

# REGISTRAR

Company Registration No. 01799705 (England and Wales)

**ABEL GROUP LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2016**

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# ABEL GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P J Eyre Mrs M Eyre Mrs J P Eyre Mr R J R Mulloy Mr J D W Mulloy
<b>Secretary</b>	P J Eyre
<b>Company number</b>	01799705
<b>Registered office</b>	Detection House 4 Vaughan Way Leicester LE1 4ST
<b>Auditors</b>	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT

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# ABEL GROUP LIMITED

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# ABEL GROUP LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present the strategic report for the year ended 31 December 2016.

#### **Fair review of the business**

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. This review is consistent with the size and non-complex nature of the group and is written in the context of the risks and uncertainties that the group faces.

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

On 13 June 2016, the group acquired the entire share capital of Shield Alarms Limited. Details of this acquisition are disclosed in note 28 of the financial statements.

The key financial performance indicator is considered to be that which communicates the financial performance and strength of the group as a whole, being return on capital employed.

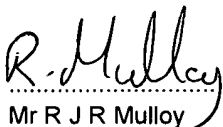
Return on capital employed has decreased to 9.00% (2015 - 14.50%) and is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less investments, less cash, plus overdrafts and other short term borrowings.

Overall operating profit has decreased to £255,467 (2015 - £497,740) and the profit before tax amounted to £294,545 (2015 - £492,308). The prior year's figures are inclusive of £318,870 of profit on the sale of properties. After taxation and dividends, £95,727 has been added to group reserves.

The principal risks and uncertainties facing the group are continually monitored by the directors who seek to mitigate such risks. Competitive pressure is a continuing risk in the security systems market and margins continue to be tight. The group responds to this risk by offering leading edge technology and providing a range of added-value services to its customers.

In light of the current economic climate and competitive nature of the industry, the results for the year and the financial position of the group at the year end were considered satisfactory by the directors who believe that the group is well placed to react quickly to any changes in trading conditions and to take advantage of any business opportunities that may arise.

On behalf of the board



Mr R J R Mulloy

Director

Date: 15 August 2017

# ABEL GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present their report and financial statements for the year ended 31 December 2016.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P J Eyre  
Mrs M Eyre  
Mrs J P Eyre  
Mr R J R Mulloy  
Mr J D W Mulloy

#### Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

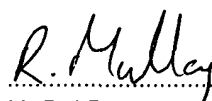
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually 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 auditor of the company and group is aware of that information.

On behalf of the board

  
.....  
Mr R J R Mulloy

Director

Date: 15 August 2017

# **ABEL GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ABEL GROUP LIMITED**

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We have audited the financial statements of Abel Group Limited for the year ended 31 December 2016 set out on pages 5 to 29. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 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 group's and the parent 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 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 financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of its 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, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

# **ABEL GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABEL GROUP LIMITED**

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 Newby Castleman LLP**

15 August 2017

Chartered Accountants  
Statutory Auditor  
West Walk Building  
110 Regent Road  
Leicester  
LE1 7LT

# ABEL GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	11,284,840	11,746,919
Cost of sales		(6,136,988)	(6,692,919)
<b>Gross profit</b>		<b>5,147,852</b>	<b>5,054,000</b>
Distribution costs		(1,072,385)	(1,115,380)
Administrative expenses		(3,852,339)	(3,772,378)
Other operating income		27,439	31,033
Profit / (loss) on sale of tangible fixed assets	4	4,900	300,465
<b>Operating profit</b>	<b>5</b>	<b>255,467</b>	<b>497,740</b>
Interest receivable and similar income	9	4,078	2,647
Loss on disposal of current asset investments	10	-	(29,377)
Fair value gains and losses on investment properties		35,000	21,298
<b>Profit before taxation</b>		<b>294,545</b>	<b>492,308</b>
Taxation	11	(94,131)	(96,725)
<b>Profit for the financial year</b>		<b>200,414</b>	<b>395,583</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		152,505	285,611
- Non-controlling interests		47,909	109,972
		<b>200,414</b>	<b>395,583</b>

