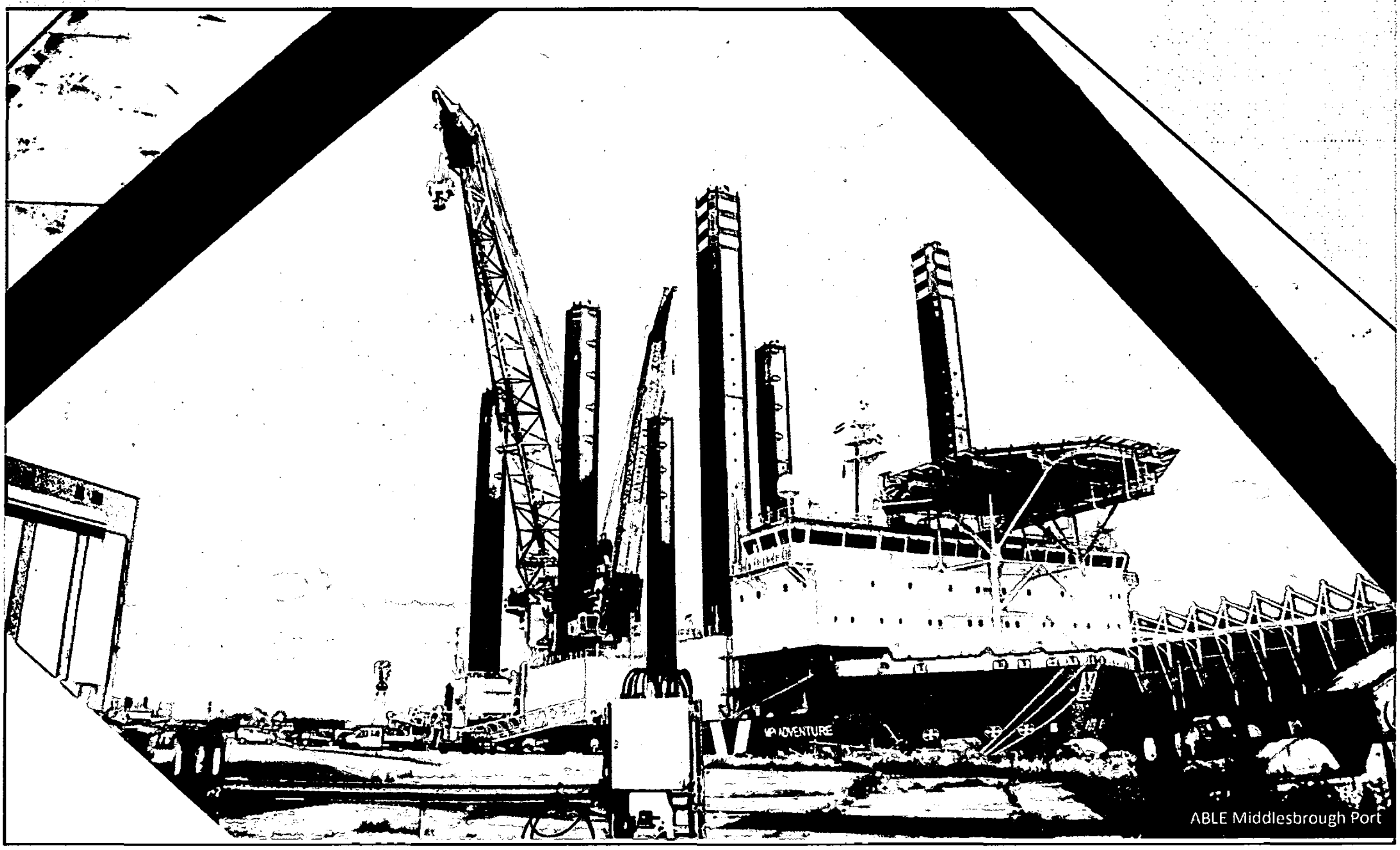
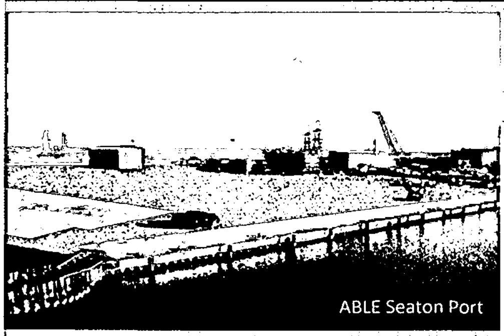
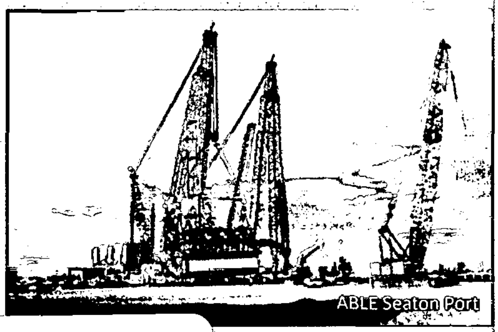
Able Group

Financial Statements and Accounts
ABLE UK Limited and Elba Group


ABLE Middlesbrough Port


ABLE Seaton Port


ABLE Humber Port


ABLE Seaton Port

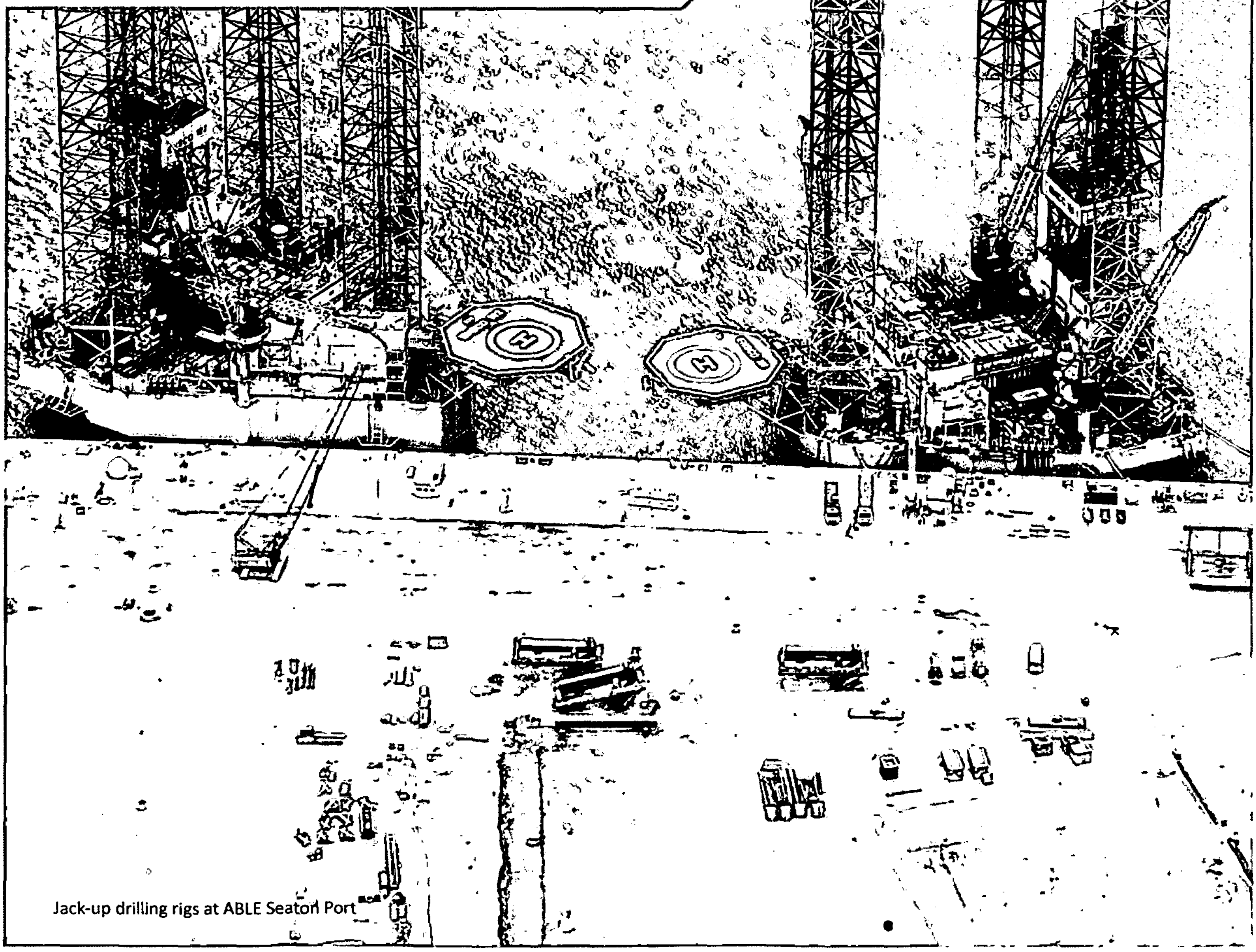
31 December 2015

The Able Group is an ambitious and successful organisation that operates across a number of challenging industrial and business sectors.

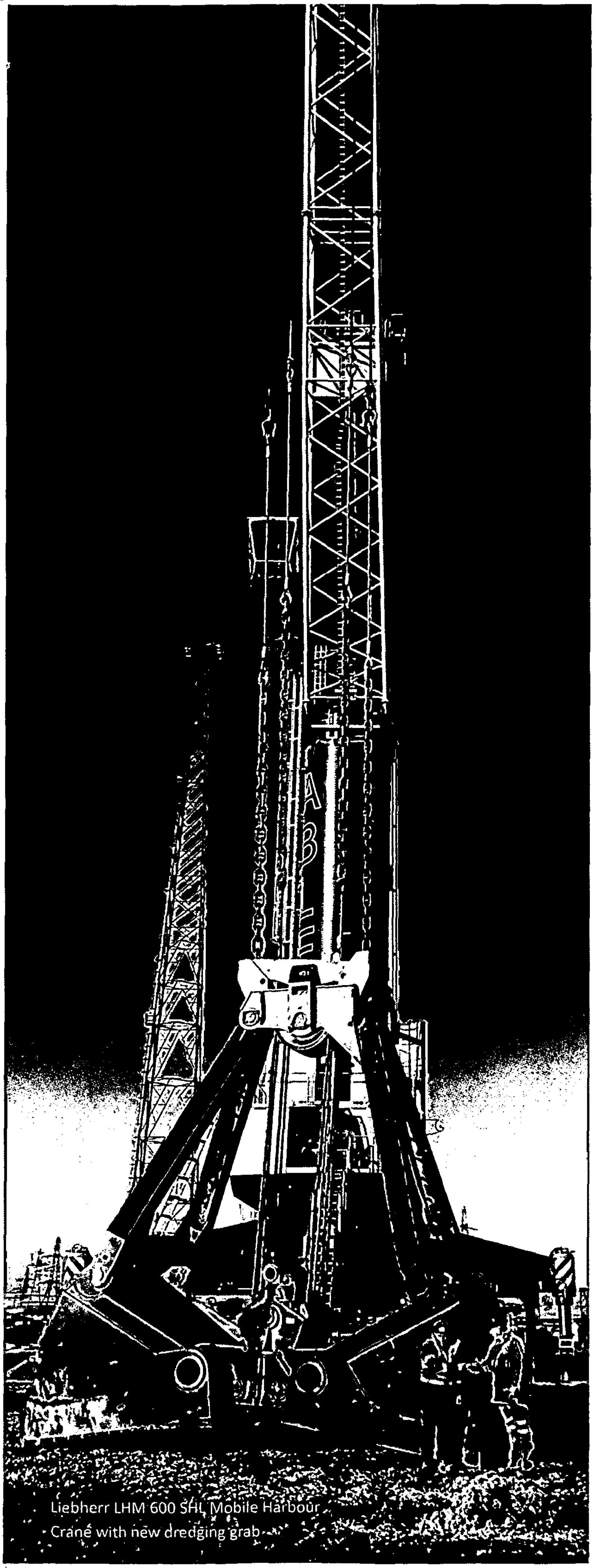
From being a leading and innovative specialist in complex decommissioning processes we have evolved into a multi-functional business providing solutions for some of the world's largest organisations.

