

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

COMPANY INFORMATION

Directors	D C Sutton N R Sutton C D Sutton
Company number	02197844
Registered office	Nene Lodge Funthams Lane Whittlesey Peterborough PE7 2PB
Auditor	Moore Stephens Rutland House Minerva Business Park Lynch Wood Peterborough PE2 6PZ

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Fair review of the business

The Group have continued to perform well and have reported a pre-tax profit of £367,689 for the year and with future pipeline projects due to provide additional income streams we are confident that the Group will deliver future positive trading performances.

Over the 12 months we have continued operational activities in the renewable sector with the benefit of previously established projects continuing to add positive returns and value to the Group's asset base.

We have been more active in the commercial and residential property markets during the year as the subsidised income levels on renewable projects decrease. We continue to purchase well located real estate with potential for value added growth together with secure long term lettings on commercial property.

With the levels of progress achieved to date we consider the Group is in excellent shape to progress forward with our plans and further develop our core operations.

Principal risks and uncertainties

The directors consider that the main risks to the Group's financial stability and continued successful performance relate to the economic conditions and government policy.

The Group has continued its activity in the renewable energy sector during the year in a period that has seen much reduced levels of government backed subsidised income. The Group is able to reduce the risks associated in this sector by ensuring that the investments are backed by guaranteed index link income for long term periods of up to 20 years.

The Group will be exposed to increases in the bank base rate; however this is largely mitigated by the Group taking out hedging protection on its core borrowings to protect cash flows in the future.

The Group also retains interests in the agricultural sector and weather conditions will always impact on yields and quality of goods and ultimately the prices achieved in the market. Price competition between supermarkets may be good for the consumer; however, producers and traders will always suffer in such circumstances.

Overall most of the risks and uncertainties are beyond the control of the directors and they maintain, as far as possible, alternative solutions to minimise such risks and uncertainties.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Key performance indicators

The directors do not, as such, rely or manage the Group with the benefit of Key Performance Indicators. The directors have business plans for each sector of the business which encompasses principal budgets of activity and cost management and thereby use such plans to monitor and assess the performance and achievement of each component of the Group's activity. It is also clear some of the Group activity is seasonal and thereby to some degree forward markets exist to give the directors a guide as to expectations and if appropriate to actually forward contract to protect a margin or profit which then almost removes the management performance issue. It should also be noted that each activity is managed by experienced individuals who report frequently to the directors with regards to the operating performance of each activity and such information is then validated by the Group's own internal finance function. As such the directors consider the systems in place and the overall active management process provide sufficient performance indicators to appropriately manage the overall activities of the Group as a whole as well as its parts.

On behalf of the board



C D Sutton

Director

26 September 2017

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Principal activities

The principal activity of the group during the year was that of management and development of property and renewable energy projects.

There has not been any significant change in this activity during the year.

Directors

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

D C Sutton
N R Sutton
C D Sutton

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £4,800. The directors do not recommend payment of a further dividend.

Future developments

Following the anticipated reduction in the renewable energy sector the directors have become more active again in property transactions.

The Group's activities in the agricultural and logistics sector continue to provide a steady income stream and this will continue in the future with fully assessed areas of growth being identified.

The Group's holiday property portfolio has improved once again with some properties showing near full occupancy. The directors consider that the success of the property let business is a result of the UK holiday market being boosted and the high level of accommodation standards that are offered, which is evidenced by the number of repeat customers. The directors will seek to maintain these service levels but have no plans to further expand the portfolio of properties in the short term.

A planned asset sale of part of the Group's renewable energy portfolio will provide additional capital to allow the business to increase its residential and commercial property income stream with new projects expecting to be delivered in 2018 and 2019.

Auditor

The auditor, Moore Stephens, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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;
- 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 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 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 is aware of that information.

On behalf of the board



C D Sutton

Director

26 September 2017

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

We have audited the financial statements of The Abbey Group Cambridgeshire Limited for the year ended 31 December 2016 set out on pages 7 to 46. 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 pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and 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.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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.



