

REGISTRAR

Company Registration No 01799705 (England and Wales)

ABEL GROUP LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011**

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ABEL GROUP LIMITED

DIRECTORS AND ADVISERS

Directors	P J Eyre	
	Mrs M Eyre	
	Mrs J P Eyre	
	Mr J D W Mulloy	(Appointed 1 November 2011)
	Mr R J R Mulloy	(Appointed 1 November 2011)
Secretary	P J Eyre	
Company number	01799705	
Registered office	Detection House 4 Vaughan Way Leicester LE1 4ST	
Registered auditors	Newby Castleman West Walk Building 110 Regent Road Leicester LE1 7LT	

ABEL GROUP LIMITED

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ABEL GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the group continued to be that of installation, rental and maintenance of electronic security systems, together with the manufacture and sale of security products

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face

The group continues to install, and provide rental and maintenance of electronic security systems, together with the manufacture and sale of security products

We consider that our key financial performance indicator is that which communicates the financial performance and strength of the company as a whole, being return on capital employed

Return on capital employed has decreased to 15.02% (2010 - 20.14%) and is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other short term borrowings

Overall operating profit has decreased by 4.48% to £359,348 (2010 - £376,192) and the profit before tax amounted to £363,543 (2010 - £379,367). After taxation £131,768 has been added to group reserves

As for many businesses of our size, the business environment in which we operate continues to be challenging. The security systems market in the United Kingdom is highly competitive and margins continue to be tight. However, the results for the year and the financial position at the year end were considered satisfactory by the directors who expect another tough year ahead

Results and dividends

The consolidated profit and loss account for the year is set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 January 2011

P J Eyre

Mrs M Eyre

Mrs J P Eyre

Mr J D W Mulloy

Mr R J R Mulloy

(Appointed 1 November 2011)

(Appointed 1 November 2011)

ABEL GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of directors' responsibilities

The directors are responsible for preparing the 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

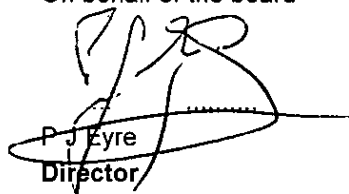
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board


P J Eyre
Director

15th August 2012

ABEL GROUP LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABEL GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Abel Group Limited for the year ended 31 December 2011 set out on pages 5 to 20. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 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 matter 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.

ABEL GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABEL GROUP LIMITED

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

Michael Castleman FCA (Senior Statutory Auditor)

for and on behalf of

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

17 August 2012

ABEL GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	11,722,909	11,276,309
Cost of sales		(6,638,871)	(6,197,036)
Gross profit		5,084,038	5,079,273
Distribution costs		(1,142,027)	(1,071,040)
Administrative expenses		(3,603,663)	(3,649,021)
Other operating income		21,000	16,980
Operating profit	3	359,348	376,192
Other interest receivable and similar income		4,195	3,681
Amounts written off investments	4	-	(506)
Profit on ordinary activities before taxation		363,543	379,367
Tax on profit on ordinary activities	5	(92,301)	(106,449)
Profit on ordinary activities after taxation		271,242	272,918
Minority interests		(139,474)	(59,073)
Profit for the financial year	6	131,768	213,845