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



# ABEL GROUP LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

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	2016 £	2015 £
<b>Profit for the year</b>	200,414	395,583
<b>Other comprehensive income</b>		
Tax relating to other comprehensive income	6,774	10,921
<b>Total comprehensive income for the year</b>	<u>207,188</u>	<u>406,504</u>
 Total comprehensive income for the year is attributable to:		
- Owners of the parent company	157,396	293,496
- Non-controlling interests	49,792	113,008
	<u>207,188</u>	<u>406,504</u>

# ABEL GROUP LIMITED

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	12	707,783		231,168	
Tangible assets	13	2,990,094		3,152,371	
Investment properties	14	365,000		330,000	
		<u>4,062,877</u>		<u>3,713,539</u>	
<b>Current assets</b>					
Stocks	17	254,194		268,758	
Debtors	18	2,419,944		2,997,593	
Cash at bank and in hand		1,427,788		1,139,769	
		<u>4,101,926</u>		<u>4,406,120</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(3,511,296)</u>		<u>(3,603,717)</u>	
<b>Net current assets</b>			590,630		802,403
<b>Total assets less current liabilities</b>			<u>4,653,507</u>		<u>4,515,942</u>
<b>Provisions for liabilities</b>	20		(119,456)		(102,279)
<b>Net assets</b>			<u>4,534,051</u>		<u>4,413,663</u>
<b>Capital and reserves</b>					
Called up share capital	23	7,443		7,443	
Share premium account	24	498,699		498,699	
Revaluation reserve	25	500,391		539,424	
Other reserves		26,236		26,236	
Profit and loss reserves	26	2,442,009		2,307,249	
		<u>3,474,778</u>		<u>3,379,051</u>	
<b>Equity attributable to owners of the parent company</b>			3,474,778		3,379,051
<b>Non-controlling interests</b>			1,059,273		1,034,612
			<u>4,534,051</u>		<u>4,413,663</u>

The financial statements were approved by the board of directors and authorised for issue on 15 August 2017 and are signed on its behalf by:

  
Mr R J R Mulloy  
Director

# ABEL GROUP LIMITED

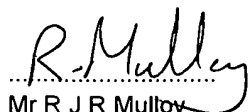
## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Investments	15		18,652		18,652
<b>Current assets</b>					
Debtors	18	695,637		692,037	
<b>Net current assets</b>			695,637		692,037
<b>Total assets less current liabilities</b>			714,289		710,689
<b>Capital and reserves</b>					
Called up share capital	23		7,443		7,443
Share premium account	24		498,699		498,699
Profit and loss reserves	26		208,147		204,547
<b>Total equity</b>			714,289		710,689

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,600 (2015 - £5,200).

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:



Mr R J R Mulloy  
Director

Company Registration No. 01799705

# ABEL GROUP LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

Notes	Share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total equity £	Non-controlling interest £	Total £
<b>Balance at 1 January 2015</b>	7,443	498,699	668,885	26,236	1,944,361	3,145,624	946,735	4,092,359
<b>Period ended 31 December 2015:</b>								
Profit for the year	-	-	-	-	285,611	285,611	109,972	395,583
Other comprehensive income:								
Tax relating to other comprehensive income	-	-	7,885	-	-	7,885	-	7,885
Amounts attributable to non-controlling interests	-	-	-	-	-	-	3,036	3,036
Total comprehensive income for the year	-	-	7,885	-	285,611	293,496	113,008	406,504
Dividends	-	-	-	-	(60,069)	(60,069)	(25,131)	(85,200)
Transfers	-	-	(137,346)	-	137,346	-	-	-
<b>Balance at 31 December 2015</b>	7,443	498,699	539,424	26,236	2,307,249	3,379,051	1,034,612	4,413,663
<b>Period ended 31 December 2016:</b>								
Profit for the year	-	-	-	-	152,505	152,505	47,909	200,414
Other comprehensive income:								
Tax relating to other comprehensive income	-	-	6,774	-	-	6,774	-	6,774
Amounts attributable to non-controlling interests	-	-	-	-	(1,883)	(1,883)	1,883	-
Total comprehensive income for the year	-	-	6,774	-	150,622	157,396	49,792	207,188
Dividends	-	-	-	-	(61,669)	(61,669)	(25,131)	(86,800)
Transfers	-	-	(45,807)	-	45,807	-	-	-
<b>Balance at 31 December 2016</b>	7,443	498,699	500,391	26,236	2,442,009	3,474,778	1,059,273	4,534,051

