

Registered number 02562251

ABS Europe Limited and its subsidiaries

Directors' report and consolidated financial statements

for the year ended 31 December 2012

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COMPANIES HOUSE

ABS Europe Limited

Company Information

Directors Karel van Campenhout
Kirsi Tikka

Company secretary Michael Kennedy
Martha Adams
Anthony Jones

Company number 02562251

Registered office ABS House
1 Frying Pan Alley
London
E1 7HR

Auditors Ernst & Young LLP
Statutory Auditor
1 More London Place
London
SE1 2AF

ABS Europe Limited

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ABS Europe Limited

Directors' report for the year ended 31 December 2012

The Directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The group's principal activities in the year under review were the testing, and surveying of vessels and other structures, together with industrial verification and consulting services, primarily for the benefit of the maritime industry within Europe and Africa

Business review

The key financial and other performance indicators during the year were as follows

	2012	2011	Change %
Turnover	54,189	51,891	4.4%
Gross Profit	15,486	12,512	23.7%
Gross Profit % Sales	28%	24%	16.7%

During 2010 the Directors reviewed the arrangements between ABS Europe Ltd and its subsidiary, ABS Italy Srl, with the parent, American Bureau of Shipping such that services between these companies are now supplied on a cost plus basis. As a result of these arrangements, gross profit for 2012 has increased to 28%, and as expected under the arrangements, the margin is subject to lower volatility than in previous years for ABS Europe Ltd, the company. This represents a healthy profit margin.

The turnover has been generated through the group's operations located in the UK, Germany, France, Sweden, Spain, Denmark, Belgium, Cyprus, Portugal, Finland, Angola, Russia, Israel, Namibia and the Netherlands during the year.

Future developments

Although the market for classification services is expected to remain challenging in 2014, ABS Europe should be largely protected from the worst effects due to the presence of the updated arrangements discussed above, with fixed profit margins and reduced risk of debtor default.

ABS Marine Services Limited and ABS Group Limited expect to show growth through expansion into the Offshore Verification/LNG transportation and Renewable energy sectors, respectively.

Research and development

The Company does not undertake research and development activity as any such activity is carried out by the parent organisation in the US.

ABS Europe Limited

Directors' report for the year ended 31 December 2012

Results and dividends

The profit for the year, after taxation, amounted to £3,266,000 (2011 - £1,471,000)

During the period, the Company paid a dividend £9,185,000 (2011 - £nil), and the decrease in retained earnings for the year of £5,919,000 (2011 increase - £1,471,000) has been deducted from reserves

Principal risks and uncertainties

ABS Europe Ltd and ABS Italy Srl's principal risks with reference to margins arising from either a down turn in the shipbuilding business, or from fluctuations in exchange rates, have been to a great extent mitigated through the adoption of a revised pricing arrangement with the parent undertaking. However, in the event of significant downturn in business the company may be required to reduce its cost base, which is likely to materially impact the quantum of profits earned in the future.

In addition, the companies are exposed to risks arising from the continued existence of its sole revenue provider the American Bureau of Shipping although, given the significant history and track record of the American Bureau of Shipping, the Directors consider that the risk of reliance on one revenue provider is low. The business has a very low credit and litigation risk profile as much of this exposure is with the American Bureau of Shipping, the parent company, although if an event that may threaten the continued existence of American Bureau of Shipping arises, this may indirectly change the risk profile of the business of ABS Europe Ltd.

All Group companies require highly trained employees, and we have a range of benefits, including a final salary pension scheme, to attract and retain our employee base.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

Employees

Regular meetings are held with representatives of the UK employees which, in the opinion of the directors, fulfil the intent of the provisions of Section 2 of the Employment Act, 1982.

All employees participate in a non-contractual bonus scheme, which is related to the performance of the company.

Health and safety matters are given special attention by the group and it is Board policy to ensure that continued employment is offered, wherever possible, to employees who become temporarily disabled and special arrangements are made for those permanently disabled, including training and career development.

ABS Europe Ltd is an equal opportunity employer providing every qualified applicant with consideration for job openings without regard to race, colour, religion, gender, national origin, age or marital status.