Mohamedraza Mavani FCA (Senior Statutory Auditor)
for and on behalf of Moore Stephens

27 September 2017

Chartered Accountants
Statutory Auditor

Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Notes	£	as restated £
Turnover	3	11,871,399	9,517,046
Cost of sales		(9,923,081)	(7,311,346)
Gross profit		1,948,318	2,205,700
Administrative expenses		(2,929,858)	(2,538,894)
Other operating income		1,661,876	1,285,715
Operating profit	4	680,336	952,521
Share of results of associates and joint ventures		423,344	228,968
Interest receivable and similar income	8	38	1,034
Interest payable and similar expenses	9	(655,763)	(463,953)
Amounts written off investments		(80,266)	(16,736)
Profit before taxation		367,689	701,834
Tax on profit	10	119,511	(48,143)
Profit for the financial year		487,200	653,691
Profit for the financial year is attributable to:			
- Owners of the parent company		482,126	669,166
- Non-controlling interests		5,074	(15,475)
		487,200	653,691

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

	2016 £	2015 £
Profit for the year	487,200	653,691
Other comprehensive income		
Currency translation differences	143,077	159,404
	<hr/>	<hr/>
Total comprehensive income for the year	630,277	813,095
	<hr/>	<hr/>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	625,203	828,570
- Non-controlling interests	5,074	(15,475)
	<hr/>	<hr/>
	630,277	813,095
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THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		656,497		724,136
Tangible assets	13		15,737,667		14,810,056
Investment properties	14		10,819,336		10,218,324
Investments	15		712,408		710,919
			<u>27,925,908</u>		<u>26,463,435</u>
Current assets					
Stocks	19	1,591,755		1,082,518	
Debtors	20	6,769,044		5,807,154	
Investments	21	21,238		50,403	
Cash at bank and in hand		658,746		574,728	
		<u>9,040,783</u>		<u>7,514,803</u>	
Creditors: amounts falling due within one year	22	(6,791,941)		(6,032,333)	
Net current assets			<u>2,248,842</u>		<u>1,482,470</u>
Total assets less current liabilities			<u>30,174,750</u>		<u>27,945,905</u>
Creditors: amounts falling due after more than one year	23		(13,683,778)		(11,910,762)
Provisions for liabilities	26		(602,633)		(771,963)
Net assets			<u>15,888,339</u>		<u>15,263,180</u>
Capital and reserves					
Called up share capital	28		11,200		11,200
Revaluation reserve			3,499,317		3,499,317
Profit and loss reserves			11,453,354		10,832,951
Equity attributable to owners of the parent company			<u>14,963,871</u>		<u>14,343,468</u>
Non-controlling interests			924,468		919,712
			<u>15,888,339</u>		<u>15,263,180</u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 26 September 2017 and are signed on its behalf by:

A handwritten signature in black ink, consisting of a stylized 'C' followed by a 'D' and a surname, with a long horizontal stroke extending to the right.

C D Sutton
Director

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

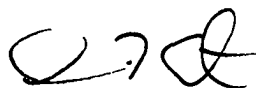
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	13	6,170,574		6,227,259	
Investment properties	14	10,650,051		10,049,039	
Investments	15	1,295,080		1,293,651	
		<u>18,115,705</u>		<u>17,569,949</u>	
Current assets					
Stocks	19	424,658		90,848	
Debtors	20	6,583,735		6,373,666	
Investments	21	21,238		50,403	
Cash at bank and in hand		429,716		223,258	
		<u>7,459,347</u>		<u>6,738,175</u>	
Creditors: amounts falling due within one year	22	<u>(3,845,253)</u>		<u>(5,055,270)</u>	
Net current assets		<u>3,614,094</u>		<u>1,682,905</u>	
Total assets less current liabilities		<u>21,729,799</u>		<u>19,252,854</u>	
Creditors: amounts falling due after more than one year	23	(10,831,319)		(8,855,381)	
Provisions for liabilities	26	(454,850)		(518,947)	
Net assets		<u>10,443,630</u>		<u>9,878,526</u>	
Capital and reserves					
Called up share capital	28	11,200		11,200	
Revaluation reserve		3,499,317		3,499,317	
Profit and loss reserves		6,933,113		6,368,009	
Total equity		<u>10,443,630</u>		<u>9,878,526</u>	

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 £569,904 (2015 - £515,868 profit).