Our activities include:

- Construction
- Decommissioning
- Oil & Gas Drilling Rig Upgrades
- Property Investment & Development
- Vehicle Storage & Distribution Facilities



Jack-up drilling rigs at ABLE Seaton Port

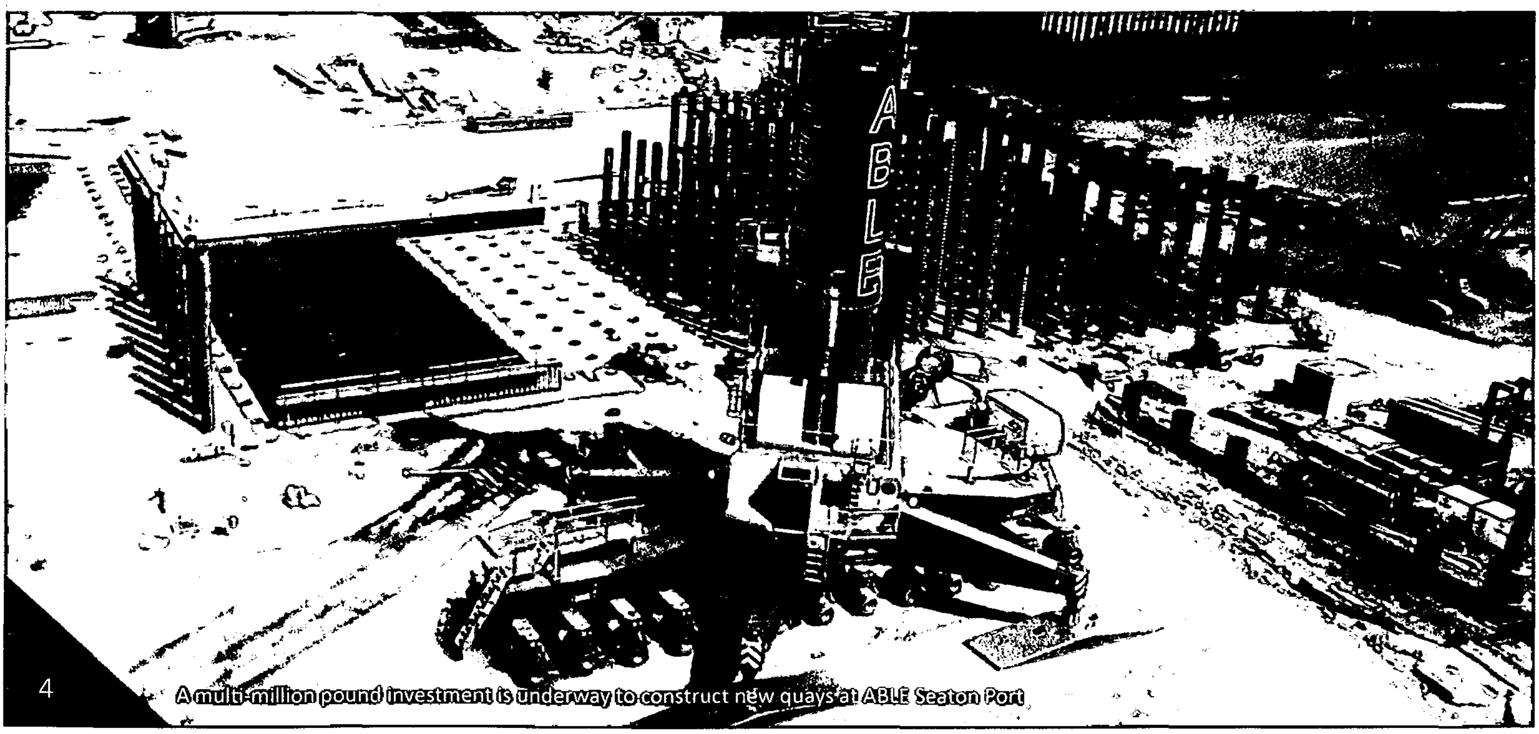


Liebherr LHM 600 SHL Mobile Harbour Crane with new dredging grab

Contents

Company information

Directors:	P M Stephenson R Stephenson
Secretary:	K Jewers
Registered office:	Able House Billingham Reach Industrial Estate Haverton Hill Road Cleveland TS23 1PX
Registered number:	02386356 (England and Wales)
Auditor:	KPMG LLP Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX



A multi-million pound investment is underway to construct new quays at ABLE Seaton Port

Strategic report

The principal activities of the group during the year may be summarised as follows:

- Construction
- Decommissioning
- Oil & Gas Drilling Rig upgrades
- Property & Development
- Vehicle Storage & Distribution Facilities

Market environment and performance
Able UK Limited ('Able') operates across a diverse range of activities with each activity having differing characteristics.

In terms of property and development, the most significant market sectors are the Ports, energy sector (particularly offshore wind, Gas and Biomass Generation), vehicle storage and distribution.

The UK is the Global market leader in offshore wind with over 5.0GW of installed capacity with a a similar amount either under construction or at the stage of final investment decision. The UK is on track to deliver 10GW by 2020 and remains one of the most attractive locations for offshore investment in the world. The offshore wind pipeline represents an investment opportunity of c. £20b over next 5 years.

The vehicle storage sector has continued to grow in 2015 and the group expects this to continue in 2016 and beyond. The group provides bespoke facilities at its ports for Offshore Energy installation and major car manufacturers.

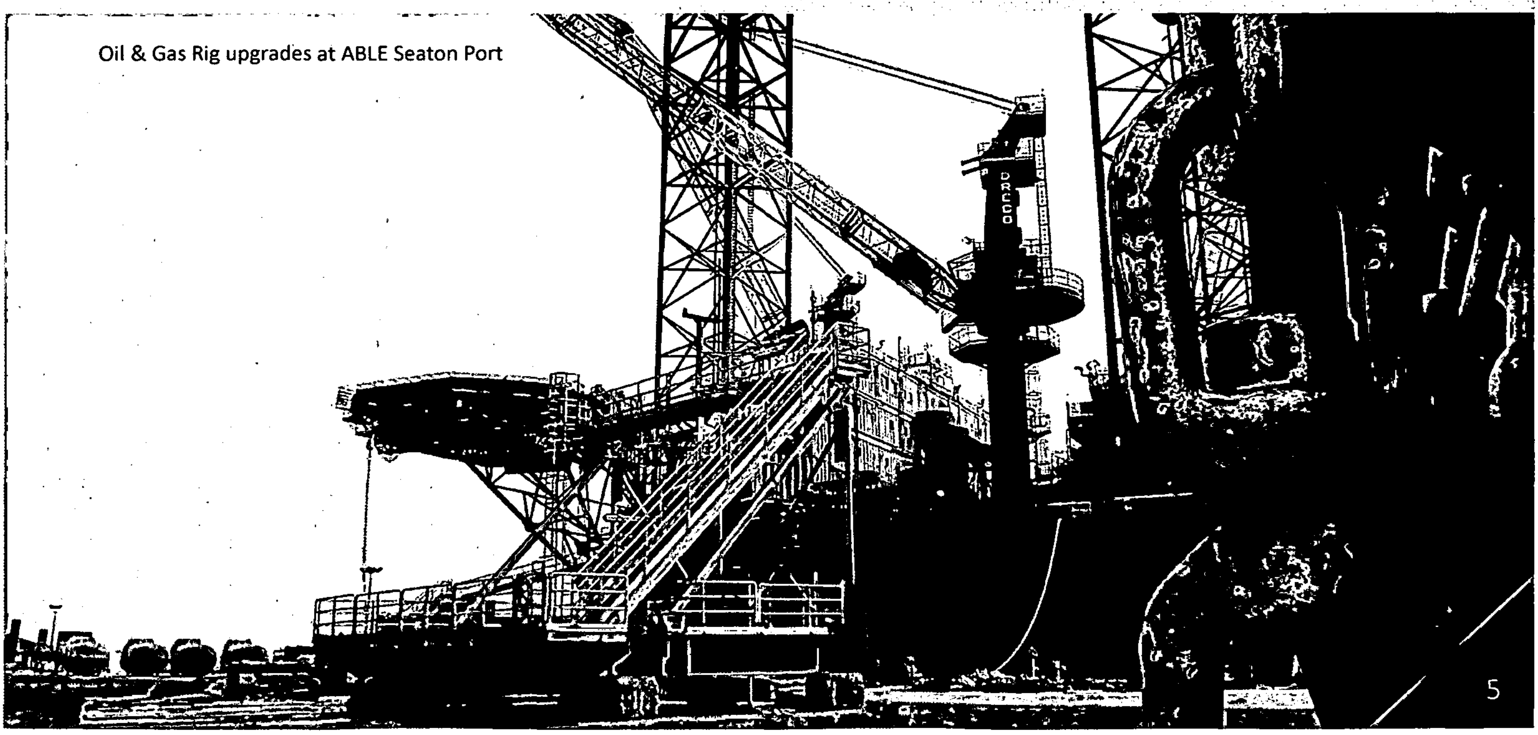
Whilst the UK economy experienced mixed fortunes in 2015, most of the sectors in which the group operates proved to be fairly robust the exception of upgrading of oil & gas drilling rigs. We expect to see an increased level of enquiries in the future with the prospects of increased utilisation of the groups' assets.

The global fall in oil prices has impacted on the oil and gas rig upgrading sector. Whilst maintenance work continuesto be required, there is an additional requirement for berths to accommodate rigs which currently have no work. Able is well positioned to provide these facilities, hence the continued investment in the development of the quays etc.

The decommissioning sector is strongly influenced by Government policy and the restructuring of the UK energy supply. In particular, the phasing out of conventional coal fired power stations and the lower oil prices presents ongoing opportunities for Able and a number of contracts are being actively pursued. Similarly, the additional investment at Able Seaton Port (ASP) will further enhance the prospect of securing new oil and gas platform decommissioning projects beyond the current long term contracts.

Able's construction arm continues to carry out a range of projects, principally for the group, with a concentration on the fully consented developments at Able Seaton Port and Able Humber Ports.

Oil & Gas Rig upgrades at ABLE Seaton Port



Strategic report *(continued)*

Strategy
Able's strategy is aimed at retaining and improving Able's strong position across a range of activities. We will continue to focus on growth and this will be underpinned by sustained and selective investment.