ABS Europe Limited

Directors' report for the year ended 31 December 2012

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 Business Review on page 4. Notes 9-11 to the financial statements show the assets available to the Group to support its business in the future. ABS Europe Ltd and ABS Italy Srl having entered into revised agreements with American Bureau of Shipping to provide services on a basis that should considerably reduce the Group's exposure to external economic risk. This is because the arrangements provide for a stable margin with respect to operating costs of the business which flexes up or down in line with increases or decreases in the cost base.

ABS Europe Ltd and ABS Italy Srl recently having entered into revised agreements with American Bureau of Shipping to provide services on a revised basis, considerably reduces the Group's exposure to external economic risk. This is a low risk cost provider model, with revenue determined by applying a margin to the cost base. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served during the year were

Antonio C Lino Costa (resigned 31 March 2012)
Todd Grove (resigned 7 March 2013)
Karel van Campenhout
John McDonald (resigned 10 July 2012)
Kirsi Tikka (appointed 18 July 2012)

Auditors

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 26th November, 2013 and signed on its behalf



Kirsi Tikka
Director

ABS Europe Limited

**Statement of directors' responsibilities
for the year ended 31 December 2012**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABS Europe Limited

Independent auditors' report to the shareholders of ABS Europe Limited

We have audited the consolidated financial statements of ABS Europe Limited for the year ended 31 December 2012 which comprise of the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

ABS Europe Limited

Independent auditors' report to the shareholders of ABS Europe Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Denise Larnder (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor
1 More London Place
London
SE1 2AF

Date *27 November 2013*

ABS Europe Limited

**Consolidated profit and loss account
for the year ended 31 December 2012**

	Note	2012 £000	2011 £000
Turnover	2	54,189	51,891
Cost of sales	3	(38,703)	(39,379)
Gross profit		15,486	12,512
Administrative expenses	3	(11,530)	(9,223)
Operating profit	4	3,956	3,289
Other financing income		196	549
Profit on ordinary activities before taxation		4,152	3,838
Tax on profit on ordinary activities	8	(886)	(2,367)
Profit for the financial year	17	3,266	1,471

All amounts relate to continuing operations

The notes on pages 14 to 41 form part of these financial statements

ABS Europe Limited

**Statement of total recognised gains and losses
for the year ended 31 December 2012**

	Note	2012 £000	2011 £000
Profit for the financial year		3,266	1,471
Actuarial loss related to pension scheme	20	(4,627)	(3,208)
Deferred tax attributable to actuarial loss	14	989	790
Current tax on pension contributions in excess of pension charges recognised in Profit and Loss Account	8	286	315
Currency translation adjustments		(345)	(739)
Total recognised gains and losses relating to the year		<u>(431)</u>	<u>(1,371)</u>

The notes on pages 14 to 41 form part of these financial statements

ABS Europe Limited
Registered number: 02562251

**Consolidated balance sheet
as at 31 December 2012**

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	9	2,624	2,750
Investments	10	11	11
		<u>2,635</u>	<u>2,761</u>
Current assets			
Debtors	11	12,798	19,671
Cash at bank and in hand		2,467	1,251
		<u>15,265</u>	<u>20,922</u>
Creditors amounts falling due within one year	12	(4,542)	(4,149)
Net current assets		<u>10,723</u>	<u>16,773</u>
Total assets less current liabilities		<u>13,358</u>	<u>19,534</u>
Creditors amounts falling due after more than one year	13	(3,253)	(3,276)
Provisions for liabilities			
Other provisions	15	(1,466)	(1,412)
Net assets excluding pension scheme assets/(liabilities)		<u>8,639</u>	<u>14,846</u>
Defined benefit pension assets	20	2,351	2,970
Defined benefit pension liabilities	20	(5,377)	(2,587)
		<u>(3,026)</u>	<u>383</u>
Net assets including pension scheme assets/(liabilities)		<u>5,613</u>	<u>15,229</u>
Capital and reserves			
Called up share capital	16	3,534	3,534
Profit and loss account	17	2,079	11,695
Shareholders' funds	18	<u>5,613</u>	<u>15,229</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26th November, 2013