The financial statements were approved by the board of directors and authorised for issue on 26 September 2017 and are signed on its behalf by:



C D Sutton
Director

Company Registration No. 02197844

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
As restated for the period ended 31 December 2015:							
Balance at 1 January 2015		11,200	3,499,317	10,055,633	13,566,150	936,387	14,502,537
Prior year adjustment		-	-	(46,452)	(46,452)	-	(46,452)
As restated		11,200	3,499,317	10,009,181	13,519,698	936,387	14,456,085
Year ended 31 December 2015:							
Profit for the year		-	-	669,166	669,166	(15,475)	653,691
Other comprehensive income:							
Currency translation differences		-	-	159,404	159,404	-	159,404
Total comprehensive income for the year		-	-	828,570	828,570	(15,475)	813,095
Dividends	11	-	-	(4,800)	(4,800)	(3,200)	(8,000)
Other movements		-	-	-	-	2,000	2,000
Balance at 31 December 2015		11,200	3,499,317	10,832,951	14,343,468	919,712	15,263,180

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
As restated for the period ended 31 December 2015:							
Year ended 31 December 2016:							
Profit for the year		-	-	482,126	482,126	5,074	487,200
Other comprehensive income:							
Currency translation differences on overseas subsidiaries		-	-	143,077	143,077	-	143,077
Total comprehensive income for the year		-	-	625,203	625,203	5,074	630,277
Dividends	11	-	-	(4,800)	(4,800)	-	(4,800)
Other movements		-	-	-	-	(318)	(318)
Balance at 31 December 2016		11,200	3,499,317	11,453,354	14,963,871	924,468	15,888,339

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2015:					
Balance at 1 January 2015		11,200	3,499,317	5,856,941	9,367,458
Year ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	515,868	515,868
Dividends	11	-	-	(4,800)	(4,800)
Balance at 31 December 2015		11,200	3,499,317	6,368,009	9,878,526
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	569,904	569,904
Dividends	11	-	-	(4,800)	(4,800)
Balance at 31 December 2016		11,200	3,499,317	6,933,113	10,443,630

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	33	136,580		518,456	
Interest paid		(655,763)		(463,953)	
Income taxes paid		(59,923)		(191,677)	
Net cash outflow from operating activities		(579,106)		(137,174)	
Investing activities					
Purchase of tangible fixed assets		(2,990,891)		(207,908)	
Proceeds on disposal of tangible fixed assets		1,466,066		62,961	
Purchase of investment property		(1,017,250)		(1,061,554)	
Proceeds on disposal of investment property		416,238		-	
Purchase of associates		(88,305)		(25,000)	
Proceeds on disposal of associates		480,000		-	
Proceeds on disposal of fixed asset investments		-		55,547	
Other investments and loans made		(379,242)		-	
Interest received		30		1,026	
Dividends received		8		8	
Net cash used in investing activities		(2,113,346)		(1,174,920)	
Financing activities					
Proceeds from issue of shares		470		2,000	
Proceeds from borrowings		600,000		58,075	
Repayment of borrowings		(331,029)		(198,188)	
Proceeds of new bank loans		10,176,387		2,006,075	
Repayment of bank loans		(7,072,689)		(716,440)	
Payment of finance leases obligations		(1,013,258)		(85,239)	
Dividends paid to equity shareholders		(4,800)		(4,800)	
Dividends paid to non-controlling interests		-		(3,200)	
Net cash generated from financing activities		2,355,081		1,058,283	
Net decrease in cash and cash equivalents		(337,371)		(253,811)	
Cash and cash equivalents at beginning of year		174,837		269,244	
Effect of foreign exchange rates		143,077		159,404	
Cash and cash equivalents at end of year		(19,457)		174,837	

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Relating to:					
Cash at bank and in hand		658,746		574,728	
Bank overdrafts included in creditors payable within one year		(678,203)		(399,891)	
		<u> </u>		<u> </u>	

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

The Abbey Group Cambridgeshire Limited ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB.