Able will continue to seek to expand its quality client base and develop long-term relationships with guaranteed revenues from a broad mix of blue chip customers and business sectors. This review will outline some of those opportunities.

The Group will continue its selective approach to further land acquisitions.

Financial performance
The accounts of Able UK Limited have, been prepared on a consolidated basis and under IFRS.

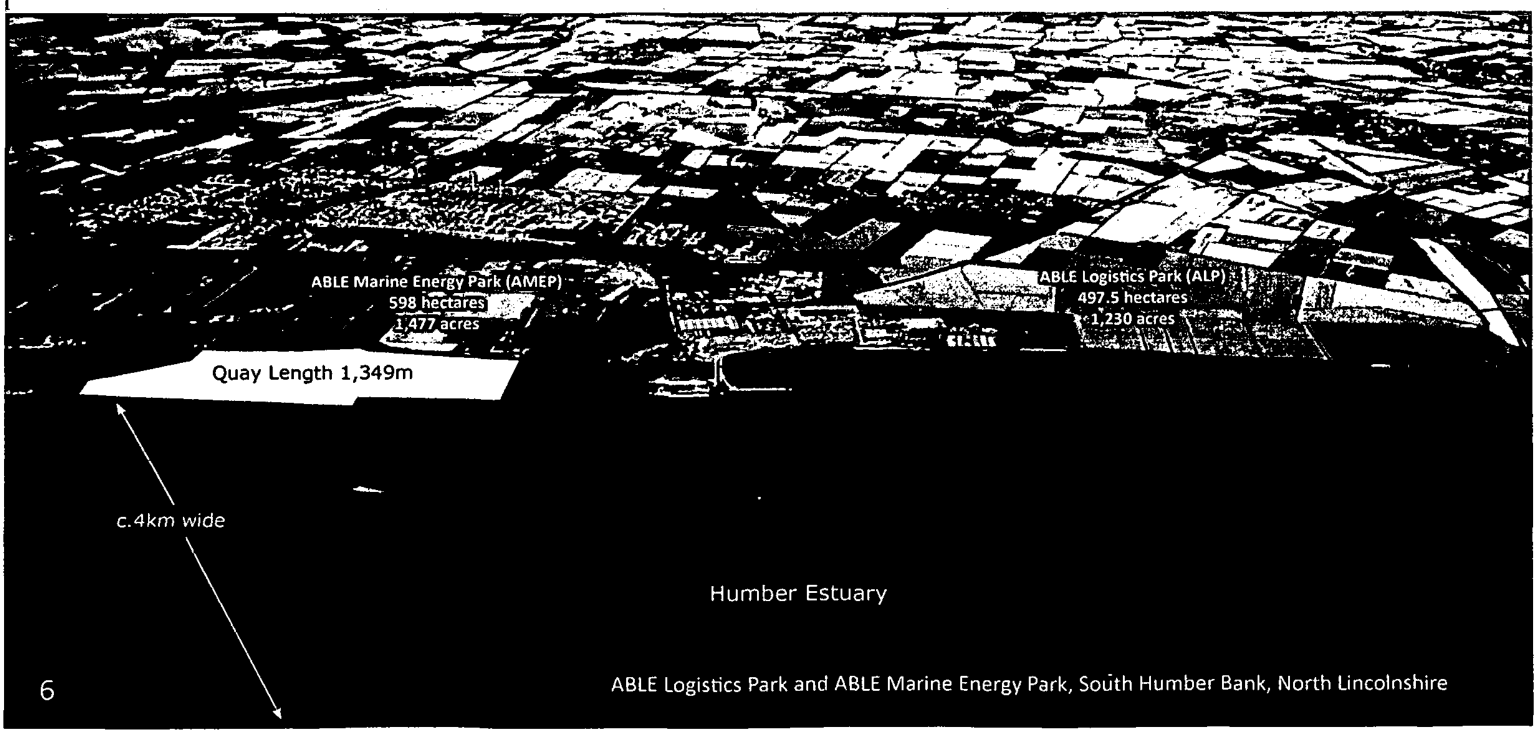
Group turnover was £21.2m during 2015 (2014:£33.3m). This was in line with expectations as set out in the previous year's report.

Gross profit margin was 59.6% compared to 35.1% in 2014. Group net working capital improved to £52.6m from £41.6m, underpinned by £40.9m in cash balances.

Group capital expenditure has been and will continue to be funded from the group's resources without the need for any external funding.

Ownership
Able UK Limited is owned by PM Stephenson & his family.

The Elba Group of companies are owned by the Land Development Trust.



ABLE Logistics Park and ABLE Marine Energy Park, South Humber Bank, North Lincolnshire

Strategic report *(continued)*

Construction
Able is engaged in a number of major construction projects including infrastructure development, land remediation and development, heavy civil works and extensive marine construction works.

This 'in-house' capacity, whereby Able is effectively its own client, provides a level of service and expertise that sets it apart from many other 'similar' investors/developers in the industry sector. This in turn ensures good quality and the group can provide a fast track design and construction service for all clients in the shortest timescale.

Able has been involved as the principal contractor on numerous contaminated land reclamation contracts including some of the largest undertaken in the UK. These include the reclamation of a ship re-cycling facility at Faslane, a Tar works (Thomas Ness) on the river Tyne and the remediation of an oil storage facility for the MOD. In-house works have included the remediation and preparation of land for residential development. Able undertakes its own remediation and development of the Group's property portfolio.

At ASP, Able has constructed new deep-water, heavy load bearing (40t/m2) Quays (10 and 11), which are 306m long; a fabrication hall, shot blasting shop, engineering building, stores and a 3,005 sq m (33,000 sq ft) office & welfare facility.

2016 will see the completion of two new quays at ASP: a new multi-purpose quay providing 16t per sq m deck dredged to -9.5mCD with accompanying Lay-by facility. Quay 6 will provide 120m of quays 45t per sq m deck, line load of circa 100t per linear metre for the Shell Brent Single Piece Decommissioning Projects.

At Able Humber Port, Able is currently developing a further 60 hectares (150 acres) for vehicle storage.

Able will continue the development works at AMEP which, by the end of 2016, will have seen the laying of circa 2m tons of stone, with further scheduled works to construct new access roads and provide the appropriate infrastructure.

Car storage and distribution at ABLE Humber Port

Strategic report *(continued)*

Decommissioning
Able has a wide range of specialist skills and special equipment for decommissioning, demolition, dismantling, reclamation and remediation projects employing conventional and specialist methods.

With 50 years' experience, Able has applied this knowledge and expertise across the complete spectrum of decommissioning activities including power stations, nuclear facilities, offshore and marine structures, ships, gas works, marine demolition, petrochemical plants, oil and gas installations, cooling towers, chimneys and tank farm storage facilities and bridges.

Able has generally concentrated on the larger and more complex decommissioning challenges and this experience and track record have secured its position as a UK market leader. As a consequence, the client base is invariably 'blue chip' with customers receiving the highest standards in terms of health and safety and environmental performance in addition to addressing the complexity of the operational aspects and the commercial pre-requisites.

The expertise that was developed in the demolition process across a wide range of large power stations, coupled with the facilities owned by Able, enabled a natural progression in to the decommissioning of marine structures. Commencing at Able Seaton Port in the 1980's, large oil and gas platforms, rigs and vessels have been received for dismantling and recycling.

Since the mid 1980s, Able has been engaged in the decommissioning of redundant oil and gas platforms. From the Phillips Albusk Jell (1985) through to the BP North West Hutton (2010) Able has again established a position as a UK market leader. The BP North West Hutton has, thus far, been the largest structure of its type to be removed from the North Sea. The platform (20,000t) and jacket (10,000t) were successfully recycled (over 98%) and the contract was delivered in time and on budget without any time-lost accidents.

In 2010 Able also completed the recycling of a number of vessels with customers including both the US and French Governments. These high profile contracts (the largest undertaken within the UK) included the former French Flag Aircraft Carrier, Le Clemenceau.

In January 2014 Able was awarded a contract for decommissioning platforms from the Shell Brent field, initially comprising three platforms and one jacket. In 2017 this contract will, for the first time, see the deployment of the new 'game-changing' vessel – Allseas Pioneering Spirit – which, in a single offshore lift, can raise an entire platform topside or jacket. In order to accommodate the exacting requirements to receive these large structures, Able are constructing a new specialist heavy-duty quay 6 at Able Seaton Port. The award of this prestigious contract reaffirms Able's pre-eminent position in the market.

Ship re-cycling at ABLE Seaton Port

Strategic report *(continued)*

Oil & gas upgrades
ASP is a well-established and successful base for the upgrading and maintenance works for oil and gas drilling rigs operating in the North Sea.

In the last 5 years over 25 rigs have been upgraded at ASP.

Whilst much of this work is undertaken by Able the contracts also provides significant business for the North East supply chain. In contrast to competing ports Able operates an effective 'open door' policy in respect of the contractors that rig operators wish to use. The works are many and varied from the full replacement of accommodation units and technical improvements through to critical and routine maintenance.

Property and development
The Group specialises in developing land for lease and providing fixed sums for providing port facilities complete with a logistics service. Able has a blue chip client base across a range of business activities that provide strong and varied covenants.

