss)/ profit before income tax	2013	2012
	£	£
The following items have been included in arriving at (loss)/profit before income tax:		
Employment costs (note 8)	1,879,811	1,644,357
Depreciation of property, plant and equipment:		
Owned assets	581,825	557,583
Loss on sale of property, plant and equipment	10,688	-
Operating lease charges	29,154	43,835
Loss on translation of amounts denominated in currency	53,723	
Auditors' remuneration paid by the company	14,276	14,000
Cost of inventories recognised as an expense	480,710	410,022
Environmental provision charge	-	142,275
4 Other operating income	2013	2012
	£	£
Compensation receivable from the company's insurers in respect of:		
Business interruption	600,000	1,749,707
Increased costs of working	-	40,189
	<u>600,000</u>	<u>1,789,896</u>

Abbey Metal Finishing Company Ltd
Notes to the financial statements
for the year ended 31 December 2013

5 Finance income

	2013	2012
	£	£
Receivable from group undertakings	15,809	
Interest income on short term deposits	-	1,668
	<u>15,809</u>	<u>1,668</u>

6 Finance costs

	2013	2012
	£	£
Interest payable on loans and bank overdrafts	3,702	-
Interest payable to group undertakings	15,590	-
	<u>19,292</u>	<u>-</u>

7 Income tax expense

Analysis of charge in the year

	2013	2012
	£	£
Current tax		
UK corporation tax		
UK corporation tax at 23.25 per cent. (2012: 24.5 per cent.)	-	-
Deferred tax		
Origination and reversal of timing differences	(128,865)	61,420
	<u>(128,865)</u>	<u>61,420</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the year

The tax on the company's (loss) / profit before tax differs (2012: differs) from the theoretical amount that would arise using the weighted average tax rate applicable to the (losses) / profits of the company as follows:

(Loss) /profit on ordinary activities before tax	(1,426,060)	80,044
Tax on ordinary activities at the standard rate of corporation tax in the UK of 23.25 per cent (2012: 24.5 per cent)	(331,559)	19,611
Effects of:		
Income and expenses not chargeable/deductible for tax purposes	25,136	74,989
Group relief		(24,909)
Changes in rate of taxation	13,061	(8,270)
Fixed asset timing differences		-
Unrecoverable deferred tax written off	161,019	-
Other	3,478	(1)
	<u>(128,865)</u>	<u>61,420</u>
Current tax charge for the year		

In addition to the changes in rates of corporation tax disclosed above there have been a number of changes to the UK corporation tax system that have been announced. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further changes were enacted in 2013, reducing the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

Abbey Metal Finishing Company Ltd
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8 Employees

	2013 Number	2012 Number
The average monthly number of employees employed by the company during the year, including directors on a service contract, was made up as follows:		
Management and administration	16	16
Production	63	52
	<u>79</u>	<u>68</u>
	2013	2012
	£	£
Employment costs:		
Wages and salaries	1,648,322	1,435,784
Social security costs	155,129	133,683
Pension costs	<u>76,360</u>	<u>74,890</u>
	<u>1,879,811</u>	<u>1,644,357</u>

9 Emoluments of the directors

	2013 £	2012 £
Aggregate emoluments excluding pension contributions	85,734	84,573
Aggregate pension contributions - defined contribution	<u>12,795</u>	<u>12,545</u>
	<u>98,529</u>	<u>97,118</u>

10 Employee benefit obligations

The pension cost charge for the year is disclosed in note 8.
The pension scheme is a defined contribution scheme.

At 31 December 2013 the company had no accrued unpaid contributions (2012: £nil).

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11 Property, plant and equipment

	Freehold land and buildings £	Motor vehicles plant and machinery £	Fixtures, fittings and equipment £	Assets in course of Construction	Total £
Cost or valuation					
At 1 January 2012	2,951,653	5,196,397	80,810	15,068	8,243,928
Additions	152,288	217,009	31,897	-	401,194
Transfers between categories	-	15,068	-	(15,068)	-
At 1 January 2013	3,103,941	5,428,474	112,707	-	8,645,122
Additions	243,617	160,782	1,507	-	405,906
Disposals	-	(21,950)	-	-	(21,950)
Transfers between categories	15,068	(9,126)	(5,942)	-	-
At 31 December 2013	3,362,626	5,558,180	108,272	-	9,029,078
Accumulated depreciation					
At 1 January 2012	46,873	812,338	6,695	-	865,906
Charge for the year	58,636	477,118	21,829	-	557,583
At 1 January 2013	105,509	1,289,456	28,524	-	1,423,489
Disposals	-	(5,262)	-	-	(5,262)
Charge for the year	61,429	499,415	20,981	-	581,825
At 31 December 2013	166,938	1,783,609	49,505	-	2,000,052
Net book value at 31 December 2013	3,195,688	3,774,571	58,767	-	7,029,026
Net book value at 31 December 2012	2,998,432	4,139,018	84,183	-	7,221,633

All of the depreciation expense in both the current and prior years was charged to administrative expenses.