The group consists of The Abbey Group Cambridgeshire Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with 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 company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of The Abbey Group Cambridgeshire Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2016. 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.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Income from sale of goods is recognised when the contract to supply goods has been fulfilled.

Income from road transport services is recognised in the period the goods are transported.

Rental income is recognised on a straight line basis over the period of the lease.

Income from electricity generation is recognised in the period the electricity is generated.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is between 10 and 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 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 land and buildings	50 years straight line (excluding land)
Leasehold land and buildings	20 years straight line
Plant and equipment	7 to 15 years straight line
Fixtures and fittings	3 to 10 years straight line
Motor vehicles	3 to 4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

1 Accounting policies

(Continued)

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period 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 is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 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.

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 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. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

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

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Development expenditure

Costs incurred in developing renewable energy projects are capitalised if the project is likely to be successful and it is probable that future economic benefit will be generated by the project. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets and the expected period of benefits.

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:

Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss.

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business and the expected usual life of the cash generating units to which the goodwill is attributed.

3 Turnover and other revenue

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

	2016 £	2015 £
Turnover analysed by class of business		
Property and renewable energy projects	2,026,464	2,194,159
Storage	-	42,680
Produce merchants	7,505,392	5,306,517
Logistics	2,339,543	1,964,386
Publishing	-	9,304
	<u>11,871,399</u>	<u>9,517,046</u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

3 Turnover and other revenue (Continued)

	2016	2015
	£	£
Other significant revenue		
Interest income	30	1,026
Dividends received	8	8
	<u> </u>	<u> </u>

4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(99,383)	(32,277)
Depreciation of owned tangible fixed assets	567,196	482,965
Depreciation of tangible fixed assets held under finance leases	39,749	42,935
Loss/(profit) on disposal of tangible fixed assets	19,702	(23,646)
Amortisation of intangible assets	67,639	67,639
Profit on disposal of intangible assets	-	(46,515)
Cost of stocks recognised as an expense	9,620,423	7,311,346
Operating lease charges	175,004	159,464
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £99,383 (2015 - £32,277).

5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	13,000	9,600
Audit of the financial statements of the company's subsidiaries	28,920	20,500
	<u> </u>	<u> </u>
	41,920	30,100
	<u> </u>	<u> </u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Employees

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

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Management	3	3	1	1
Sales	7	7	-	-
Administration	14	12	7	6
Warehousing	-	1	-	-
	<u>24</u>	<u>23</u>	<u>8</u>	<u>7</u>

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	797,993	684,444	252,527	209,733
Social security costs	75,574	40,786	27,172	22,685
Pension costs	49,494	81,463	12,000	-
	<u>923,061</u>	<u>806,693</u>	<u>291,699</u>	<u>232,418</u>

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	186,477	147,122
Company pension contributions to defined contribution schemes	12,000	50,000
	<u>198,477</u>	<u>197,122</u>

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

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	30	1,026
Other income from investments		
Dividends received	8	8
Total income	<u>38</u>	<u>1,034</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>30</u>	<u>1,026</u>
--	-----------	--------------

9 Interest payable and similar expenses

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	149,268	83,169
Interest on finance leases and hire purchase contracts	6,550	15,828
Other interest on financial liabilities	499,945	364,956
	<u>655,763</u>	<u>463,953</u>

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	19,295	29,399
Adjustments in respect of prior periods	27,057	(36,098)
Total current tax	<u>46,352</u>	<u>(6,699)</u>
Deferred tax		
Origination and reversal of timing differences	(165,863)	54,842
Total tax (credit)/charge for the year	<u>(119,511)</u>	<u>48,143</u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	367,689	701,834
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	73,538	140,367
Tax effect of expenses that are not deductible in determining taxable profit	74,973	23,364
Tax effect of income not taxable in determining taxable profit	(84,672)	(45,796)
Gains not taxable	-	(2,437)
Adjustments in respect of prior years	27,058	(36,098)
Depreciation on assets not qualifying for tax allowances	46,402	31,895
Other permanent differences	(24,571)	(41,054)
Deferred tax adjustments in respect of prior years	3,467	-
Disposal proceeds different for tax purposes	(169,672)	-
Indexation of revaluation gain	(66,034)	(22,098)
Taxation (credit)/charge for the year	(119,511)	48,143