# ABEL GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>	7,443	498,699	199,347	705,489
<b>Year ended 31 December 2015:</b>				
Profit and total comprehensive income for the year	-	-	5,200	5,200
<b>Balance at 31 December 2015</b>	7,443	498,699	204,547	710,689
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year	-	-	3,600	3,600
<b>Balance at 31 December 2016</b>	7,443	498,699	208,147	714,289

# ABEL GROUP LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	33	856,734		130,589	
Income taxes paid		(64,695)		(20,773)	
<b>Net cash inflow from operating activities</b>		<b>792,039</b>		<b>109,816</b>	
<b>Investing activities</b>					
Purchase of intangible assets		-	(13,494)		
Purchase of tangible fixed assets		(376,487)	(570,727)		
Proceeds on disposal of tangible fixed assets		232,527	898,821		
Purchase of subsidiaries (net of cash acquired)		(277,338)	-		
Proceeds from other investments and loans		-	196,138		
Interest received		4,078	2,647		
<b>Net cash (used in)/generated from investing activities</b>		<b>(417,220)</b>		<b>513,385</b>	
<b>Financing activities</b>					
Repayment of borrowings		-	(4,620)		
Dividends paid to non-controlling interests		(86,800)	(85,200)		
<b>Net cash used in financing activities</b>		<b>(86,800)</b>		<b>(89,820)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>288,019</b>		<b>533,381</b>	
Cash and cash equivalents at beginning of year		1,139,769		606,388	
<b>Cash and cash equivalents at end of year</b>		<b>1,427,788</b>		<b>1,139,769</b>	

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

Abel Group Limited ("the Company") is a private company limited by shares, domiciled and incorporated in England and Wales. The address of the registered office and the place of business is given in the company information page of these financial statements.

The group consists of Abel Group Limited and all of its subsidiaries ("the Group").

#### 1.1 Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of certain freehold properties (in accordance with FRS 102) and investment properties. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has taken advantage of the exemption from preparing a statement of cash flows on the basis that the group statement of cash flows, included in these financial statements, includes the company's cash flows.

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Abel Group Limited and all of its subsidiaries. All financial statements are made up to 31 December 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Shield Alarms Limited has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Shield Alarms Limited for the period from its acquisition on 13 June 2016. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

#### 1.3 Turnover

Turnover is recognised as the fair value of the consideration received or receivable for goods and services provided in the normal course of business and comprises;

-Turnover from installation of security systems, which is recognised when the installation is complete.

-Turnover from rental and maintenance services, which is recognised equally over the period that the services are provided.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life, which is 10 years.

Goodwill arising on the acquisition of subsidiary undertakings, representing the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	Over periods up to 50 years
Long leasehold property	4% per annum of cost or valuation
Leasehold alterations	4% per annum of cost
Plant and machinery	15% per annum of net book value
Fixtures, fittings & equipment	15%-25% per annum of net book value/33% of cost
Motor vehicles	25% per annum of net book value

No depreciation is provided in respect of freehold land.

The Group previously adopted a policy of revaluing freehold properties. The Group has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

#### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.



# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of fixed assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account unless the asset is carried at the revalued amount where the impairment loss is a revaluation decrease.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials costs. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

#### 1.9 Financial instruments

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

#### 1.10 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

#### 1.11 Taxation

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

##### **Current tax**

The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### **1.12 Employee benefits**

When employees have rendered service to the Group, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

### 2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 3 Turnover and other revenue

An analysis of the Group's turnover is as follows:

	2016 £	2015 £
<b>Turnover</b>		
Sale of goods	6,481,360	7,267,267
Sale of services	4,803,480	4,479,652
	<u>11,284,840</u>	<u>11,746,919</u>
<b>Other revenue</b>		
Interest income	<u>4,078</u>	<u>2,647</u>

All turnover originates in the United Kingdom from the group's principal activity.

### 4 Exceptional items

	2016 £	2015 £
Profit on sale of tangible fixed assets	<u>4,900</u>	<u>300,465</u>

The Group classifies certain one off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

### 5 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	311,137	321,664
Amortisation of intangible assets	90,997	62,302
Cost of stocks recognised as an expense	2,596,069	3,029,755
Operating lease charges	<u>68,031</u>	<u>54,000</u>

### 6 Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,000	2,000
Audit of the company's subsidiaries	<u>15,000</u>	<u>10,000</u>
	<u>17,000</u>	<u>12,000</u>

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 7 Employees

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

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Management and administration	69	69	-	-
Production	106	108	-	-
Sales	38	39	-	-
	<u>213</u>	<u>216</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	5,613,273	5,664,606	-	-
Social security costs	524,946	537,853	-	-
Pension costs	31,851	35,852	-	-
	<u>6,170,070</u>	<u>6,238,311</u>	<u>-</u>	<u>-</u>

#### 8 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	<u>723,021</u>	<u>705,192</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>260,149</u>	<u>261,695</u>
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#### 9 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Interest on bank deposits	4,034	2,647
Other interest income	44	-
Total income	<u>4,078</u>	<u>2,647</u>

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 9 Interest receivable and similar income (Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,034	2,647
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### 10 Amounts written off investments

	2016 £	2015 £
Gain/(loss) on disposal of current asset investments	-	(29,377)

### 11 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	71,441	52,668
Adjustments in respect of prior periods	-	(10,592)
Total current tax	71,441	42,076
<b>Deferred tax</b>		
Origination and reversal of timing differences	22,690	54,649
Total tax charge	94,131	96,725

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £	2015 £
Profit before taxation	294,545	492,308
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	58,909	98,462
Tax effect of expenses that are not deductible in determining taxable profit	7,816	7,291
Tax effect of income not taxable in determining taxable profit	(14,364)	(62,158)
Adjustments in respect of prior years	-	(10,592)
Depreciation on assets not qualifying for tax allowances	17,237	13,001
Other timing differences	24,533	50,721
Taxation charge for the year	94,131	96,725

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2016 £	2015 £
Deferred tax arising on: Revaluation of property	(6,774)	(10,921)

### 12 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 January 2016	2,215,401
Additions - business combinations	567,612
At 31 December 2016	2,783,013
<b>Amortisation and impairment</b>	
At 1 January 2016	1,984,233
Amortisation charged for the year	90,997
At 31 December 2016	2,075,230
<b>Carrying amount</b>	
At 31 December 2016	707,783
At 31 December 2015	231,168

The company had no intangible fixed assets at 31 December 2016 or 31 December 2015.

## ABEL GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 13 Tangible fixed assets

Group	Freehold property £	Long Leasehold leasehold alterations property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 January 2016	2,045,167	398,482	96,871	236,946	1,455,373	6,204,948
Additions	-	-	-	-	90,598	376,487
Disposals	(130,000)	-	-	-	(5,106)	(459,138)
On acquisition of subsidiaries	-	-	-	-	5,106	31,351
At 31 December 2016	1,915,167	398,482	96,871	236,946	1,545,971	6,153,648
<b>Depreciation and impairment</b>						
At 1 January 2016	147,192	41,857	19,310	227,763	1,321,931	3,052,577
Depreciation charged in the year	35,596	15,938	3,875	1,378	42,515	311,137
Eliminated in respect of disposals	(11,820)	-	-	-	(4,527)	(220,400)
On acquisition of subsidiaries	-	-	-	-	4,527	20,240
At 31 December 2016	170,968	57,795	23,185	229,141	1,364,446	3,163,554
<b>Carrying amount</b>						
At 31 December 2016	1,744,199	340,687	73,686	7,805	181,525	2,990,094
At 31 December 2015	1,897,975	356,625	77,561	9,183	133,442	3,152,371