12 Inventories

	2013 £	2012 £
Raw materials	186,760	202,202
Work in progress	10,103	8,404
	<u>196,863</u>	<u>210,606</u>

The cost of inventories recognised as an expense and included in cost of sales was £480,710 (2012: £410,022).

13 Deferred income tax

	2013 £	2012 £
Accelerated capital allowances	270,880	252,937
Short term timing differences	1,510	1,510
Losses carried forward	(446,487)	(125,582)
Impact of change in tax rate	13,078	-
Provision against unrecoverable deferred tax asset	<u>161,019</u>	<u>-</u>
Deferred income tax	-	<u>128,865</u>

Due to the losses made in the current year deferred tax assets are not deemed recoverable

Abbey Metal Finishing Company Ltd
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14 Investments

	2013	2012
	£	£
Investment in subsidiary	<u>27,602</u>	<u>-</u>
	<u>27,602</u>	<u>-</u>

The subsidiary, of which the company owns 51%, is Atfin GmbH, which is incorporated in Germany. The subsidiary specialises as a metal finisher.

15 Trade and other receivables

	2013	2012
	£	£
Trade receivables	621,719	455,979
Less: provision for impairment of trade receivables	<u>(9,573)</u>	<u>(18,218)</u>
Trade receivables - net	612,146	437,761
Prepayments and accrued income	90,326	90,092
Amounts due from group undertaking	<u>1,296,443</u>	<u>-</u>
	1,998,915	527,853
Less non-current portion of amounts due from group undertakings	<u>(1,296,443)</u>	<u>-</u>
Current portion of trade and other receivables	<u>702,472</u>	<u>527,853</u>

The amounts due from group undertakings are denominated in Euros, and the carrying value above is translated at the year end exchange rate.

The fair values of trade and other receivables are as follows:

	2013	2012
	£	£
Trade receivables	612,146	437,761
Prepayments and accrued income	90,326	90,092
Amounts due from group undertakings	<u>1,296,443</u>	<u>-</u>
	<u>1,998,915</u>	<u>527,853</u>

The totals and ageing analysis of receivables that were overdue at the reporting date, but not impaired, is shown in the table below:

	2013	2012
	£	£
Up to 3 months	387,680	246,285
3 to 6 months	<u>17,953</u>	<u>68,716</u>
	<u>405,633</u>	<u>315,001</u>

16 Cash and cash equivalents

	2013	2012
	£	£
Cash at bank and in hand	168,222	1,328,822
	<u>168,222</u>	<u>1,328,822</u>

17 Trade and other payables

	2013	2012
	£	£
Trade payables	271,846	250,557
Amounts due to group undertakings	34,994	4,800
Other taxation and social security	39,848	43,089
Other payables	223,121	140,038
Accruals	146,594	194,187
Deferred income	<u>-</u>	<u>626,625</u>
	<u>716,403</u>	<u>1,259,296</u>

Deferred income was in respect of payments received from insurers during the year, under the company's business interruption policy.

18 Non current liabilities

	2013	2012
	£	£
Amounts due to group undertakings	<u>2,306,956</u>	<u>-</u>

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19 Provisions

Current provisions	2013	2012
	£	£
Environmental provision	-	206,289
	<u>-</u>	<u>206,289</u>
Non-current provisions	2013	2012
	£	£
Deferred tax provision	-	128,865
	<u>-</u>	<u>128,865</u>

a) Environmental provision

The net movement on the environmental provision is set out below:

	2013	2012
	£	£
At 1 January	206,289	64,014
Charged to the income statement	-	142,275
Utilised	(206,289)	-
At 31 December	<u>-</u>	<u>206,289</u>

The environmental provision was against costs and penalties arising as a result of the fire at the company's premises, which were settled during the year.

b) Deferred income tax

The net movement on the deferred tax account is set out below:

	2013	2012
	£	£
At 1 January	128,865	67,445
(Credited)/charged to the income statement	(128,865)	61,420
At 31 December	<u>-</u>	<u>128,865</u>

Deferred tax has been calculated at the rate of 20% (2012: 23%) and is in respect of fixed asset timing differences and trading losses.