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

ABEL GROUP LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2011

		Group	2010	Company	2010
	Notes	2011	2010	2011	2010
		£	£	£	£
Fixed assets					
Intangible assets	8	663,899	846,154	-	-
Tangible assets	9	2,936,047	2,981,646	-	-
Investments	10	-	-	18,652	18,652
		<u>3,599,946</u>	<u>3,827,800</u>	<u>18,652</u>	<u>18,652</u>
Current assets					
Stocks	11	260,119	270,055	-	-
Debtors	12	2,371,136	2,185,649	676,837	973,349
Cash at bank and in hand		709,869	1,027,140	-	-
		<u>3,341,124</u>	<u>3,482,844</u>	<u>676,837</u>	<u>973,349</u>
Creditors amounts falling due within one year	13	(3,838,951)	(4,415,585)	-	(297,712)
Net current liabilities		<u>(497,827)</u>	<u>(932,741)</u>	<u>676,837</u>	<u>675,637</u>
Total assets less current liabilities		<u>3,102,119</u>	<u>2,895,059</u>	<u>695,489</u>	<u>694,289</u>
Provisions for liabilities	14	(25,018)	-	-	-
		<u>3,077,101</u>	<u>2,895,059</u>	<u>695,489</u>	<u>694,289</u>
Capital and reserves					
Called up share capital	15	7,443	7,443	7,443	7,443
Share premium account	16	498,699	498,699	498,699	498,699
Revaluation reserve	16	237,272	241,717	-	-
Other reserves	16	26,236	26,236	-	-
Profit and loss account	16	1,640,222	1,504,009	189,347	188,147
Shareholders' funds	18	<u>2,409,872</u>	<u>2,278,104</u>	<u>695,489</u>	<u>694,289</u>
Minority interests	17	667,229	616,955	-	-
		<u>3,077,101</u>	<u>2,895,059</u>	<u>695,489</u>	<u>694,289</u>

Approved by the Board and authorised for issue on

15/08/2012

P J Eyre
Director

Company Registration No. 01799705

ABEL GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		153,479		1,359,345
Returns on investments and servicing of finance				
Interest received	4,195		3,681	
Dividends paid to minorities	(89,200)		(89,200)	
Net cash outflow for returns on investments and servicing of finance		(85,005)		(85,519)
Taxation		(115,839)		(93,516)
Capital expenditure				
Payments to acquire intangible assets	(8,000)		(214,652)	
Payments to acquire tangible assets	(286,700)		(216,312)	
Receipts from sales of tangible assets	24,794		30,836	
Net cash outflow for capital expenditure		(269,906)		(400,128)
Equity dividends paid		-		(297,712)
Net cash (outflow)/inflow before management of liquid resources and financing		(317,271)		482,470
(Decrease)/increase in cash in the year		(317,271)		482,470

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating profit to net cash inflow from operating activities		2011	2010
			£	£
	Operating profit		359,348	376,192
	Depreciation of tangible assets		295,166	291,045
	Amortisation of intangible assets		190,255	191,326
	Loss on disposal of tangible assets		12,339	12,300
	Decrease in stocks		9,936	7,379
	(Increase)/decrease in debtors		(188,095)	103,212
	(Decrease)/Increase in creditors within one year		(525,470)	377,891
	Net cash inflow from operating activities		153,479	1,359,345

2	Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,027,140	(317,271)	-	709,869
	Net funds	1,027,140	(317,271)	-	709,869

3	Reconciliation of net cash flow to movement in net funds	2011	2010
		£	£
	(Decrease)/increase in cash in the year	(317,271)	482,470
	Movement in net funds in the year	(317,271)	482,470
	Opening net funds	1,027,140	544,670
	Closing net funds	709,869	1,027,140

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2011. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover comprises,

- Installation fees relating to equipment sold on an outright basis. Revenue in respect of installations is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of contractual obligations.
- Earned maintenance income being the value excluding VAT of maintenance services provided.
- Earned monitoring income being the value excluding VAT of monitoring services provided.
- The invoiced value excluding VAT of equipment and systems sold to customers.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% per annum of cost or valuation
Land and buildings Leasehold	Straight line over the life of the leases
Plant and machinery	15% per annum of net book value
Fixtures, fittings & equipment	15% per annum of net book value
Motor vehicles	25% per annum of net book value

No depreciation is provided in respect of freehold land.

1.7 Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies (continued)

1 8 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1 9 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks

1 10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the group does not intend to sell the revalued assets.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2011 £	2010 £
Operating profit is stated after charging		
Amortisation of intangible assets	190,255	191,326
Depreciation of tangible assets	295,166	291,045
Loss on disposal of tangible assets	12,339	12,300
Operating lease rentals	54,000	54,000
Fees payable to the group's auditor for the audit of the group's annual accounts	11,000	8,000

4 Amounts written off investments	2011 £	2010 £
Amounts written off fixed asset investments		
- permanent diminution in value	-	506