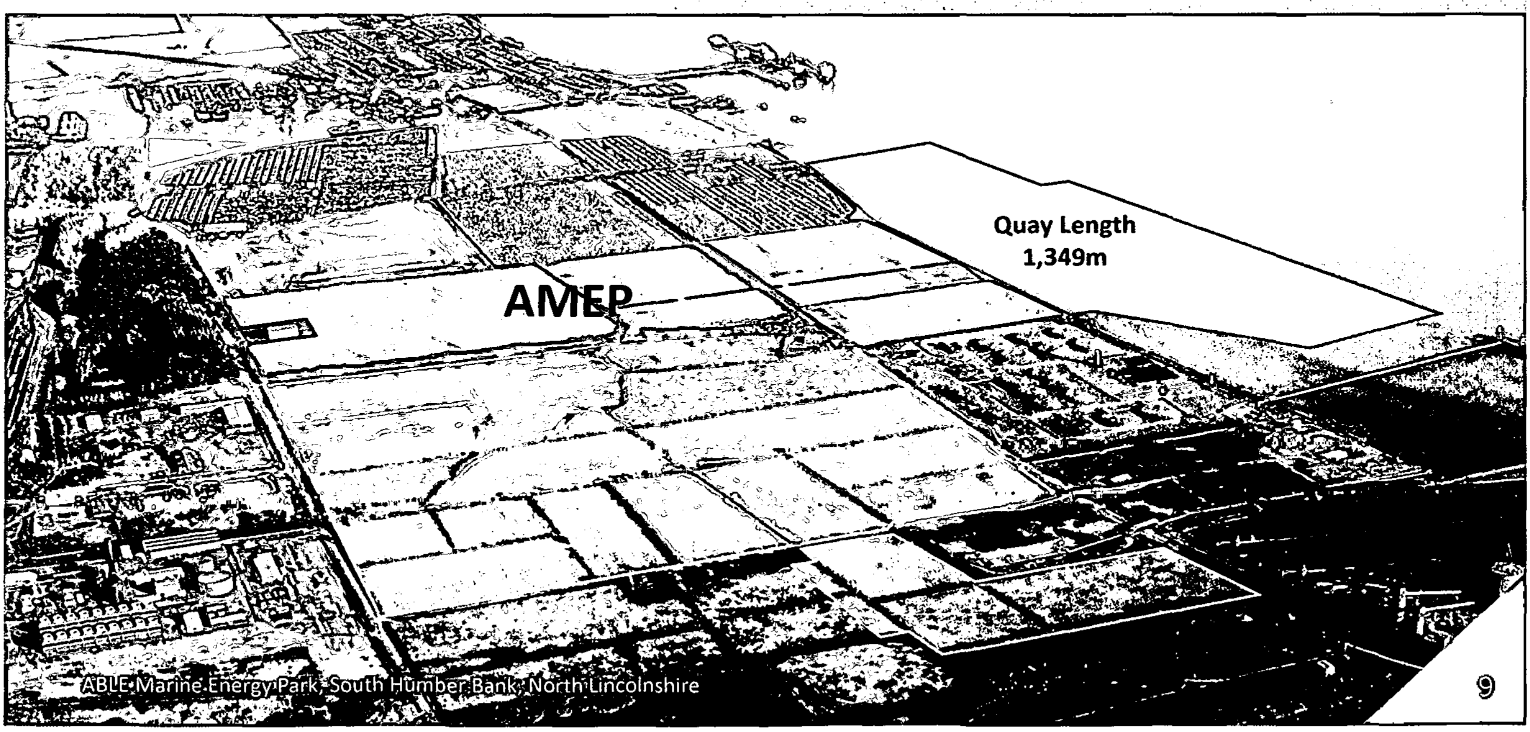
Able Humber Port (AHP), River Humber
The Group's Humber based land holdings extend to over 1,790 Ha (4,350 acres) essentially on the South Bank of the Humber and comprise land being developed for a variety of business and industrial uses and as environmental mitigation and compensation land. The main development is Able Humber Port, (AHP), and features two large developments: Able Multi User Port (AMEP) and Able Logistics Park (ALP).

The vehicle storage importation and distribution at AHP occupies c. 178 Ha (439 acres). This activity is increasing and outstripping this particular sectors' growth. This is due to the close proximity of AHP to the European Ro-Ro facilities and the ease of access and transport which in turn makes AHP a very economic option for the major car manufacturers.

AHP new quays will be developed to support the needs of the burgeoning offshore renewable energy sector/s. The project will require a total of circa £450m investment. The project includes the construction of 1,349m of quays designed for a water depth of c. 24m.

AMEP has gained considerable attraction from both the emerging market and from the UK Government. It is the UK's largest Enterprise Zone and continues to receive Government support. From a local perspective, AMEP represents a central part of the Humber LEP's strategy and has the potential to create over 4,000 direct jobs for the region.

ALP at 497 Ha (1,229 acres) is a development with detailed planning permission for 1,700,000m2 of new buildings, external storage space and a supporting business park.



ABLE Marine Energy Park, South Humber Bank, North Lincolnshire

Strategic report *(continued)*

The Group also owns other sites across the north of England which include:

ABLE Seaton Port (ASP), River Tees

A multi-user port at the mouth of the River Tees and ABLE's principal marine operational base. ASP has seen considerable investment over the last eight years evidenced by the construction of four new quays, one (Q1) 120m (16t/m2) deep-water quay, one (Q6) 120m (40t/m2) deep-water quay and and two (Q10 & Q11) new heavy load-bearing (40t/m2) deep-water quays (designed to -15mCD).

Billingham Reach industrial estate (BRIE), River Tees

A thriving industrial estate - 21 Ha (52 acres) with 300m of quays. Tenants are essentially involved in the provision of industrial services. The site has planning permission for a 40MW waste wood fuelled biomass power station and the site also includes ABLE House, ABLE's headquarters which also includes a number of other Tenants.

ABLE Thorpe Marsh (ATM), Doncaster

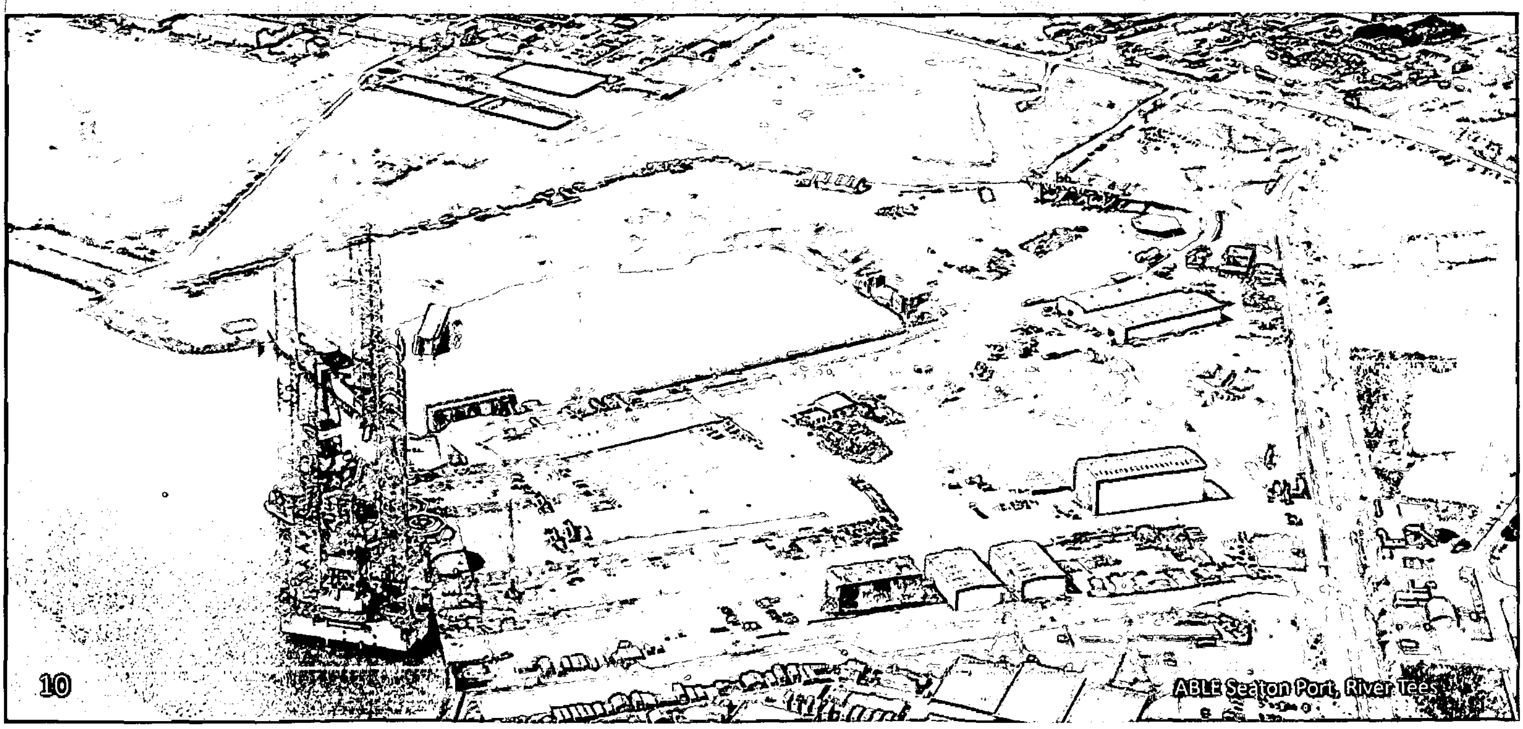
The 45 ha (111 acres) site has secured a Section 36 planning permission for a 1,500MW gas fuelled power station which is under an option agreement for a 35 year lease until Q3 2017.

ABLE Clarence Port (ACP), River Tees

The 19 Ha (47 acre) site is located on the North bank of the River Tees. Construction work commenced Q1 2015 on a 40MW waste wood fuelled biomass power station which is on a 50 year lease.

ABLE Middlesbrough Port (AMP), River Tees

The 16 Ha (40 acre) site, the former Davy/SLP fabrication yard. AMP has 6 quays, including a 220m 'FPSO' quay at -7mCD and a number of large fabrication halls (30m high) with extensive internal craneage. The site is within one mile of Middlesbrough town centre and part of the site could be incorporated within the Middlehaven regeneration project being promoted by Middlesbrough Council.



Strategic report *(continued)*

The Group also has a number of other industrial, office, residential and agricultural land holdings.

Future developments
Construction of another new quay (Q9) on AMEP should commence in Q4 2016 being available in 2017.

The ALP development will commence in 2016/17 with the construction of a new roundabout and the main link road along with the first phase of site developments.

AMP will be marketed as a new port logistics hub.


ABLE Middlesbrough Port, River Tees

Strategic report *(continued)*

Other

Able owns the logistics division and operates an extensive portfolio of capital equipment including a Liebherr LHM 600 SHL mobile harbour crane, to date the largest of its type in Europe, a Liebherr LR1300 300t crawler crane and a fleet of self propelled modular transporters (SPMT's).

The equipment is used primarily by Able with some external hires, it is an important element of Able's philosophy to provide all services required by Clients on their multi-user port facilities. A concept pioneered by Able, that seeks to provide its own specialised equipment to a range of occupiers with a view to increasing utilisation and minimising both capital spend and the costs of plant mobilisation for clients. In 2015 Able launched the new logistics division.

In addition to Able's construction capacity, it also has a significant design and engineering department that underpins Able's activities and includes both planning, environmental and engineering specialists.

