

ABET LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

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COMPANY INFORMATION

Director	B Mazzola
Registered number	01727866
Registered office	70 Roding Road London Industrial Park London E6 6LS
Independent auditors	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

ABET LIMITED

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ABET LIMITED

DIRECTOR'S REPORT
For the year ended 31 December 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The loss for the year, after taxation, amounted to £495,132 (2015 - loss £361,987).

Director

The director who served during the year was:

B Mazzola

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ABET LIMITED

DIRECTOR'S REPORT (CONTINUED)
For the year ended 31 December 2016

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on *25th April 2017* and signed on its behalf.



B. Mazzola
Director

ABET LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABET LIMITED

We have audited the financial statements of Abet Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholders, 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 shareholders those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders 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 Director's responsibilities statement on page 1, the director is 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 Financial Reporting Council'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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

ABET LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABET LIMITED (CONTINUED)

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, 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; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements and the Director's report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Nexia Smith & Williamson

Stephen Drew (Senior statutory auditor)

for and on behalf of
Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

25 Moorgate
London

EC2R 6AY

Date: *25 April 2017*

ABET LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		7,214,027	7,485,745
Cost of sales		<u>(5,909,575)</u>	<u>(6,396,715)</u>
Gross profit		1,304,452	1,089,030
Distribution costs		(115,507)	(113,117)
Administrative expenses		<u>(1,669,383)</u>	<u>(1,322,792)</u>
Operating loss		(480,438)	(346,879)
Interest payable and expenses		<u>(14,694)</u>	<u>(15,108)</u>
Loss before tax		(495,132)	(361,987)
Loss for the year		<u>(495,132)</u>	<u>(361,987)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(495,132)</u>	<u>(361,987)</u>

ABET LIMITED
Registered number: 01727866

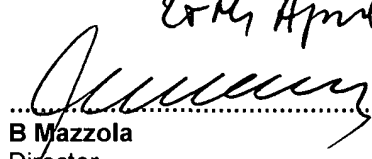
BALANCE SHEET
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	3,681,523	3,782,770
		<u>3,681,523</u>	<u>3,782,770</u>
Current assets			
Stocks	6	2,808,489	2,767,262
Debtors: amounts falling due within one year	7	2,666,966	2,377,229
Cash at bank and in hand	8	158,909	105,572
		<u>5,634,364</u>	<u>5,250,063</u>
Creditors: amounts falling due within one year	9	(2,324,866)	(4,667,701)
Net current assets		<u>3,309,498</u>	<u>582,362</u>
Total assets less current liabilities		<u>6,991,021</u>	<u>4,365,132</u>
Creditors: amounts falling due after more than one year	10	-	(1,395,075)
Net assets		<u><u>6,991,021</u></u>	<u><u>2,970,057</u></u>
Capital and reserves			
Called up share capital		3,421,300	1,800,000
Share premium account	11	2,895,027	-
Revaluation reserve	11	2,360,441	2,360,441
Profit and loss account	11	(1,685,747)	(1,190,384)
		<u><u>6,991,021</u></u>	<u><u>2,970,057</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20th April 2017


B Mazzola
Director

The notes on pages 9 to 17 form part of these financial statements.

ABET LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2016	1,800,000	-	2,360,441	(1,190,384)	2,970,057
Comprehensive income for the year					
Loss for the year	-	-	-	(495,132)	(495,132)
Adjustment to retained earnings	-	-	-	(231)	(231)
Total comprehensive income for the year	-	-	-	(495,363)	(495,363)
Shares issued during the year	1,621,300	2,895,027	-	-	4,516,327
Total transactions with owners	1,621,300	2,895,027	-	-	4,516,327
At 31 December 2016	3,421,300	2,895,027	2,360,441	(1,685,747)	6,991,021

ABET LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	1,000,000	2,360,441	(828,397)	2,532,044
Comprehensive income for the year				
Loss for the year	-	-	(361,987)	(361,987)
Total comprehensive income for the year	-	-	(361,987)	(361,987)
Shares issued during the year	800,000	-	-	800,000
Total transactions with owners	800,000	-	-	800,000
At 31 December 2015	1,800,000	2,360,441	(1,190,384)	2,970,057

The notes on pages 9 to 17 form part of these financial statements.