Kirsi Tikka
Director

The notes on pages 14 to 41 form part of these financial statements

ABS Europe Limited
Registered number 02562251

**Company balance sheet
as at 31 December 2012**

	Note	2012 £000	£000	2011 £000	£000
Fixed assets					
Tangible assets	9		2,549		2,651
Investments	10		666		666
			<u>3,215</u>		<u>3,317</u>
Current assets					
Debtors	11	12,048		14,205	
Cash at bank		2,188		924	
		<u>14,236</u>		<u>15,129</u>	
Creditors' amounts falling due within one year	12	(3,377)		(3,002)	
Net current assets			<u>10,859</u>		<u>12,127</u>
Total assets less current liabilities			<u>14,074</u>		<u>15,444</u>
Creditors: amounts falling due after more than one year	13		(3,261)		(3,285)
Net assets excluding pension scheme assets/(liabilities)			<u>10,813</u>		<u>12,159</u>
Defined benefit pension assets	20	2,351		2,970	
Defined benefit pension liabilities	20	(5,377)		(2,587)	
			<u>(3,026)</u>		<u>383</u>
Net assets including pension scheme assets/(liabilities)			<u>7,787</u>		<u>12,542</u>
Capital and Reserves					
Called up share capital	16		3,534		3,534
Profit and loss account	17		4,253		9,008
Shareholders' funds	18		<u>7,787</u>		<u>12,542</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26th November, 2013


Kirsi Tikka
Director

The notes on pages 14 to 41 form part of these financial statements

ABS Europe Limited

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Under FRS 1 ("Cash Flow Statements") the company and the group are exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of The American Bureau of Shipping, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of The American Bureau of Shipping, within which this company is included, can be obtained from the address given in note 22

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2012. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the company's financial statements, investments in subsidiary undertakings are stated at cost, less any provision for impairment.

Under section 408(3) of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. The results for the year are shown in note 18.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property	-	life of lease
Plant & machinery	-	20% per annum
Motor vehicles	-	20% per annum
Furniture & equipment	-	10% per annum

1.4 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

ABS Europe Limited

Notes to the financial statements for the year ended 31 December 2012

1 Accounting policies (continued)

1.5 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings and branches are translated at the closing exchange rates. Exchange differences arising from the retranslation of the opening net assets of subsidiaries, branches and associates which have currencies of operation other than sterling and any related loans are taken to reserves together with the differences arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss Account on a straight line basis over the lease term.

1.7 Pensions

The company operates pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that they are recoverable) or deficit is recognised in full. The movement in the scheme surplus / deficit is split between operating charges, finance items and, in the consolidated statement of recognised gains and losses, actuarial gains and losses. A summary of the pension arrangements for employees is included in note 20. Independent actuarial valuations of the scheme are made every 3 years.

The company also operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The amounts charged to the profit and loss account represent the contributions payable to the scheme in respect of the accounting period.

ABS Europe Limited

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies (continued)

1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates substantially enacted at the balance sheet date

1.9 Revenue recognition

ABS Europe Limited (Company) & ABS Italy Srl

Turnover represents the amounts from the provision of services to the American Bureau of Shipping. Revenue is accrued in line with service delivery, and is recorded net of VAT and similar sales tax

ABS Marine Services Limited & ABS Group Limited

Turnover represents amounts (excluding value added tax) derived from the provision of services to customers during the year. Revenue is recognised on a percentage of completion basis for long term contracts and on invoicing of fee based work

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

2. Analysis of turnover, net assets and profit on ordinary activities before tax

	2012			2011		
	Turnover £000	Net profit before tax £000	Net assets £000	Turnover £000	Net profit before tax £000	Net assets £000
By activity						
Operational and technical	48,592	4,177	7,935	47,614	3,659	17,787
Industrial verification	5,191	165	(2,979)	3,217	223	(3,372)
Marine services	406	(190)	657	1,060	(46)	814
	<u>54,189</u>	<u>4,152</u>	<u>5,613</u>	<u>51,891</u>	<u>3,836</u>	<u>15,229</u>