Able has a number of accreditations which include:

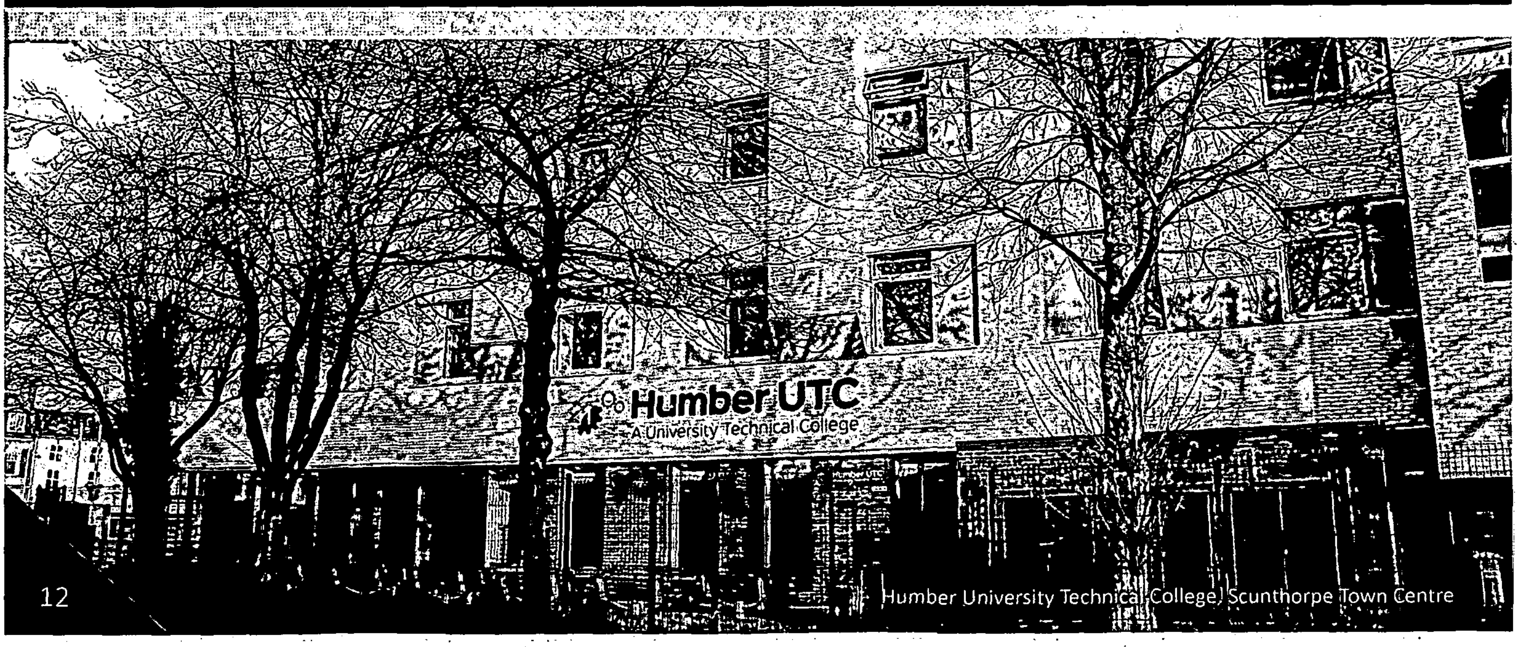
- BS EN ISO 9001: 2008 Quality Management System
- ISO 14001: 2004 Environmental Management System
- OHSAS 8001: 2007 Occupational Health & Safety Management System
- ISO 30000: 2009 Ship Recycling Management System

In 2014 the fully refurbished former Living Quarters of the BP North West Hutton was awarded the Green Apple Award for the Built Environment and Architectural Heritage.

Able has a track record of community engagement and annually publishes its statement on Corporate Responsibility. Under Able's chairmanship and sponsorship 2014 saw the new Humber University Technical College at Scunthorpe secure £11m of funding and opened its doors to its first 14-18 year old cohort in September 2015.

Able has also contributed to a new Sports facility at North Lindsay College, Scunthorpe for use by the college and the general public, a new cycleway in North Lincolnshire, a new urban park in Middlesbrough, Improvements to Whitehead Municipal Park in Billingham and to a variety of other environmental projects.

QMS ISO 9001 REGISTERED FIRM
QMS ISO 14001 REGISTERED FIRM
QMS OHSAS 18001 REGISTERED FIRM
QMS ISO 30000 REGISTERED



Humber University Technical College, Scunthorpe Town Centre

Strategic report *(continued)*

Principal risks and uncertainties
The principal risk and uncertainties for the group are in land value, steel scrap value and general risks associated with construction and decommissioning activities.

With regards to land value the majority of the land is located adjacent to deep-water and therefore very suitable for port related activities and in an industrial location suitable for heavy industry, such as power generation, sectors that continue to exhibit consistent growth. The majority of the land also has either detailed planning permissions or is allocated, within various Local Plans, for industrial use and is located in areas that both welcome and support economic development.

The Group own the freehold of all of the landholding and the various locations lend themselves ideally for specialised industrial use, even through the recent recession, and certainly over the last decade land values have increased and seem set to continue in that vein for the foreseeable future.

The movement in scrap values is less predictable. However the group can demonstrate a very successful long term track record in this regard. Two factors are a major influence. Firstly the group's overall financial strength enables it to hold on to material whilst the price of steel (and with it scrap steel) remains depressed and to sell when the market is strong. Secondly, in the vast majority of cases, material is stored at facilities owned by the group so again pressures to sell are considerably reduced. It is also worth noting the group's Treasury department demonstrates a strong track record in generating profit in trading from items ranging from commodities through to shares and currency.

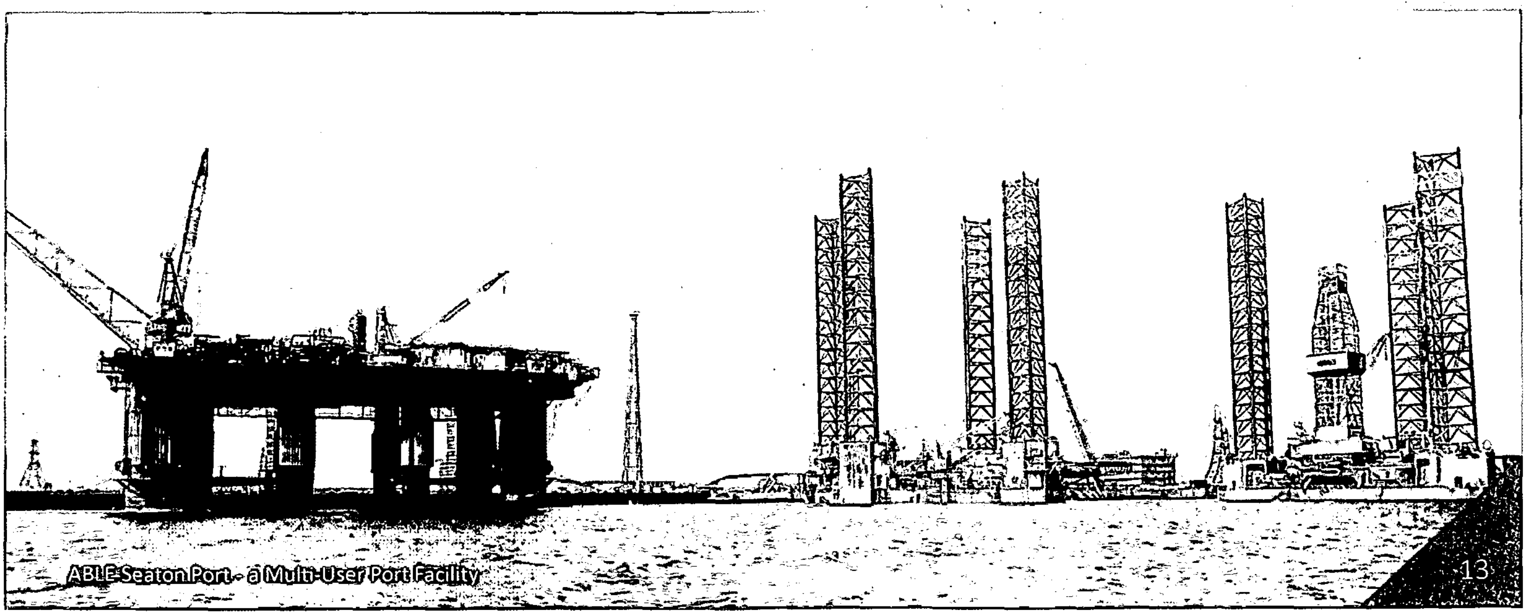
As far as risks associated with both the construction and decommissioning works are concerned the group enjoys a strong and leading role within the sectors. This reputation has been built on solid experience, delivery on the ground and through the careful and detailed assessment of overall project risk. Detailed analysis during the Tender process characterises much of the group's efforts and this is undertaken by very experienced staff (with detailed historical records) and can engage as much as 70% of the time preparing appropriate plans and scenarios. This approach has served the group well and avoids unexpected scenarios. This increases both comfort and confidence in contract execution.

Signed on behalf of the Board

PM Stephenson
Director

16th August 2016

Able House
Billingham Reach Industrial Estate
Haverton Hill Road
Cleveland
TS23 1PX


ABLE Seaton Port - a Multi-User Port Facility

Directors' report

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

Directors
The directors who served the company during the year and since the year end were as follows:

P M Stephenson
R Stephenson

PM Stephenson controls 90% of the share capital of the company and R Stephenson controls 10% of the share capital of the company.

Dividends
A dividend of £50,000 was paid during the year ended 31 December 2015 (2014: £nil).

Political contribution
The company has made no political donations, nor incurred any political expenditure during the year (2014: £nil).

Disclosure in the strategic report
Information regarding future developments has been included in the strategic report.

Statement as to disclosure of information to auditors
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
Pursuant to section 487 of the Companies Act 2006 the auditor, KPMG LLP, will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed on behalf of the Board

P M Stephenson

P M Stephenson
Director

16th August 2016

Able House
Billingham Reach Industrial Estate
Haverton Hill Road
Cleveland
TS23 1PX

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 group and parent company financial statements for each financial year.

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 parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Able UK Limited

We have audited the financial statements of Able UK Limited for the year ended 31 December 2015 set out on pages 18 to 45. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 15, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Able UK Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

N. Plumb.

Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

18 August 2016

Consolidated statement of profit and loss and other comprehensive income

for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Revenue	1,2	21,204	33,296
Cost of sales		(8,574)	(21,619)
Gross profit		12,630	11,677
Other operating income	3	3,624	18,594
Administrative expenses		(2,114)	(1,558)
Other operating expenses	4	-	(4,591)
Operating profit	1,5,6	14,140	24,122
Financial income	7	148	204
Financial expenses	7	(32)	(6)
Profit before tax		14,256	24,320
Taxation	8	(260)	(884)
Profit for the year		13,996	23,436
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of property, plant and equipment		-	2,773
Income tax on items that will not be reclassified to profit or loss		-	-
		-	2,773
Items that are or may be reclassified subsequently to profit or loss:			
Change in fair value of assets classified as available-for-sale		(82)	(53)
Income tax on items that are or may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of income tax		(82)	2,720
Total comprehensive income for the year		13,914	26,156

Group balance sheet
at 31 December 2015

	Note	2015 £000	2014 £000
Non-current assets			
Property, plant and equipment	*9*	**64,499**	61,507
Investment property	*10*	**331,378**	318,581
Other financial assets	*12*	**380**	462
		396,257	380,550
Current assets			
Inventories	*14*	**2,524**	1,484
Trade and other receivables	*15*	**8,677**	11,131
Other receivable - land debtor		**11,962**	11,962
Cash and cash equivalents	*16*	**40,887**	26,126
		64,050	50,703
Total assets		**460,307**	431,253
Current liabilities			
Trade and other payables	*18*	**(7,972)**	(6,035)
Deferred income	*19*	**(3,086)**	(2,426)
Tax payable		**(440)**	(669)
		(11,498)	(9,130)
Non-current liabilities			
Other payables	*18*	**(171)**	(190)
Deferred income	*19*	**(16,629)**	(3,735)
Deferred tax liabilities	*13*	**(367)**	(420)
		(17,167)	(4,345)
Total liabilities		**(28,665)**	(13,475)
Net assets		**431,642**	417,778
Equity attributable to equity holders of the parent			
Share capital	*20*	**10**	10
Fair value reserve	*20*	**(57)**	25
Revaluation reserve	*20*	**2,773**	2,773
Capital contribution reserve	*20*	**379,839**	379,839
Retained earnings		**49,077**	35,131
Total equity		**431,642**	417,778