11 Dividends

	2016 £	2015 £
Interim paid	4,800	4,800

12 Intangible fixed assets

Group	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 January 2016	1,054,212	(1,453,804)	(399,592)
Disposals	-	7,683	7,683
At 31 December 2016	1,054,212	(1,446,121)	(391,909)
Amortisation and impairment			
At 1 January 2016	330,076	(1,453,804)	(1,123,728)
Amortisation charged for the year	67,639	-	67,639
Disposals	-	7,683	7,683
At 31 December 2016	397,715	(1,446,121)	(1,048,406)

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

12 Intangible fixed assets

(Continued)

Carrying amount

At 31 December 2016	656,497	-	656,497
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2015	724,136	-	724,136
	<u> </u>	<u> </u>	<u> </u>

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

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2016	12,358,781	61,465	5,551,174	194,034	215,738	18,381,192
Additions	181,247	-	2,783,954	21,722	33,401	3,020,324
Disposals	-	-	(1,657,293)	-	(2,940)	(1,660,233)
At 31 December 2016	12,540,028	61,465	6,677,835	215,756	246,199	19,741,283
Depreciation and impairment						
At 1 January 2016	1,530,486	9,370	1,764,374	173,604	93,302	3,571,136
Depreciation charged in the year	184,497	3,073	354,479	9,150	55,746	606,945
Eliminated in respect of disposals	-	-	(173,892)	-	(573)	(174,465)
At 31 December 2016	1,714,983	12,443	1,944,961	182,754	148,475	4,003,616
Carrying amount						
At 31 December 2016	10,825,045	49,022	4,732,874	33,002	97,724	15,737,667
At 31 December 2015	10,828,295	52,095	3,786,800	20,430	122,436	14,810,056

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2016	6,573,209	1,916,776	77,688	34,628	8,602,301
Additions	-	200,000	1,817	29,433	231,250
At 31 December 2016	6,573,209	2,116,776	79,505	64,061	8,833,551
Depreciation and impairment					
At 1 January 2016	1,143,543	1,164,983	54,972	11,544	2,375,042
Depreciation charged in the year	131,465	128,272	6,842	21,356	287,935
At 31 December 2016	1,275,008	1,293,255	61,814	32,900	2,662,977
Carrying amount					
At 31 December 2016	5,298,201	823,521	17,691	31,161	6,170,574
At 31 December 2015	5,429,666	751,793	22,716	23,084	6,227,259

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2016 £	2015 £	Company 2016 £	2015 £
Plant and equipment	-	415,222	-	-
Motor vehicles	70,170	79,894	19,621	-
	70,170	495,116	19,621	-
Depreciation charge for the year in respect of leased assets	39,749	42,935	9,812	-

14 Investment property

	Group 2016 £	Company 2016 £
Fair value		
At 1 January 2016	10,218,324	10,049,039
Additions through external acquisition	1,017,250	1,017,250
Disposals	(416,238)	(416,238)
At 31 December 2016	10,819,336	10,650,051

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Investment property

(Continued)

Investment property comprises commercial and residential properties owned by the group. The fair value of the investment property has been arrived at on the basis of a valuation carried out by C D Sutton and N R Sutton who are directors of the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Cost	7,320,019	6,719,007	7,320,019	6,719,007
Accumulated depreciation	-	-	-	-
Carrying amount	<u>7,320,019</u>	<u>6,719,007</u>	<u>7,320,019</u>	<u>6,719,007</u>

15 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	16	-	-	1,289,410	1,287,981
Investments in associates	17	706,830	705,341	92	92
Unlisted investments		5,578	5,578	5,578	5,578
		<u>712,408</u>	<u>710,919</u>	<u>1,295,080</u>	<u>1,293,651</u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 January 2016	780,082	5,578	785,660
Additions	511,649	-	511,649
Disposals	(480,000)	-	(480,000)
At 31 December 2016	811,731	5,578	817,309
Impairment			
At 1 January 2016	74,741	-	74,741
Impairment losses	30,160	-	30,160
At 31 December 2016	104,901	-	104,901
Carrying amount			
At 31 December 2016	706,830	5,578	712,408
At 31 December 2015	705,341	5,578	710,919