The company had no tangible fixed assets at 31 December 2016 or 31 December 2015.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 13 Tangible fixed assets

(Continued)

The Group has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use a previous revaluation as the deemed cost for freehold properties held at the date of transition to FRS 102.

The freehold properties were last revalued in either 2012 or 2013 on the basis of existing use value by independent qualified valuers. The resulting revaluation adjustments were taken to the revaluation reserve.

The comparable historic cost of the freehold properties that have been valued using the deemed cost exemption at the date of transition to FRS 102 is as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Cost	691,497	744,251	-	-
Accumulated depreciation	251,430	260,360	-	-
Carrying value	<u>440,067</u>	<u>483,891</u>	<u>-</u>	<u>-</u>

### 14 Investment property

	Group 2016 £	Company 2016 £
<b>Fair value</b>		
At 1 January 2016	330,000	-
Net gains or losses through fair value adjustments	35,000	-
At 31 December 2016	<u>365,000</u>	<u>-</u>

The fair value of the investment property is stated at directors' valuation and has been guided by independent advice from Chartered Surveyors.

The historical cost equivalent of investment properties stated at fair value is £280,600 (2015: £280,600).

### 15 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	32	<u>-</u>	<u>-</u>	<u>18,652</u>	<u>18,652</u>



# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 15 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 January 2016 and 31 December 2016

18,652

#### Carrying amount

At 31 December 2016

18,652

At 31 December 2015

18,652

### 16 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,957,939	2,614,351	695,637	692,037
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,110,097	3,180,650	-	-

Financial assets measured at amortised cost comprise trade debtors, amounts due from fellow group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, payments received on account, directors current accounts, amounts due to fellow group undertakings, other creditors and accruals.

### 17 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	254,194	268,758	-	-

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 18 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Amounts falling due within one year:</b>				
Trade debtors	1,936,508	2,600,311	-	-
Amounts due from group undertakings	-	-	695,637	692,037
Other debtors	21,431	14,040	-	-
Prepayments and accrued income	462,005	383,242	-	-
	<u>2,419,944</u>	<u>2,997,593</u>	<u>695,637</u>	<u>692,037</u>

### 19 Creditors: amounts falling due within one year

	Group 2016 £	2015 £	Company 2016 £	2015 £
Directors' current account	1,426	7,167	-	-
Corporation tax payable	48,972	42,076	-	-
Other taxation and social security	352,227	380,991	-	-
Payments received on account	2,051,968	2,304,988	-	-
Trade creditors	567,248	610,900	-	-
Other creditors	393,853	199,121	-	-
Accruals and deferred income	95,602	58,474	-	-
	<u>3,511,296</u>	<u>3,603,717</u>	<u>-</u>	<u>-</u>

### 20 Provisions for liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Deferred tax liabilities	21	<u>119,456</u>	<u>102,279</u>	<u>-</u>	<u>-</u>

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
<b>Group</b>		
Accelerated capital allowances	38,443	27,044
Other timing differences	65,455	52,903
Property revaluations	15,558	22,332
	<u>119,456</u>	<u>102,279</u>

The company has no deferred tax assets or liabilities.

	Group 2016 £	Company 2016 £
<b>Movements in the year:</b>		
Liability at 1 January 2016	102,279	-
Charge to profit or loss	23,951	-
Charge to other comprehensive income	(6,774)	-
	<u>119,456</u>	<u>-</u>
Liability at 31 December 2016	<u>119,456</u>	<u>-</u>

#### 22 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	<u>31,851</u>	<u>35,852</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 23 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital Issued and fully paid		
74,430 Ordinary shares of 10p each	7,443	7,443

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 24 Share premium account

This reserve represents the premium on shares issued at a value that exceeds their nominal value.