These financial statements were approved by the board of directors on 16th August 2016 and were signed on its behalf by:

P M Stephenson

PM Stephenson
Director

Company registered number: 02386356

16th August 2016

Company balance sheet
at 31 December 2015

	Note	2015 £000	2014 £000
Non-current assets			
Property, plant and equipment	9	**6,716**	5,916
Investments in equity-accounted investees	11	**379,839**	379,839
Other financial assets	12	**380**	462
		386,935	386,217
Current assets			
Inventories	14	**2,405**	1,413
Trade and other receivables	15	**6,880**	11,269
Cash and cash equivalents	16	**5,543**	8,295
		14,828	20,977
Total assets		**401,763**	407,194
Current liabilities			
Other interest-bearing loans and borrowings	17	**(791)**	(609)
Trade and other payables	18	**(7,702)**	(14,288)
Deferred income	19	**(175)**	(105)
Tax payable		**(87)**	(179)
		(8,755)	(15,181)
Non-current liabilities			
Other interest-bearing loans and borrowings	17	**(3,714)**	(3,515)
Deferred income	19	**(289)**	(236)
Other payables	18	**(171)**	(190)
Deferred tax liabilities	13	**(367)**	(420)
		(4,541)	(4,361)
Total liabilities		**(13,296)**	(19,542)
Net assets		**388,467**	387,652
Equity attributable to equity holders of the parent			
Share capital	20	**10**	10
Fair value reserve	20	**(57)**	25
Capital contribution reserve	20	**379,839**	379,839
Retained earnings		**8,675**	7,778
		388,467	387,652
Total equity		**388,467**	387,652

These financial statements were approved by the board of directors on 16th August 2016 and were signed on its behalf by:

P M Stephenson

PM Stephenson
Director

Company registered number: 02386356

16th August 2016

Statements of changes in equity
for the year ended 31 December 2015

Group

	Share capital £000	Fair value reserve £000	Revaluation reserve £000	Capital contribution reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2014	10	78	-	379,839	11,695	391,622
Total comprehensive income for the year						
Profit for the year	-	-	-	-	23,436	23,436
Other comprehensive income	-	(53)	2,773	-	-	2,720
Total comprehensive income for the period	-	(53)	2,773	-	23,436	26,156
Balance at 31 December 2014	10	25	2,773	379,839	35,131	417,778
Balance at 1 January 2015	10	25	2,773	379,839	35,131	417,778
Total comprehensive income for the year						
Profit for the year	-	-	-	-	13,996	13,996
Other comprehensive income	-	(82)	-	-	-	(82)
Total comprehensive income for the period	-	(82)	-	-	13,996	13,914
Transactions with owners, recorded directly in equity						
Dividends	-	-	-	-	(50)	(50)
Total contributions by and distributions to owners	-	-	-	-	(50)	(50)
Balance at 31 December 2015	**10**	**(57)**	**2,773**	**379,839**	**49,077**	**431,642**

Company

	Share capital £000	Fair value reserve £000	Capital contribution reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2014	10	78	379,839	6,651	386,578
Total comprehensive income for the year					
Profit for the year	-	-	-	1,127	1,127
Other comprehensive income	-	(53)	-	-	(53)
Total comprehensive income for the period	-	(53)	-	1,127	1,074
Balance at 31 December 2014	10	25	379,839	7,778	387,652
Balance at 1 January 2015	10	25	379,839	7,778	387,652
Total comprehensive income for the year					
Profit for the year	-	-	-	947	947
Other comprehensive income	-	(82)	-	-	(82)
Total comprehensive income for the period	-	(82)	-	947	865
Transactions with owners recorded directly in equity					
Dividends	-	-	-	(50)	(50)
Total contributions by and distributions to owners	-	-	-	(50)	(50)
Balance at 31 December 2015	**10**	**(57)**	**379,839**	**8,675**	**388,467**

Cash flow statements

for the year ended 31 December 2015

	Note	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Cash flows from operating activities					
Profit for the year		**13,996**	23,436	**947**	1,127
Adjustments for:					
Depreciation and impairment		**1,542**	6,352	**1,000**	653
Financial income		**(148)**	(204)	**(15)**	(35)
Financial expenses		**32**	6	**180**	122
Loss/(gain) on sale of property, plant and equipment		**-**	41	**-**	(64)
Investment property gains on revaluation and disposal		**(3,599)**	(18,569)	**-**	-
Release of deferred income		**1,638**	83	**-**	-
Taxation		**260**	884	**47**	454
		13,721	12,029	**2,159**	2,257
Decrease/(increase) in trade and other receivables		**2,454**	(6,675)	**4,389**	(6,775)
(Increase)/decrease in inventories		**(1,040)**	158	**(992)**	136
Increase/(decrease) in trade and other payables		**1,918**	(2,224)	**(6,605)**	11,243
		17,053	3,288	**(1,049)**	6,861
Interest paid		**-**	-	**(180)**	-
Tax paid		**(542)**	(112)	**(192)**	(15)
Net cash from operating activities		**16,511**	3,176	**(1,421)**	6,846
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**-**	110	**-**	110
Proceeds from sales of investments properties		**6,967**	857	**-**	-
Interest received		**133**	189	**-**	20
Dividends received		**15**	15	**15**	15
Acquisition of property, plant and equipment	*9*	**(4,534)**	(3,884)	**(815)**	(1,044)
Proceeds from the receipt of government grants		**11,916**	3,887	**123**	341
Acquisition of investment property	*10*	**(16,165)**	(7,732)	**-**	-
Net cash from investing activities		**(1,668)**	(6,558)	**(677)**	(558)
Cash flows from financing activities					
Payment of finance lease liabilities		**-**	-	**(604)**	(601)
Dividends paid		**(50)**	-	**(50)**	-
Net cash from financing activities		**(50)**	-	**(654)**	(601)
Net increase/(decrease) in cash and cash equivalents		**14,793**	(3,382)	**(2,752)**	5,687
Cash and cash equivalents at 1 January		**26,126**	29,514	**8,295**	2,611
Effect of exchange rate fluctuations on cash held		**(32)**	(6)	**-**	(3)
Cash and cash equivalents at 31 December	*16*	**40,887**	26,126	**5,543**	8,295

Notes

For the year ended 31 December 2015

1 Accounting policies

Able UK Limited (the "Company") is a company incorporated and domiciled in the UK.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

Both the parent company financial statements and the group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 26.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as available-for-sale, investment property and freehold land and buildings.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 5 to 13.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

1.3 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In making this assessment the directors have considered that all the assets held by the Land Development Trust are available for the future benefit of the company and that the company has the ability to influence the returns from those assets until the assets vest unconditionally in identified beneficiaries (at which point the assets would be treated as disposed). The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Basis of consolidation (continued)

Separate parent company financial statements

In the parent company financial statements, all investments in subsidiaries, joint ventures, and associates are carried at cost less impairment.

1.4 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

1.5 Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company (or group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company (or group); and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The Group has no external borrowing.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation is provided against buildings over the estimated useful life of each property, to the extent that the residual value is lower than the carrying value.

The estimated useful lives are as follows:

Plant and equipment	4 - 10 years
Fixtures and fittings	3 years

The group recognises an annual depreciation charge in respect of its leased landfill site. This is based upon an annual assessment of the void capacity remaining at each financial year end compared to that of the previous financial year end.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Revaluation

Land and buildings are stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

1.8 Business combinations

Subject to the transitional relief in IFRS 1, all business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2014

For acquisitions on or after 1 January 2014, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Business combinations (continued)

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Acquisitions prior to 1 January 2014 (date of transition to IFRSs)

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The Group and Company elected not to restate business combinations that took place prior to 1 January 2013.

1.9 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the revenue accounting policy.

1.10 Government grants

Government grants are included within deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

1.11 Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Raw materials and consumables are measured on the first-in first-out principle. In the case of work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Inventory of scrap metals arising on a decommissioning contract (see 1.15 Turnover) are initially recognised at fair value, on the basis of the current market priceand deducting future processing costs.

1.13 Impairment excluding inventories, investment properties and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes *(continued)*

1 Accounting policies *(continued)*

1.13 Impairment excluding inventories, investment properties and deferred tax assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.14 Employee benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15 Revenue

Revenue represents amounts earned during the year for goods and services net of VAT and trade discounts. Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account revenue and related cost of sales as contract activity progresses. Revenue is calculated as that proportion of total contract value which costs to date bear to total expected costs for the contract.

Where revenue includes a non-cash element, for example the scrap value arising on a decommissioning contract, this element is recognised at fair value.

Rental income is recognised on an accruals basis.

1.16 Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the Group's and the Company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used.

Notes *(continued)*

2 Revenue

	2015 £000	2014 £000
Rental income	**9,989**	11,041
Rendering of services and construction works	**10,994**	22,069
Farm sales	**221**	186
Total revenues	**21,204**	33,296

3 Other operating income

	2015 £000	2014 £000
Management charges to related parties	**25**	25
Fair value adjustments for investment properties	**-**	18,265
Net gain on disposal of investment property	**3,599**	304
	3,624	18,594

4 Expenses and auditor's remuneration

Included in profit are the following:

	2015 £000	2014 £000
Depreciation	**1,542**	1,802
Other operating expenses:		
Net loss on disposal of property, plant and equipment	-	41
Impairment loss on property, plant and equipment	-	4,550
	-	4,591

Auditor's remuneration:

	2015 £000	2014 £000
Audit of these financial statements	**10**	10
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	**11**	11
Taxation compliance services	**2**	2
Other non-audit services	**15**	16

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Management and administration	**33**	28
Production	**59**	45
	92	73

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£000	£000
Wages and salaries	**3,367**	2,586
Social security costs	**355**	272
Contributions to defined contribution plans	**21**	29
	3,743	2,887

6 Directors' remuenration

	2015	2014
	£000	£000
Directors' remuneration	**131**	131
Company contributions to money purchase pension plans	**2**	2

	Number of directors	
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**1**	1

The following advances and credits to a director subsisted during the current and prior years:

	2015	2014
	£000	£000
PM Stephenson		
Amount due to PM Stephenson as at 1 January	**3**	25
Amounts advanced	**(11)**	(44)
Amounts repaid	**14**	22
Amount due to PM Stephenson as at 31 December	**6**	3

Notes *(continued)*

7 Financial income and expenses

	2015 £000	2014 £000
Financial income		
Bank interest receivable	**133**	189
Total interest income on financial assets not at fair value through profit or loss	**133**	189
Dividend income on available for sale financial assets	**15**	15
Total finance income	**148**	204
Financial expenses		
Net foreign exchange loss	**32**	6
Total finance expenses	**32**	6

8 Taxation

Recognised in the income statement

	2015 £000	2014 £000
Current tax expense		
Current year	**411**	609
Adjustments for prior years	**(98)**	-
Current tax expense	**313**	609
Deferred tax expense		
Origination and reversal of temporary differences	**(11)**	275
Reduction in tax rate	**(42)**	-
Deferred tax expense	**(53)**	275
Total tax expense	**260**	884

Notes *(continued)*

8 Taxation *(continued)*

Income tax recognised in other comprehensive income

	2015	2014
	£000	£000
Revaluation of property, plant and equipment	-	-
Change in fair value of assets classified as available-for-sale	-	-
	-	-

Reconciliation of effective tax rate

	2015	2014
	£000	£000
Profit for the year	**13,996**	23,436
Total tax expense	**260**	884
Profit excluding taxation	**14,256**	24,320
Tax using the UK corporation tax rate of 20.25% *(2014: 21.5%)*	**2,887**	5,229
Reduction in tax rate on deferred tax balances	**(42)**	(21)
Non-deductible expenses	**8**	138
Income not subject to tax	**(2,495)**	(4,462)
Adjustments in respect of prior periods	**(98)**	-
Total tax expense	**260**	884

Factors that may affect future current and total charge

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2014) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2015) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2014. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the group's and company's future current tax charge accordingly. The deferred tax liability at 31 December 2015 has been calculated based on the rate of 18% substantively enacted at the balance sheet date.