Movements in fixed asset investments Company

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 January 2016	1,288,073	5,578	1,293,651
Additions	1,529	-	1,529
Disposals	(100)	-	(100)
At 31 December 2016	1,289,502	5,578	1,295,080
Carrying amount			
At 31 December 2016	1,289,502	5,578	1,295,080
At 31 December 2015	1,288,073	5,578	1,293,651

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Abbey Logistics Cambridgeshire Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Provision of road transport services	Ordinary 'A' shares	51.00	
Abbey Properties Cambridgeshire Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Management and development of property and renewable energy projects	Ordinary 'A' shares	100.00	
Abbey Produce Ltd	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Produce merchants	Ordinary shares	100.00	
Skibo Portet SL	Spain	Property letting	Ordinary shares	50.00	
Abbey Ecosse Limited	Balmore House, Forss Business and Technology Park, Forss by Thurso, Caithness, KW14 7UZ	Commercial property rental	Ordinary shares	100.00	
Forss Management Limited	Balmore House, Forss Business and Technology Park, Forss by Thurso, Caithness, KW14 7UZ	Property management	Ordinary shares		100.00
ILI (Haywoodhead) Limited	110 Queen Street, Glasgow, G1 3BX	Renewable energy generation	Ordinary shares		100.00
ILI (Letham) Limited	110 Queen Street, Glasgow, G1 3BX	Renewable energy generation	Ordinary shares		100.00
ILI (Yonderton) Limited	110 Queen Street, Glasgow, G1 3BX	Renewable energy generation	Ordinary shares		100.00
North Fen Solar Energy Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Development of renewable energy projects	Ordinary shares		100.00

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

16 Subsidiaries

(Continued)

Andrew James Bathrooms Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Retailing of heating and plumbing goods	Ordinary shares	100.00
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Andrew James Bathrooms Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of its individual accounts by virtue of section 479A.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

17 Associates

Details of associates at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
ILI (Neilstonside) Limited	110 Queen Street, Glasgow, G1 3BX	Renewable energy generation	X shares		100.00
London & Cambridge Energy Limited	110 Queen Street, Glasgow, G1 3BX	Renewable energy generation	X shares		100.00
ILI (West Strathore Farm) Ltd	110 Queen Street, Glasgow, G1 3BX	Renewable energy generation	Ordinary shares		50.00
Four Churches Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Property development	Ordinary shares	50.00	
Kilrubie Windfarm Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Development of renewable energy projects	Ordinary shares		50.00
SPV (St. Ives) Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Property development	Ordinary shares		33.33
North & South Energy Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Dormant	X Ordinary shares		100.00
Windlend Cornwall Limited	First Floor Templeback, 10 Temple Back, Bristol, BS1 6FL	Renewable energy generation	Ordinary shares	21.00	
PRE (Whitehill) Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Renewable energy generation	Ordinary shares		50.00
Windlend (Leicestershire) Limited	Nene Lodge, Funthams Lane, Whittlesey, Peterborough, PE7 2PB	Renewable energy generation	Ordinary shares		50.00
ILI (Garelwood) Limited	110 Queen Street, Glasgow, G1 3HD	Renewable energy generation	Ordinary shares		50.00

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

18 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	6,031,977	5,039,747	6,368,887	6,137,012
Equity instruments measured at cost less impairment	5,578	5,578	5,578	5,578
Instruments measured at fair value through profit or loss	21,238	50,403	21,238	50,403
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	55,208	34,267	-	-
Measured at amortised cost	20,307,531	17,820,652	14,612,665	13,868,439

19 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	5,005	8,530	-	-
Work in progress	682,460	90,848	424,658	90,848
Finished goods and goods for resale	904,290	983,140	-	-
	1,591,755	1,082,518	424,658	90,848