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Abet Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is 70 Roding Road, London Industrial Park, London, E6 6LS.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.3 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Straight line over fifty years
Plant & machinery	- 20% Straight Line
Motor vehicles	- 25% Straight Line
Fixtures & fittings	- 15%/20% Straight Line
Office equipment	- 33% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.4 REVALUATION OF TANGIBLE FIXED ASSETS

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective January 2015) the Company has elected not to adopt a policy of revaluation of tangible fixed assets. The Company will retain the book value of land and buildings, previously revalued at 04 February 2015 and will not update that valuation.

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.5 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.6 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.7 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>19,000</u>	<u>24,000</u>
	<u>19,000</u>	<u>24,000</u>

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2016

3. EMPLOYEES

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	593,917	552,780
Social security costs	56,854	70,171
Pension costs	32,546	36,633
	<u>683,317</u>	<u>659,584</u>

The average monthly number of employees, including the director, during the year was as follows:

	2016 No.	2015 No.
Office and Management	8	9
Production and Sales	7	7
	<u>15</u>	<u>16</u>

4. TAXATION

	2016 £	2015 £
TOTAL CURRENT TAX	-	-

At the year-end, the company had estimated tax losses of £4,491,465 (2015 - £4,106,322) available to carry forward. The tax losses, together with decelerated capital allowances, gave rise to a deferred tax asset of £768,815 (2015 - £741,858).

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

5. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £
COST OR VALUATION					
At 1 January 2016	3,776,300	182,430	117,255	80,909	23,146
Additions	-	1,369	-	-	1,934
Owned assets - disposals	-	-	(55,010)	-	-
At 31 December 2016	3,776,300	183,799	62,245	80,909	25,080
DEPRECIATION					
At 1 January 2016	70,584	172,489	80,947	64,498	8,752
Charge for the period on Owned assets	70,584	7,198	15,561	3,137	8,071
Owned assets - disposals	-	-	(55,010)	-	-
At 31 December 2016	141,168	179,687	41,498	67,635	16,823
NET BOOK VALUE					
At 31 December 2016	3,635,132	4,112	20,747	13,274	8,257
At 31 December 2015	3,705,716	9,941	36,308	16,411	14,394

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

5. TANGIBLE FIXED ASSETS (CONTINUED)

	Total £
COST OR VALUATION	
At 1 January 2016	4,180,040
Additions	3,303
Owned assets - disposals	(55,010)
At 31 December 2016	4,128,333
DEPRECIATION	
At 1 January 2016	397,270
Charge for the period on owned assets	104,551
Owned assets - disposals	(55,010)
At 31 December 2016	446,811
NET BOOK VALUE	
At 31 December 2016	3,681,522
At 31 December 2015	3,782,770

6. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	2,808,489	2,767,262
	<u>2,808,489</u>	<u>2,767,262</u>

7. DEBTORS

	2016 £	2015 £
Trade debtors	2,548,371	2,295,622
Amounts owed by group undertakings	14,099	231
Other debtors	1,698	2,978
Prepayments and accrued income	102,798	78,395
	<u>2,666,966</u>	<u>2,377,226</u>

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

7. DEBTORS (CONTINUED)

8. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	158,909	105,572
	<u>158,909</u>	<u>105,572</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	221,248	111,911
Amounts owed to group undertakings	1,737,981	4,208,420
Corporation tax	2,562	2,562
Other taxation and social security	269,800	231,133
Accruals and deferred income	93,275	113,675
	<u>2,324,866</u>	<u>4,667,701</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Loan from parent company	-	1,395,075
	<u>-</u>	<u>1,395,075</u>

ABET LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2016

11. RESERVES

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the company's shares are issued at an amount in excess of nominal value.

Revaluation reserve

The revaluation reserve represents the cumulative effects of revaluations of the freehold building, which was revalued to fair value at each reporting date up to the transition date. At this date, the fair value of this asset was considered to be its deemed cost.

Profit & loss account

The profit and loss account represents cumulative profits or losses.

12. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund amounted to £32,546 (2015 - £36,633).

13. RELATED PARTY TRANSACTIONS

The Company is a subsidiary of Abet S.p.A which is the ultimate parent company incorporated in Italy. Its registered address is Viale Industria 21, Casella Postale 47 12042 BRA (CN) Italia.

The company has taken advantage of the exemption not to disclose transactions with other members of the Group under Financial Reporting Standard (FRS) 8 "Related Party Disclosures" as it is a wholly owned subsidiary.