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

5	Taxation	2011	2010
		£	£
	Current year tax		
	U K corporation tax	64,675	115,839
	Adjustment for prior years	-	(6)
		<u>64,675</u>	<u>115,839</u>
	Current tax charge	64,675	115,833
	Origination and reversal of timing differences	27,626	(9,384)
		<u>92,301</u>	<u>106,449</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	363,543	379,367
		<u>363,543</u>	<u>379,367</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.49% (2010 - 28.00%)	96,303	106,223
		<u>96,303</u>	<u>106,223</u>
	Effects of		
	Non deductible expenses	5,328	3,541
	Depreciation add back	77,014	81,493
	Capital allowances	(95,459)	(59,718)
	Other tax adjustments	(18,511)	(15,706)
		<u>(31,628)</u>	<u>9,610</u>
	Current tax charge	64,675	115,833
		<u>64,675</u>	<u>115,833</u>

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2011	2010
	£	£
Holding company's profit for the financial year	1,200	298,912
	<u>1,200</u>	<u>298,912</u>

7	Dividends	2011	2010
		£	£
	Ordinary paid	-	297,712
		<u>-</u>	<u>297,712</u>

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

8 Intangible fixed assets

Group

Goodwill £

Cost

At 1 January 2011

2,139,060

Additions

8,000

At 31 December 2011

2,147,060

Amortisation

At 1 January 2011

1,292,906

Charge for the year

190,255

At 31 December 2011

1,483,161

Net book value

At 1 January 2011

846,154

At 31 December 2011

663,899

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

9 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2011	2,543,918	30,206	236,946	1,318,149	1,506,077	5,635,296
Additions	-	-	-	40,533	246,167	286,700
Disposals	-	-	-	-	(155,287)	(155,287)
At 31 December 2011	2,543,918	30,206	236,946	1,358,682	1,596,957	5,766,709
Depreciation						
At 1 January 2011	347,889	10,600	216,252	1,172,540	906,369	2,653,650
On disposals	-	-	-	-	(118,154)	(118,154)
Charge for the year	50,879	1,209	3,104	37,788	202,186	295,166
At 31 December 2011	398,768	11,809	219,356	1,210,328	990,401	2,830,662
Net book value						
At 1 January 2011	2,196,029	19,606	20,694	145,609	599,708	2,981,646
At 31 December 2011	2,145,150	18,397	17,590	148,354	606,556	2,936,047

The directors are not aware of any material change in the value of the freehold and leasehold land and buildings and therefore the valuation has not been adjusted. The last full valuation by a firm of independent Chartered Surveyors was in 2001.

Comparable historical cost for the land and buildings included at valuation

	£
Cost	
At 1 January 2011 & at 31 December 2011	2,236,740
Depreciation based on cost	
At 1 January 2011	416,097
Charge for the year	43,173
At 31 December 2011	459,270
Net book value	
At 31 December 2011	1,777,470
At 31 December 2010	1,820,643

Included within the net book value of freehold property is £77,500 (2010 - £77,500) relating to freehold land.

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Fixed asset investments Group

	Listed investments £	Total £	
Cost or valuation			
At 1 January 2011 & at 31 December 2011	506	506	
Provisions for diminution in value			
At 1 January 2011 & at 31 December 2011	506	506	
Net book value			
At 1 January 2011	-	-	
At 31 December 2011	-	-	
Company			Shares in group undertakings £
Cost			
At 1 January 2011 & at 31 December 2011			18,652
Net book value			
At 1 January 2011			18,652
At 31 December 2011			18,652

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Abel Alarm Company Limited	England & Wales	Ordinary	72
CK Group Security Services Limited	England & Wales	Ordinary	72

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Abel Alarm Company Limited	Provision of security systems
CK Group Security Services Limited	Security specialists

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Stocks

	Group 2011 £	2010 £	Company 2011 £	2010 £
Finished goods and goods for resale	260,119	270,055	-	-

12 Debtors

	Group 2011 £	2010 £	Company 2011 £	2010 £
Trade debtors	2,156,820	1,593,927	-	-
Amounts owed by group undertakings	-	-	676,837	973,349
Other debtors	2,590	381,036	-	-
Prepayments and accrued income	211,726	208,078	-	-
Deferred tax asset (see note 14)	-	2,608	-	-
	2,371,136	2,185,649	676,837	973,349