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

20 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	1,865,291	1,395,777	122,004	153,240
Amounts due from group undertakings	-	-	5,799,791	5,310,466
Amounts due from undertakings in which the company has a participating interest	60,000	665,456	60,000	665,456
Other debtors	4,118,531	3,078,027	387,092	7,850
Prepayments and accrued income	698,293	630,194	214,848	236,654
	<u>6,742,115</u>	<u>5,769,454</u>	<u>6,583,735</u>	<u>6,373,666</u>
Amounts falling due after more than one year:				
Prepayments and accrued income	<u>26,929</u>	<u>37,700</u>	<u>-</u>	<u>-</u>
Total debtors	<u>6,769,044</u>	<u>5,807,154</u>	<u>6,583,735</u>	<u>6,373,666</u>

Included in trade debtors is an amount of £1,639,377 (2015 £1,194,710) which is factored.

21 Current asset investments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Unlisted investments	<u>21,238</u>	<u>50,403</u>	<u>21,238</u>	<u>50,403</u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

22 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	24	2,840,381	1,996,519	695,095	1,396,662
Obligations under finance leases	25	29,909	161,104	4,075	-
Other borrowings	24	151,092	136,065	151,092	136,065
Trade creditors		1,231,966	1,676,153	70,993	218,257
Amounts due to group undertakings		-	-	1,001,529	1,696,297
Corporation tax payable		19,295	29,399	8,921	21,786
Other taxation and social security		93,685	58,777	54,986	20,426
Other creditors		1,607,287	1,317,792	1,417,889	1,130,513
Accruals and deferred income		818,326	656,524	440,673	435,264
		<u>6,791,941</u>	<u>6,032,333</u>	<u>3,845,253</u>	<u>5,055,270</u>

Included in bank overdrafts is £660,646 (2015 £390,687) owing to a factoring company which is secured on trade debtors.

Obligations under finance leases are secured on the assets concerned.

23 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	24	12,839,545	10,301,397	10,240,653	8,354,918
Obligations under finance leases	25	72,005	924,635	23,646	-
Other borrowings	24	717,020	463,076	567,020	313,076
Derivative financial instruments		55,208	34,267	-	-
Other creditors		-	187,387	-	187,387
		<u>13,683,778</u>	<u>11,910,762</u>	<u>10,831,319</u>	<u>8,855,381</u>

Obligations under finance leases are secured on the assets concerned.

Amounts included above which fall due after five years are as follows:

Payable by instalments	1,622,603	3,156,617	440,705	1,626,610
Payable other than by instalments	150,000	150,000	-	-
	<u>1,772,603</u>	<u>3,306,617</u>	<u>440,705</u>	<u>1,626,610</u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

24 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	15,001,723	11,898,025	10,935,748	9,751,580
Bank overdrafts	678,203	399,891	-	-
Other loans	868,112	599,141	718,112	449,141
	<u>16,548,038</u>	<u>12,897,057</u>	<u>11,653,860</u>	<u>10,200,721</u>
Payable within one year	2,991,473	2,132,584	846,187	1,532,727
Payable after one year	<u>13,556,565</u>	<u>10,764,473</u>	<u>10,807,673</u>	<u>8,667,994</u>
Amounts included above which fall due after five years:				
Payable by instalments	1,622,603	3,156,617	440,705	1,626,610
Payable other than by instalments	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
	<u>1,772,603</u>	<u>3,306,617</u>	<u>440,705</u>	<u>1,626,610</u>

The bank holds the following security for the overdraft:

1. Cross guarantee and debenture given in favour of Abbey Properties Cambridgeshire Limited.
2. Additional security has been provided in the form of assets held by the Group members and the Abbey Produce Limited Pension Scheme.

Bank loans are secured by way of a fixed charge over the Group's assets.

The bank loans are repayable in quarterly instalments at a variable interest rate linked to LIBOR.