### 25 Revaluation reserve

The revaluation reserve comprises revaluation surpluses for certain freehold and investment properties net of associated deferred tax on these surpluses.

### 26 Profit and loss reserves

The profit and loss reserve comprises retained profits and losses for the current and prior periods.

### 27 Operating lease commitments

#### Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	58,125	54,000	-	-
Between two and five years	148,500	166,500	-	-
In over five years	73,500	109,500	-	-
	<u>280,125</u>	<u>330,000</u>	<u>-</u>	<u>-</u>

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 28 Acquisitions

On 13 June 2016 the Group acquired the entire share capital of Shield Alarms Limited for a total cash consideration of £592,932. The net assets acquired, consideration and goodwill for this acquisition are summarised below.

	Book Value £
Tangible fixed assets	11,111
Stock	20,339
Debtors	46,518
Creditors	(186,981)
Provisions	(1,261)
Cash and cash equivalents	135,594
Total identifiable net assets	<u>25,320</u>
Goodwill	<u>567,612</u>
Total consideration	<u><u>592,932</u></u>
The consideration was satisfied by:	£
Cash consideration (including deferred cash consideration of £180,000)	589,682
Acquisition expenses	3,250
	<u><u>592,932</u></u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£
Turnover	241,704
Profit after tax	<u><u>26,274</u></u>

The useful life of goodwill is estimated to be 10 years.

No fair value adjustments were required to the book values of the assets and liabilities of the entity acquired.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 29 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	839,117	821,771

#### Transactions with related parties

##### Group

The Group occupies properties owned by certain Group directors and a rental of £54,000 (2015: £54,000) was charged to the Group in the year in respect of these properties.

Creditors falling due within one year include a director's current account balance of £1,426 (2015: £7,167).

During the year, a subsidiary undertaking paid dividends totalling £28,000 (2015: £28,000) in respect of shares held by certain Group directors and dividends totalling £16,000 (2015: £16,000) in respect of shares held by a director of a subsidiary undertaking.

During the year, a subsidiary undertaking sold a motor vehicle to a Group director for total consideration of £49,995.

No guarantees have been given or received.

##### Company

During the year, the Company received dividends of £3,600 (2015: £5,200) from its subsidiary undertaking. At the year end, the debtor balance owed to the Company from its subsidiary undertaking was £695,637 (2015: £692,037).

No guarantees have been given or received.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 30 Directors' transactions

Advances or credits have been granted by the group to its directors as follows:

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr R J R Mulloy	-	35	7	-	-	42
Mr J D W Mulloy	-	9,256	2,634	-	-	11,890
		<u>9,291</u>	<u>2,641</u>	<u>-</u>	<u>-</u>	<u>11,932</u>

### 31 Controlling party

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

### 32 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held
Abel Alarm Company Limited	England & Wales	Provision of security systems	Ordinary	73
Shield Alarms Limited	England & Wales	Provision of security systems	Ordinary	100

The registered office address of all subsidiaries is the same as the company's registered office address as given in the company information page of these financial statements.

# ABEL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 33 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	200,414	395,583
Adjustments for:		
Taxation charged	94,131	96,725
Investment income	(4,078)	(2,647)
(Profit) / loss on disposal of tangible fixed assets	(4,900)	(300,465)
Fair value gains and losses on investment properties	(35,000)	(21,298)
Amortisation and impairment of intangible assets	90,997	62,302
Depreciation and impairment of tangible fixed assets	311,137	321,664
(Gain)/loss on sale of investments	-	29,377
Movements in working capital:		
Decrease in stocks	34,903	31,783
Decrease/(increase) in debtors	624,168	(403,683)
(Decrease) in creditors	(455,038)	(78,752)
<b>Cash generated from operations</b>	<b>856,734</b>	<b>130,589</b>