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20 Share capital

	2013 £	2012 £
Authorised: 10,002,000 ordinary shares of 10p each	<u>1,000,200</u>	<u>1,000,200</u>
Allotted and fully paid: At 1 January and 31 December 10,002,000 (2012: 10,002,000) ordinary shares of 10p each:	<u>1,000,200</u>	<u>1,000,200</u>

21 Commitments

The company leases plant and equipment under non-cancellable operating lease arrangements. The future aggregate minimum lease payments are as follows:

	2013 £	2012 £
Due within one year:	-	5,272
Due between 1 to 5 years:	47,584	46,609
Due in over 5 years	-	-
	<u>47,584</u>	<u>51,881</u>

22 Retained earnings

	£
At 1st January 2012	6,257,437
Profit for the year 2012	18,624
At 31st December 2012	6,351,912
Loss for the year 2013	(1,297,195)
At 31st December 2013	<u>5,054,717</u>

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23 Financial Instruments

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its debt and equity balance. The capital structure of the company consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

Categories of financial instruments

The company's principal financial liabilities comprise trade and other payables, and provisions. The company's financial assets consist of trade and other receivables and cash and cash equivalents.

	2013 £	2012 £
Financial Assets		
Cash and cash equivalents	168,222	1,328,822
Trade and other receivables	702,472	527,853
	<u>870,694</u>	<u>1,856,675</u>

	2013 £	2012 £
Financial Liabilities		
Trade and other payables	716,403	1,259,296
Provisions	-	206,289
	<u>716,403</u>	<u>1,465,585</u>

Fair values

The fair values of the company's financial assets and liabilities are not materially different from their carrying values.

Financial risk management objectives

The main risks arising from the company's financial instruments are cash flow interest rate risk, liquidity risk, currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which is summarised below:

Interest rate risk

The company's exposure to the risk of changes in market interest rates relates to the company's cash balance at floating interest rates.

A 100 basis points change in interest rates, using the company's year end cash balance as representative of the whole year would increase the company's profit before tax by £4,000.

Credit risk

The company has policies in place to limit its exposure to credit risk. Credit risk arises from cash and cash equivalents as well as credit exposure to customers on trade receivables. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit. At the year end 7 customers accounted for 50% of the total trade receivable balance. £168,211 (2012: £315,001) was overdue as at the balance sheet date, of which £9,573 (2012: £18,218) was considered impaired.

Currency risk

The company has no material exposure to foreign currency exchange risk, apart from the value of its loan to its subsidiary, which is denominated in Euros. A movement of 5% in the exchange rate of the Euro would increase/decrease profit and net assets by £65,000. Currency risk is managed by regular reviews by the directors.

Liquidity Risk

The company manages its liquidity risk through the preparation of cash flow projections and the monitoring of accounts receivables. It has access to banking facilities and inter-company funding so as to ensure that it has sufficient funds available to operate.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based upon contractual undiscounted payments.

	On demand £	3 to 12 months £	1 to 5 Years £
2013			
Trade and other payables	-	716,403	-
2012			
Trade and other payables	-	1,259,296	-

Bank facilities

The company participates in a group banking facility with other subsidiary undertakings of the immediate parent company. Each member of the group guarantees the indebtedness under the facility to the other members. As at 31 December 2013, the aggregate liability was £4,042,346 (2012: £4,005,479)

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24 Parent Company

The ultimate parent undertaking and controlling party is Camellia Plc which is registered in England and Wales.
Camellia Plc is the parent undertaking of the largest, and smallest group of undertakings to consolidate these financial statements at 31 December 2013
Copies of the Camellia Plc financial statements can be obtained from Linton Park, Linton, Maidstone, Kent ME17 4AB.

25 Control of Camellia plc

Camellia Holding AG holds 1,427,000 ordinary shares of Camellia plc (representing 51.34% of total voting rights). Camellia Holding AG is owned by The Camellia Private Trust Company Ltd, a private trust company incorporated under the laws of Bermuda to act as a trustee of the Camellia Foundation. The Camellia Foundation is a Bermudian trust, the income of which is utilised for charitable, educational and humanitarian causes at the discretion of the trustees.

26 Related party transactions

During the year the company was charged £252,263 (2012: £86,042) by Camellia plc by way of recharge of group costs.

During the year the company incurred costs to the value of £12,000 with Associated Cold Stores and Transport Limited, an associated company within the group. The balance outstanding at the year end was £12,000.

At the year-end, the company owed £2,329,950 as an intercompany loan, to Linton Park Plc, an associated company within the group.

At the year-end, the company was due £1,326,655 from an intercompany loan, by Afin GmbH, an associated company within the group.

The balances on these loans at 31 December 2013 and 2012 is shown in the balance sheet. Interest is charged or received on group loans at rates between 0 and 5%