	2012			2011		
	Turnover £000	Net profit before tax £000	Net assets £000	Turnover £000	Net profit before tax £000	Net assets £000
By geographical market						
UK	22,193	1,711	(17,762)	20,991	1,082	(25,648)
Europe	28,362	2,284	24,453	27,078	2,460	41,882
Rest of the World	3,634	157	(1,078)	3,822	294	(1,005)
	<u>54,189</u>	<u>4,152</u>	<u>5,613</u>	<u>51,891</u>	<u>3,836</u>	<u>15,229</u>

Turnover by destination is not materially different from turnover by origin

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

3 Cost of Sales and Administrative Expenses

Cost of sales of £38,703,000 (2011 £39,379,000) comprise salaries and related labour costs

Administrative expenses comprise

	2012	2011
	£000	£000
Office costs	2,752	2,634
Systems & telecom	2,432	2,245
Intercompany recharges to other offices	331	174
Other administrative expenses	6,015	4,170
	<u>11,530</u>	<u>9,223</u>

4 Operating profit

The operating profit is stated after charging

	2012	2011
	£000	£000
Depreciation of tangible fixed assets		
- Plant and Machinery	123	129
- Other	350	370
Operating lease rentals		
- other operating leases	1,266	1,292
	<u>1,739</u>	<u>1,791</u>

5 Auditors' remuneration

	2012	2011
	£000	£000
Fees payable to the company's auditor for the audit of the ABSEL annual consolidated accounts (including the audit of subsidiary companies)	148	138
Fees payable to the company's auditor in respect of the group audit of the American Bureau of Shipping	192	238
	<u>340</u>	<u>376</u>

The auditor did not provide any non-audit services during the period

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

6 Staff numbers and costs

The average number of persons employed by the group and the parent company (including directors) during the period, analysed by category, was as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
Operational	192	187	166	164
Technical	63	60	53	51
Administration	106	93	72	75
	<u>361</u>	<u>340</u>	<u>291</u>	<u>290</u>

The aggregate payroll costs of these persons were as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£000	£000	£000	£000
Wages and salaries	20,372	19,784	17,519	16,866
Social security costs	3,515	3,104	2,629	2,309
Other pension costs	1,664	1,828	1,595	1,650
Redundancy payments	248	224	30	-
	<u>25,799</u>	<u>24,941</u>	<u>21,773</u>	<u>20,825</u>

7. Directors' remuneration

	2012	2011
	£000	£000
Emoluments	<u>527</u>	<u>1,303</u>

During the year retirement benefits were accruing to 4 director (2011 - 4) in respect of defined contribution pension schemes. The aggregate value of entity contributions paid into the scheme in the year was £40,000 (2011 £60,000)

The highest paid director received remuneration of £193,000 (2011 - £431,000) and entity contributions paid into the defined benefit pension scheme of £nil (2011 £18,000)

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

8 Taxation	2012	2011
	£000	£000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	355	405
Group Relief receivable from other UK companies	(45)	(20)
Adjustments in respect of prior periods	27	(114)
	<u>337</u>	<u>271</u>
Double taxation relief	-	(90)
Adjustment in respect of prior periods	(27)	35
	<u>310</u>	<u>(55)</u>
Foreign tax on income for the year	811	719
Foreign tax adjustments in respect of prior periods	133	60
Total current tax	<u><u>1,254</u></u>	<u><u>995</u></u>
Deferred tax		
Movement in respect of current period	(386)	1,360
Adjustment in respect of change in rate of corporation tax (24% to 21%)	18	11
Total deferred tax (see note 14)	<u><u>(368)</u></u>	<u><u>1,372</u></u>
Tax on profit on ordinary activities	<u><u>886</u></u>	<u><u>2,367</u></u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