Notes *(continued)*

9 Property, plant and equipment

Group	Land and buildings £000	Plant and equipment £000	Fixtures and fittings £000	Under construction £000	Total £000
Cost or valuation					
Balance at 1 January 2014	71,092	7,609	79	59	78,839
Acquisitions	36	2,100	-	1,748	3,884
Disposals	(12,067)	(248)	-	-	(12,315)
Revaluation	(4,849)	-	-	-	(4,849)
Balance at 31 December 2014	54,212	9,461	79	1,807	65,559
Balance at 1 January 2015	54,212	9,461	79	1,807	65,559
Acquisitions	627	1,800	-	2,107	4,534
Balance at 31 December 2015	54,839	11,261	79	3,914	70,093
Depreciation and impairment					
Balance at 1 January 2014	1,923	3,525	76	-	5,524
Depreciation charge for the year	1,149	650	3	-	1,802
Disposals	-	(202)	-	-	(202)
Impairment	4,550	-	-	-	4,550
Revaluation	(7,622)	-	-	-	(7,622)
Balance at 31 December 2014	-	3,973	79	-	4,052
Balance at 1 January 2015	-	3,973	79	-	4,052
Depreciation charge for the year	594	948	-	-	1,542
Balance at 31 December 2015	594	4,921	79	-	5,594
Net book value					
At 1 January 2014	69,169	4,084	3	-	73,315
At 31 December 2014 and 1 January 2015	54,212	5,488	-	1,807	61,507
At 31 December 2015	**54,245**	**6,340**	-	**3,914**	**64,499**

The fair value of land and buildings was determined by external, independent property valuers, having the appropriate and recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio when the directors consider there to be a significant change in fair value.

Land and buildings were valued on an open market basis as at 5 April 2015 by Dodds Chartered Surveyors. Any significant capital expenditure between the balance sheet date and the date of the valuation have been adjusted for in determining the fair value as at 31 December 2015.

Notes *(continued)*

9 Property, plant and equipment *(continued)*

If freehold land and buildings had not been revalued they would have been included at their historical cost of £59,687,000 *(2014: £59,060,000)*. Accumulated depreciation under the historical cost convention would be £3,665,000 *(2014: £3,071,000)*.

Company	**Plant and equipment £000**	**Fixtures and fittings £000**	**Total £000**
Cost			
Balance at 31 December 2014	7,609	79	7,688
Acquisitions	2,528	-	2,528
Disposals	(248)	-	(248)
Balance at 31 December 2014	9,889	79	9,968
Balance at 31 January 2015	9,889	79	9,968
Acquisitions	1,800	-	1,800
Balance at 31 December 2015	11,689	79	11,768
Depreciation and impairment			
Balance at 1 January 2015	3,525	76	3,601
Depreciation charge for the year	650	3	653
Disposals	(202)	-	(202)
Balance at 31 December 2014	3,973	79	4,052
Balance at 1 January 2015	3,973	79	4,052
Depreciation charge for the year	1,000	-	1,000
Balance at 31 December 2015	4,973	79	5,052
Net book value			
At 1 January 2014	4,084	3	4,087
At 31 December 2014 and 1 January 2015	5,916	-	5,916
At 31 December 2015	**6,716**	-	**6,716**

At 31 December 2015 the net carrying amount of leased plant and machinery held by the company was £5,968,000 *(2014: £4,733,000)*. The leased equipment secures lease obligations due to another member of the group (see note 17).

Notes *(continued)*

10 Investment property

	Group £000	Company £000
Balance at 1 January 2014	293,137	-
Acquisitions	7,732	-
Disposals	(553)	-
Revaluation	18,265	-
Balance at 31 December 2014	318,581	-
Balance at 1 January 2015	318,581	-
Acquisitions	16,165	-
Disposals	(3,368)	-
Balance at 31 December 2015	**331,378**	-

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio when the directors consider there to be a significant change in fair value.

Investment properties were valued on an open market basis as at 5 April 2015 by Dodds Chartered Surveyors. Any significant capital expenditure between the balance sheet date and the date of the valuation have been adjusted for in determining the fair value as at 31 December 2014 and 31 December 2015.

11 Investments

The Company has the following investments:

Company	Principal place of business/ Country of Incorporation	Class of shares held	Ownership 2015	2014
Elba Group Limited	Jersey	Ordinary	**100%**	100%
Elba Securities Limited	Jersey	Ordinary	**100%**	100%
Elba Developments Limited	Jersey	Ordinary	**100%**	100%
Able Humber Ports Limited	Jersey	Ordinary	**100%**	100%
R H Nelson & Son Limited	Jersey	Ordinary	**100%**	100%
Able Humber Port Services Limited	UK	Ordinary	**100%**	100%
Alab Waste Management Limited	UK	Ordinary	**100%**	100%

Group composition

Elba Group Limited and its subsidiaries as listed above are wholly owned by The Land Development Trust. The Land Development Trust, which is a discretionary trust registered in Jersey, owns the share capital of Elba Group Limited, and is controlled by its Trustees, who are independent of Able UK Limited. The assets and liabilities of the Trust have been consolidated within the Able UK Limited financial statements, in accordance with the requirements of IFRS 10. Elba Developments Limited, Elba Securities Limited, Able Humber Ports Limited and R H Nelson & Son Limited are wholly owned direct or indirect subsidiaries of Elba Group Limited. There have been no changes to the group composition during the current or prior year.

Notes *(continued)*

12 Other financial assets

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Non-current				
Available for sale financial assets	**380**	462	**380**	462
	380	462	**380**	462

Available for sale financial assets relate to a portfolio of publically traded shares, which is considered to be Level 1 in the IFRS 13 hierarchy (see note 23).

13 Deferred tax assets and liabilities - Group

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2015 £000	2014 £000	Liabilities 2015 £000	2014 £000
Property, plant and equipment	**-**	-	**367**	420

Movement in deferred tax during the year

	1 January 2015 £000	Recognised in income £000	Recognised in equity £000	31 December 2015 £000
Property, plant and equipment	420	(53)	-	367

Movement in deferred tax during the prior year

	1 January 2014 £000	Recognised in income £000	Recognised in equity £000	31 December 2014 £000
Property, plant and equipment	145	275	-	420

Notes *(continued)*

13 Deferred tax assets and liabilities – Company *(continued)*

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2015 £000	2014 £000	Liabilities 2015 £000	2014 £000
Property, plant and equipment	**-**	-	**367**	420

Movement in deferred tax during the year

	1 January 2015 £000	Recognised in income £000	Recognised in equity £000	31 December 2015 £000
Property, plant and equipment	**420**	**(53)**	**-**	**367**

Movement in deferred tax during the prior year

	1 January 2014 £000	Recognised in income £000	Recognised in equity £000	31 December 2014 £000
Property, plant and equipment	145	275	-	420

14 Inventories

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Raw materials and consumables	**327**	393	**305**	342
Work in progress	**208**	1,080	**198**	1,071
Finished goods	**1,989**	11	**1,902**	-
	2,524	1,484	**2,405**	1,413

There is no inventory held by the Group or Company which is expected to be recovered in more than 12 months.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £68,000 *(2014: £148,000)*. These inventories were used to generate farm income. No write-down of inventories have been recorded in the current or prior year.

Notes *(continued)*

15 Trade and other receivables

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Trade receivables due from group undertakings	-	-	-	2,631
Other trade receivables	**3,021**	7,428	**2,197**	6,239
Construction contract debtors	**993**	194	**925**	194
Other receivables	**2,174**	2,593	**931**	1,289
Prepayments	**2,489**	916	**2,827**	916
	8,677	11,131	**6,880**	11,269

All amounts included within trade and other receivables for the Group and Company are expected to be recovered in 12 months.

At 31 December 2015 aggregate costs incurred under open construction contracts and recognised profits, net of recognised losses, amounted to £6,733,000 *(2014: £8,837,000)*. Progress billings and advances received from customers under open construction contracts amounted to £6,733,000 *(2014: £8,837,000)*.

There are no advances for which related work has started, or billings in excess of costs incurred and recognised profits in the current or prior year.

16 Cash and cash equivalents

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Cash and cash equivalents per balance sheet	**40,887**	26,126	**5,543**	8,295
Cash and cash equivalents per cash flow statements	**40,887**	26,126	**5,543**	8,295

17 Other interest-bearing loans and borrowings

Finance lease liabilities

The Group has no assets held under finance leases. The Company has leased certain items of plant and machinery under finance lease from other members of the Group as described below.

Company	**Minimum lease payments 2015 £000**	**Interest 2015 £000**	**Principal 2015 £000**	Minimum lease payments 2014 £000	Interest 2014 £000	Principal 2014 £000
Less than one year	**943**	**(152)**	**791**	740	(131)	609
Between one and five years	**3,705**	**(310)**	**3,395**	2,962	(307)	2,655
More than five years	**325**	**(6)**	**319**	880	(20)	860
	4,973	**(468)**	**4,505**	4,582	(458)	4,124

Notes *(continued)*

18 Trade and other payables

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Current				
Trade payables due to group undertakings	-	-	5,397	10,339
Other trade payables	1,552	3,113	1,282	1,672
Non-trade payables and accrued expenses	6,420	2,922	1,023	2,277
	7,972	6,035	7,702	14,288
Non-current				
Non-trade payables and accrued expenses	171	190	171	190
	171	190	171	190

19 Deferred income

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Current				
Rental income received in advance	2,911	2,274	-	-
Government grants	175	152	175	105
	3,086	2,426	175	105
Non-current				
Rental income received in advance	1,001	-	-	-
Government grants	15,628	3,735	289	236
	16,629	3,735	289	236

20 Capital and reserves

Share capital

	Ordinary shares 2015	2014
In thousands of shares		
On issue at 1 January	10	10
On issue at 31 December – fully paid	10	10

Notes *(continued)*

20 Capital and reserves *(continued)*

Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	**10**	10
	10	10
Shares classified in shareholders' funds	**10**	10

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Revaluation reserve

Where property, plant and equipment is revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Capital contribution reserve

The capital contribution reserve relates principally to the land and buildings transferred to the settlement known as The Land Development Trust, which is a discretionary trust. Disposal of these assets will be recognised in the accounting period in which the assets vest unconditionally in identified beneficiaries. Such an event would therefore reduce the capital of the Group and Company.