13 Creditors . amounts falling due within one year

	Group 2011 £	2010 £	Company 2011 £	2010 £
Amounts received on account	2,506,938	2,511,844	-	-
Trade creditors	632,696	513,209	-	-
Corporation tax	64,675	115,839	-	-
Taxes and social security costs	397,027	666,603	-	-
Directors current accounts	21,596	324,278	-	297,712
Other creditors	129,914	157,052	-	-
Accruals and deferred income	86,105	126,760	-	-
	3,838,951	4,415,585	-	297,712

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

14 Provisions for liabilities

Group

	Deferred taxation £
Balance at 1 January 2011	(2,608)
Profit and loss account	27,625
Balance at 31 December 2011	<u>25,018</u>

The deferred tax liability is made up as follows

	Group 2011 £	2010 £	Company 2011 £	2010 £
Accelerated capital allowances	4,686	(25,380)	-	-
Other timing differences	20,332	22,772	-	-
	<u>25,018</u>	<u>(2,608)</u>	<u>-</u>	<u>-</u>

15 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
74,430 Ordinary shares of 10p each	<u>7,443</u>	<u>7,443</u>

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

16 Statement of movements on reserves

Group

	Share premium account £	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2011	498,699	241,717	26,236	1,504,009
Profit for the year	-	-	-	131,768
Depreciation written back	-	(4,445)	-	4,445
Balance at 31 December 2011	<u>498,699</u>	<u>237,272</u>	<u>26,236</u>	<u>1,640,222</u>

Other reserves

Reserves for own shares

Balance at 1 January 2011 & at 31 December 2011

26,236

Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2011	498,699	188,147
Profit for the year	-	1,200
Balance at 31 December 2011	<u>498,699</u>	<u>189,347</u>

17 Minority interests

	2011 £	2010 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>667,229</u>	<u>616,955</u>

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

18 Reconciliation of movements in shareholders' funds	2011	2010
Group	£	£
Profit for the financial year	131,768	213,845
Dividends	-	(297,712)
Net addition to/(depletion in) shareholders' funds	131,768	(83,867)
Opening shareholders' funds	2,278,104	2,361,971
Closing shareholders' funds	2,409,872	2,278,104
	2011	2010
Company	£	£
Profit for the financial year	1,200	298,912
Dividends	-	(297,712)
Net addition to shareholders' funds	1,200	1,200
Opening shareholders' funds	694,289	693,089
Closing shareholders' funds	695,489	694,289

19 Financial commitments

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date		
In over five years	27,000	27,000

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

20 Directors' remuneration	2011 £	2010 £
Remuneration for qualifying services	<u>565,271</u>	<u>626,464</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	<u>350,409</u>	<u>357,076</u>
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21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Management and administration	75	75
Production	116	118
Sales	42	42
	<u>233</u>	<u>235</u>

Employment costs

	2011 £	2010 £
Wages and salaries	5,455,180	5,418,719
Social security costs	<u>551,235</u>	<u>555,074</u>
	<u>6,006,415</u>	<u>5,973,793</u>

22 Control

The ultimate controlling party is P J Eyre through his controlling interest of 69% in Abel Group Limited

ABEL GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

23 Related party relationships and transactions

Dividends to Directors

The following directors of Abel Group Limited were paid dividends during the year as outlined in the table below

	2011	2010
	£	£
P J Eyre	-	206,632
M Eyre	-	46,424
Mrs J P Eyre	-	44,656
	<u>-</u>	<u>297,712</u>

Group

Abel Alarm Company Limited occupies property owned by directors PJ Eyre and Mrs M Eyre and a rental of £54,000 (2010 £54,000) was charged to the company in the year. During the year, Abel Alarm Company Limited paid dividends of £16,000 (2010 £16,000) to P J Tansey and £16,000 (2010 £16,000) to P G Allen, both of whom are directors of the company.

Company

During the year, Abel Alarm Company Limited paid dividends of £1,200 (2010 £298,912) to Abel Group Limited. At 31 December 2011, Abel Alarm Company Limited owed Abel Group Limited £676,837 (2010 £973,349).