8 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012	2011
	£000	£000
Profit on ordinary activities before tax	<u>4,152</u>	<u>3,838</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	1,017	1,017
Effects of		
Expenses not deductible for tax purposes	21	93
Capital allowances for year in excess of depreciation	(50)	(101)
Tax losses utilised	(40)	(62)
Additional tax on overseas income	-	355
Other short term differences	173	(122)
Adjustments in respect of prior periods	-	(19)
Trade taxes and similar income	132	157
Pension deduction on payments in excess of income statement charge	-	(644)
Current tax on pension contribution in excess of charges recognised in Profit and Loss Account	286	315
Amounts reflected in the statement of total recognised gains and losses	(286)	-
Other items	<u>1</u>	<u>6</u>
Current tax charge for the year (see note above)	<u>1,254</u>	<u>995</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

9 Tangible fixed assets

Group	Short leasehold land and buildings £000	Plant & machinery £000	Motor vehicles £000	Furniture & equipment £000	Total £000
Cost					
At 1 January 2012	2,959	971	518	1,240	5,688
Additions	78	177	53	53	361
Disposals	(3)	(44)	(23)	(23)	(94)
Transfer	-	-	-	2	2
Exchange movements	(3)	(11)	(12)	(16)	(42)
At 31 December 2012	<u>3,031</u>	<u>1,092</u>	<u>536</u>	<u>1,259</u>	<u>5,915</u>
Depreciation					
At 1 January 2012	986	767	387	798	2,938
Charge for the year	193	123	71	86	473
On disposals	(3)	(29)	(23)	(23)	(78)
Transfer	-	(8)	-	(3)	(11)
Exchange movements	(3)	(8)	(9)	(11)	(31)
At 31 December 2012	<u>1,173</u>	<u>846</u>	<u>425</u>	<u>847</u>	<u>3,291</u>
Net book value					
At 31 December 2012	<u>1,858</u>	<u>246</u>	<u>111</u>	<u>86</u>	<u>2,624</u>
<i>At 31 December 2011</i>	<u>1,973</u>	<u>204</u>	<u>131</u>	<u>442</u>	<u>2,750</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

9. Tangible fixed assets (continued)

Company	Short leasehold land and buildings £000	Plant & machinery £000	Motor vehicles £000	Furniture & equipment £000	Total £000
Cost					
At 1 January 2012	2,919	819	469	871	5,078
Additions	78	151	53	53	335
Disposals	(3)	(12)	(23)	(23)	(61)
Transfer between classes	-	-	-	5	5
Exchange movements	(2)	(9)	(11)	(10)	(32)
At 31 December 2012	<u>2,992</u>	<u>949</u>	<u>488</u>	<u>896</u>	<u>5,325</u>
Depreciation					
At 1 January 2012	949	660	362	456	2,427
Charge for the year	192	103	59	79	433
On disposals	(3)	(12)	(23)	(23)	(61)
Exchange movements	(2)	(7)	(8)	(6)	(22)
At 31 December 2012	<u>1,136</u>	<u>744</u>	<u>390</u>	<u>505</u>	<u>2,776</u>
Net book value					
At 31 December 2012	<u>1,855</u>	<u>205</u>	<u>98</u>	<u>391</u>	<u>2,549</u>
At 31 December 2011	<u>1,970</u>	<u>159</u>	<u>107</u>	<u>415</u>	<u>2,651</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

10 Fixed asset investments

Company	Investments in subsidiaries £000	Other investments £000	Total £000
Cost or valuation			
At 1 January 2012 and at 31 December 2012	3,540	11	3,551
Impairment			
At 1 January 2012 and at 31 December 2012	2,885	-	2,885
Net book value			
At 31 December 2012	655	11	666
At 31 December 2011	655	11	666

Annually the directors undertake a review of the carrying value of the investment in subsidiaries. As a result of this review, the directors concluded that there had been no fundamental change in the expected long term prospects for the subsidiaries and therefore there should be no change in the level of impairment provision recognised.

Details of the principal subsidiaries can be found under note number 23.