Dividends

A dividend of £2m was declared and paid during March 2016. The proceeds were immediately loaned to the Company by its shareholders.

21 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Less than one year	-	-	**1,282**	1,233
	-	-	**1,282**	1,233

The company leases properties from another member of the group in order to carry out its trade. These leases are renewed on an annual basis. The group has no external operating leases.

Notes *(continued)*

21 Operating leases *(continued)*

Group

During the year £nil was recognised as an expense in the income statement in respect of operating leases *(2014: £nil)*.

Company

During the year £1,233,000 was recognised as an expense in the income statement in respect of operating leases *(2014: £1,185,000)*.

Leases as lessor

Certain investment properties are let under operating leases. The future lease payments under operating leases are as follows:

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Less than one year	**4,139**	5,262	**-**	-
Between one and five years	**14,032**	3,160	**-**	-
More than five years	**40,807**	1,692	**-**	-
	58,978	10,114	**-**	-

During the year £5,262,000 *(2014: £5,381,000)* was recognised as rental income by the Group in respect of operating leases.

22 Contingencies

The group and company has entered into a performance guarantee with a value of £1,188,000 *(2014: £1,188,000)* for the benefit of a customer.

23 Financial risk management

The group's and company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk). This note address each of these matters in turn, and also gives certain fair value disclosures and details of the Group and Company's capital management objectives.

a) Credit risk

Credit risk is the risk of a financial loss to the group and company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets is as follows:

	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Trade and other receivables	**7,257**	11,131	**6,880**	11,269
Other receivables - land debtor	**11,962**	11,962	**-**	-
Cash and cash equivalents	**40,887**	26,126	**5,543**	8,295
	60,106	49,219	**12,423**	19,564

No amounts are past due in the current or prior year so the risk arises principally in respect of the counterparty to the Group's and Company's cash deposits. Provision is made against overdue receivables in accordance with management's expectation of receipt.

Notes *(continued)*

23 Financial risk management *(continued)*

b) Liquidity risk

Liquidity risk is the risk that the group or company will not be able to access the necessary funds to finance its operations.

The carrying amount of the company's financial liabilities is as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Trade and other payables	**7,972**	6,035	**7,606**	14,288
Other interest-bearing loans and borrowings	**-**	-	**4,505**	4,124
	7,972	6,035	**12,111**	18,412

The Group finances its operations through profits generated from operations. The Group manages its liquidity risk by monitoring existing and committed funding against forecast requirements. The Group has no external debt and the liquidity risk is not considered significant.

The interest bearing borrowings in the Company relate to items of plant and machinery leased from other members of the Group as described in note 17.

The following are contractual maturities of financial liabilities, including estimated interest payments:

Group

				As at 31 December 2015	
	Carrying amount	**Contractual cash flows**	**1 year or less**	**1 to 2 years**	**2 to 5 years**
	£000	**£000**	**£000**	**£000**	**£000**
Trade and other payables	**7,972**	**7,972**	**7,972**	**-**	**-**

				As at 31 December 2014	
	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years
	£000	£000	£000	£000	£000
Trade and other payables	6,035	6,035	6,035	-	-

Notes *(continued)*

23 Financial risk management *(continued)*

Company

	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to 2 years £000	2 to 5 years £000
				As at 31 December 2015	
Trade and other payables	**7,702**	**7,702**	**7,702**	**-**	**-**

	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to 2 years £000	2 to 5 years £000
				As at 31 December 2014	
Trade and other payables	14,288	14,288	14,288	-	-

The timing of cash flows and estimated interest payments for the Company in respect of finance leases are described in note 17.

c) *Market risk – Foreign currency risk*

Foreign currency risk reflects the company's exposure to fluctuations in foreign exchange rates on its financial assets and liabilities.

The group's exposure to foreign currency risk is immaterial and therefore does not merit further disclosure.

d) *Market risk – Interest rate risk*

Interest rate risk reflects the company's exposure to fluctuations in interest rates. The interest rate profile of the Group's and Company's interest bearing financial instruments is as follows:

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Cash and cash equivalents	**40,887**	26,126	**5,543**	8,295

The Group and Company have no interest bearing borrowings so the only potential exposure is in respect of the interest earned on its cash deposits.

e) *Fair value of financial instruments*

No financial instruments are carried at fair value in either the current or prior years except for the portfolio of equity securities (see note 12). Fair value is derived from quoted share prices in active markets and is therefore considered Level 1 in the IFRS 13 hierarchy. The fair value of all other financial instruments is equal to their carrying value in the current and prior year.

f) Capital management

The group's capital comprise cash and cash equivalents, retained earnings and the capital contribution reserve, all defined as per the group balance sheet. The group's capital management objectives are to generate sufficient funds to fund the group's strategy.

The capital contribution reserve relates principally to the land and buildings transferred to the settlement known as The Land Development Trust, which is a discretionary trust. Disposal of these assets will be recognised in the accounting period in which the assets vest unconditionally in identified beneficiaries. Such an event would therefore reduce the capital of the Group.

Notes *(continued)*

24 Related parties

Group and Company

Identity of related parties with which the Group and Company have transacted

During the year the Group and Company have transacted with Alab Environmental Services, a company under common control. These transactions are summarised in the following tables.

Transactions with key management personnel

Directors of the Company and their immediate relatives control 100 per cent of the voting shares of the Company.

No compensation has been paid to key management personnel other than the remuneration disclosed in note 6.

Group

	Income received from 2015 £000	2014 £000	**Expenses incurred from 2015 £000**	2014 £000
Alab Environmental Services	**1,995**	2,541	**680**	848

	Receivables outstanding 2015 £000	2014 £000	**Payables outstanding 2015 £000**	2014 £000
Alab Environmental Services	**945**	743	**358**	193

Company

	Income received from 2015 £000	2014 £000	**Expenses incurred from 2015 £000**	2014 £000
Alab Environmental Services	**1,111**	1,111	**680**	848

	Receivables outstanding 2015 £000	2014 £000	**Payables outstanding 2015 £000**	2014 £000
Alab Environmental Services	**431**	263	**-**	-

Notes *(continued)*

25 Ultimate controlling party

The ultimate controlling party is PM Stephenson by virtue of his shareholding.

26 Accounting estimates and judgements

Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following key judgements which have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimation which are dealt with below):

Property, plant and equipment and investment properties

Management has decided to adopt the fair value model as opposed to the cost model when accounting for the land and buildings held within property, plant and equipment and investment properties. This valuation basis provides a more accurate measurement of the value of the assets to the Group.

Key sources of estimation uncertainty

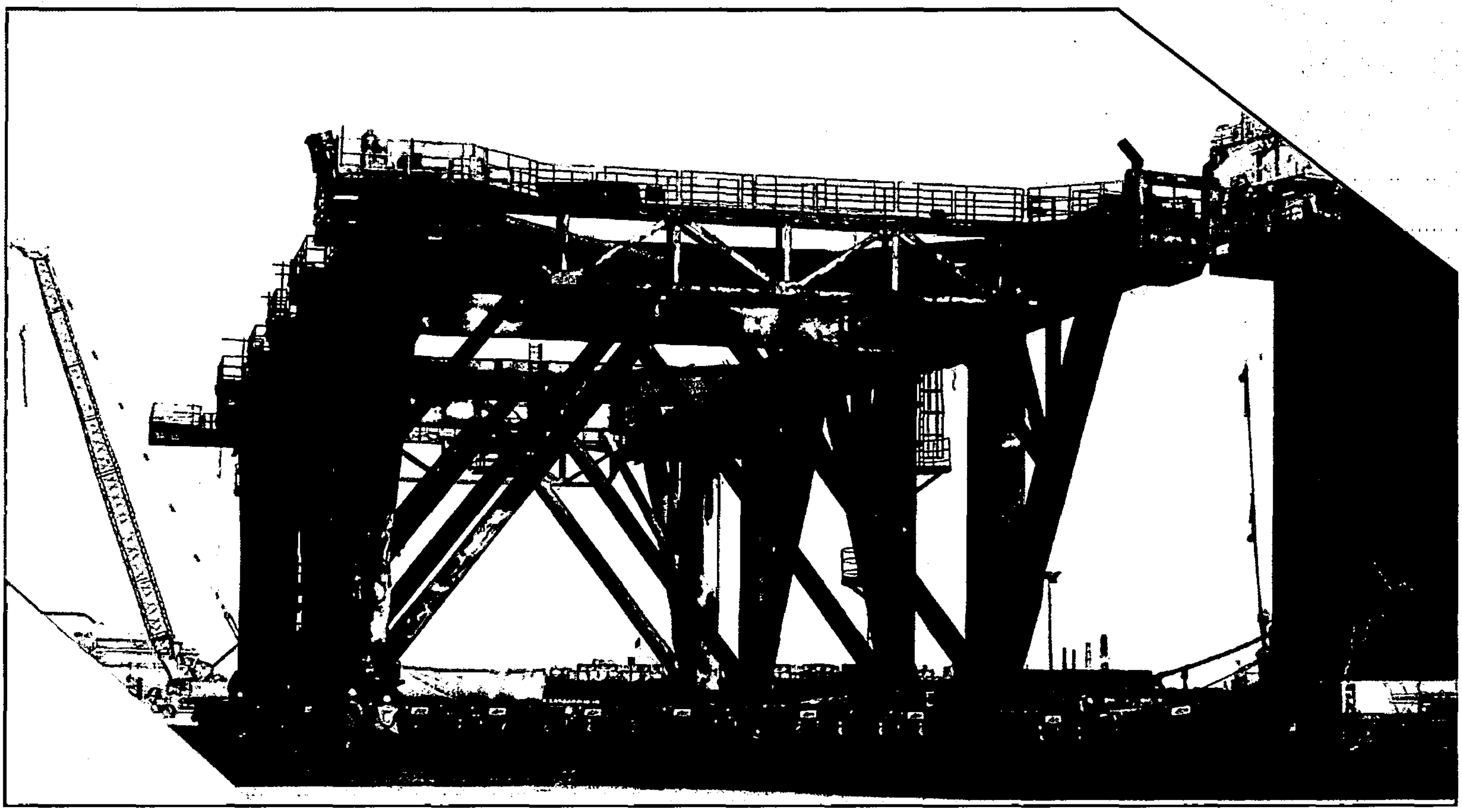
The key areas requiring the use of estimates which may significantly affect the financial statements are as follows:

Revenue recognition on construction contracts

The principal estimation technique used by the Group in attributing profit on contracts to a particular period is the preparation of forecasts on a contract by contract basis. These focus on revenue and costs to complete and enable an assessment to be made on the final out-turn on each contract. Variations during the course of contracts are taken into account but invariably are only finalised at completion. This can lead to previous estimates being amended which may affect the final profit to be recognised on the contract.

Fair values of tangible fixed assets and investment properties

Management engages an independent, qualified surveyor to ascertain the value of these assets. This review is based on a site by site consideration of the assets and the market conditions existing at the date of the valuation. The Board considers any changes between the market conditions at the date of valuation and the balance sheet date and if any significant deterioration in market conditions is identified, then the impairment of these assets is considered accordingly.



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