25 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	29,909	161,104	4,075	-
In two to five years	72,005	637,578	23,646	-
In over five years	-	287,057	-	-
	<u>101,914</u>	<u>1,085,739</u>	<u>27,721</u>	<u>-</u>

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

25 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is four years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

26 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	373,123	464,926
Tax losses	(118,222)	(109,488)
Revaluations	363,429	429,462
Other timing differences	(15,697)	(12,937)
	<u>602,633</u>	<u>771,963</u>
	Liabilities 2016 £	Liabilities 2015 £
Company		
Accelerated capital allowances	112,506	107,810
Tax losses	(5,388)	(5,388)
Revaluations	363,429	429,462
Other timing differences	(15,697)	(12,937)
	<u>454,850</u>	<u>518,947</u>
	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 January 2016	771,963	518,947
Credit to profit or loss	(165,863)	(64,097)
	<u>606,100</u>	<u>454,850</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

27 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	49,494	81,463

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.

28 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
5,100 Ordinary 'A' shares of £1 each	5,100	5,100
5,000 Ordinary 'B' shares of £1 each	5,000	5,000
100 Ordinary 'C' shares of £1 each	100	100
1,000 Ordinary 'D' shares of £1 each	1,000	1,000
	11,200	11,200

Each class of share relates to the assets of particular subsidiary companies other than 'A' shares which relate to assets in the company other than those specifically designated to 'B', 'C' and 'D' ordinary shares.

The rights of different classes of share are restricted so that only their respective holders participate in the distribution of surplus assets in the subsidiary represented by that particular class of share.

29 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	153,000	152,000	91,000	91,000
Between two and five years	564,000	564,000	364,000	364,000
In over five years	6,304,000	6,445,000	5,614,000	5,705,000
	7,021,000	7,161,000	6,069,000	6,160,000

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	149,222	144,007

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016 £	2015 £	2016 £	2015 £
Group				
Other related parties	1,407	-	62,894	-
	Rent paid		Management charges received	
	2016 £	2015 £	2016 £	2015 £
Group				
Entities over which the entity has control, joint control or significant influence	-	-	54,000	97,833
Other related parties	91,000	105,400	10,000	40,775

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Group		
Entities over which the group has control, joint control or significant influence	612,002	152,044
Other related parties	685,490	534,566

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

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

30 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016 Balance £	Amounts owed by related parties 2015 Balance £
Group		
Entities over which the group has control, joint control or significant influence	3,717,573	3,602,803

31 Directors' transactions

Management charges amounting to £12,780 (2015 £12,780) were paid to David Sutton Developments, a business owned by D C Sutton. At the year end £nil (2015 £nil) was owed to David Sutton Developments.

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

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
D C Sutton - Loan	-	-	379,242	379,242
		-	379,242	379,242

The loan to the director is unsecured, interest free and repayable on demand.

32 Controlling party

The ultimate controlling party is D C Sutton by virtue of his majority shareholding.

THE ABBEY GROUP CAMBRIDGESHIRE 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	487,200	653,691
Adjustments for:		
Share of results of associates and joint ventures	(423,344)	(228,968)
Taxation (credited)/charged	(119,511)	48,143
Finance costs	655,763	463,953
Investment income	(38)	(1,034)
Loss/(gain) on disposal of tangible fixed assets	19,702	(23,646)
Gain on disposal of intangible assets	-	(46,515)
Amortisation and impairment of intangible assets	67,639	67,639
Depreciation and impairment of tangible fixed assets	606,945	525,900
Gain on sale of investments	-	(5,547)
Amounts written off investments	80,266	22,283
Movements in working capital:		
(Increase)/decrease in stocks	(509,237)	19,933
(Increase) in debtors	(582,648)	(1,890,728)
(Decrease)/increase in creditors	(146,157)	913,352
Cash generated from operations	136,580	518,456

34 Prior period adjustment

The prior period adjustment relates to the fair value adjustment of a financial instrument that had not been identified previously.

Changes to the balance sheet - group

	At 31 December 2015		
	As previously reported £	Adjustment £	As restated £
Creditors due after one year			
Derivatives	-	(34,267)	(34,267)
Capital and reserves			
Profit and loss	10,848,543	(34,267)	10,814,276

THE ABBEY GROUP CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

34 Prior period adjustment

(Continued)

Changes to the profit and loss account - group

	Period ended 31 December 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Amounts written off investments	(28,921)	12,185	(16,736)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	412,538	12,185	424,723
	<u> </u>	<u> </u>	<u> </u>