11. Debtors

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade debtors	1,196	1,047	78	123
Amounts owed by group undertakings	6,413	13,069	7,163	9,165
Overpaid taxes recoverable	2,651	4,119	2,651	3,826
Amounts recoverable on contracts	153	266	-	-
Other debtors	186	212	131	137
Prepayments and accrued income	498	408	495	404
Deferred tax asset (see note 14)	1,701	550	1,530	550
	12,798	19,671	12,048	14,205

In the current year amounts owed by group undertakings includes dividends declared & payable in the year of £9,195,000. Whilst the balances are shown net the directors consider the nature of the creditor element relating to the dividend to be fundamentally different to the nature of the gross debtor balance which arises from the group trading relationship.

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

12. Creditors
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade creditors	878	318	367	82
Social security and other taxes	347	216	293	172
Deferred taxation	122	122	-	-
Other creditors	304	412	301	313
Accrued expenses	2,891	3,081	2,416	2,435
	<u>4,542</u>	<u>4,149</u>	<u>3,377</u>	<u>3,002</u>

13 Creditors
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2012 £000	2011 £000	2012 £000	2011 £000
Amounts owed to group undertakings	3,126	3,152	3,134	3,161
Other pension schemes	127	124	127	124
	<u>3,253</u>	<u>3,276</u>	<u>3,261</u>	<u>3,285</u>

No repayment date is specified for amounts owed to group undertakings and no interest is payable on the outstanding amount. The amount in Other pension schemes refers to amounts that ABS Europe Limited has committed to pay in respect of certain pension scheme arrangements but has not, to date, done so.

14 Deferred tax asset

	<u>Group</u>		<u>Company</u>	
	2012 £000	2011 £000	2012 £000	2011 £000
At beginning of year	550	526	550	526
Charged during the year	1,151	24	980	24
At end of year	<u>1,701</u>	<u>550</u>	<u>1,530</u>	<u>550</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

14 Deferred tax asset (continued)

The deferred tax asset is made up as follows

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Accelerated capital allowances	202	285	202	285
Overseas deferred tax on pension schemes	1,189	260	1,189	260
Net operating losses	134	-	134	-
Other timing differences	176	5	5	5
	<u>1,701</u>	<u>550</u>	<u>1,530</u>	<u>550</u>

A deferred tax asset of £846,000 (2011 £1,145,000) has not been recognised in respect of unutilised net operating losses in the branches and subsidiary companies. These will be available to relieve against future profits of the companies in which they arise. On 20 March 2013 as part of the 2013 Budget, the UK government announced its intention to legislate to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 with a further reductions to reduce the rate to 21% with effect from 1 April 2014 and 20% from 1 April 2015. These additional changes have not been substantially enacted at the balance sheet date. The effect of this reduction would be to reduce the deferred tax asset by £27,000 to £175,000.

In addition to the above, a deferred tax liability of £122,000 (2011 £122,000) was recognised in respect of revenue arising in the period that is taxable in future periods. Deferred tax on the pension scheme asset/(liability) has been netted off the respective asset/(liability) in accordance with the requirement of FRS 17 (see also note 20). The movement on this asset is as follows:

	Group and Company £000
Opening net deferred tax asset on pension asset / (liabilities)	(878)
Amount credited to profit and loss account in respect of prior periods	-
Amount debited to profit and loss account during the period	61
Amounts credited to reserves during the period	145
Closing net deferred tax asset on pension assets / liabilities	<u>(672)</u>

The impact of the expected future reduction in the corporation tax rate discussed above would have the effect of reducing the deferred tax liability on pension assets by £88,000 to £584,000.

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

15 Provisions

Group	Group Severance Provision £000
At 1 January 2012	1,412
Charged to the profit and loss account	214
Payments	(123)
Foreign exchange	(37)
	<hr/>
At 31 December 2012	1,466

Group Severance Provision

The severance provision relates to a statutory provision as required in certain countries where the company has operations and employees

The Company has no provisions

16 Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
3,534,000 Ordinary shares of £1 each	3,534	3,534

17 Reserves

Group	Profit and loss account £000
At 1 January 2012	11,695
Profit for the year	3,266
Dividends (Note 19)	(9,185)
Actuarial loss on defined scheme and tax in respect of the loss	(4,627)
Current tax on pension contributions in excess of pension charges recognised in Profit and Loss Account	286
Deferred tax on pension schemes	989
Movement on foreign exchange	(345)
	<hr/>
At 31 December 2012	2,079

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

17 Reserves (continued)

Company	Profit and loss account £000
At 1 January 2012	9,008
Profit for the year	2,730
Dividends	(3,910)
Actuarial loss on defined scheme and tax in respect of the loss	(4,627)
Current tax on pension contributions in excess of pension charges recognised in Profit and Loss Account	286
Deferred tax on pension schemes	989
Movement on foreign exchange	(223)
At 31 December 2012	<u>4,253</u>

18. Reconciliation of movement in shareholders' funds

Group	2012 £000	2011 £000
Opening shareholders' funds	15,229	16,601
Profit for the year	3,266	1,471
Dividends (Note 19)	(9,185)	-
Actuarial (loss)/gain on defined scheme and tax in respect of the loss	(4,627)	(2,419)
Deferred tax on pension schemes	989	-
Current tax on pension contributions in excess of pension charges recognised in Profit and Loss Account	286	315
Currency translations adjustments	(345)	(739)
Closing shareholders' funds	<u>5,613</u>	<u>15,229</u>
Company	2012 £000	2011 £000
Opening shareholders' funds	12,542	14,198
Profit for the year	2,730	1,058
Dividends	(3,910)	-
Actuarial gain/(loss) on defined scheme and tax in respect of the gain	(4,627)	(2,419)
Deferred tax on pension schemes	989	-
Current tax on pension contributions in excess of pension charges recognised in Profit and Loss Account	286	315
Currency translations adjustments	(223)	(610)
Closing shareholders' funds	<u>7,787</u>	<u>12,542</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss Account

The profit for the year dealt with in the accounts of the company was £2,730,000 (2011 - £1,058,000)

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

19 Dividends

	2012	2011
	£000	£000
Dividends payable on equity capital	<u>9,185</u>	<u>-</u>

20. Pension commitments

The Group operates several defined contributions pension schemes. The pension charge for the period represents contributions payable by the company to the defined contribution schemes amounting to £282,000 (2011: £328,000).

In addition, the group has a number of defined benefit pension schemes, the details of which are set out below.

UK

In the UK, the company operates a pension scheme providing benefits based on final pensionable pay. The latest full valuation was carried out at 31 December 2007 and updated for FRS17 purposes to 31 December 2009 by a qualified independent actuary. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and rates of increase in salaries and pensions.

Following changes to the rules relating to pension increases, and a review of the ABS Europe Ltd scheme, as RPI is hardcoded into scheme rules, pension increases in payment for accrued pensions will remain linked to RPI (other than GMP). However, in future it will not be necessary to have a statutory minimum CPI underpin. Therefore, if CPI is higher than RPI in the future, there is not a requirement to pay the higher CPI increase on pension increases in payment.

The most recent actuarial valuation showed that the market value of the scheme's assets was £45.5 million at 31 December 2012 (2011: £41.2 million) and that the actuarial value of the assets represented 107% (2011: 109%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

Germany

In Germany, the company operates a pension scheme providing benefits based on final pensionable pay. The pension is unfunded in accordance with German law. The latest full valuation was carried out at 31 December 2003 and updated for FRS17 purposes to 31 December 2009 by a qualified independent actuary. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and rates of increase in salaries and pensions.

The most recent actuarial valuation showed that the market value of the scheme's assets was £nil at 31 December 2012 (2011: £nil) and that the actuarial value of the assets represented nil% (2011: nil%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

ABS Europe Limited

Notes to the financial statements for the year ended 31 December 2012

20 Pension commitments (continued)

Netherlands

In the Netherlands the company operates a pension scheme providing benefits based on final pensionable pay. The scheme is an insured pension scheme in accordance with Dutch law. The latest full valuation was carried out at 31 December 2007 and updated for FRS17 purpose to 31 December 2009 by a qualified independent actuary. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and rates of increase in salaries and pensions.

The most recent actuarial valuation showed that the market value of the scheme's assets was £7.9 million at 31 December 2012 (2011: £7.5 million) and that the actuarial value of the assets represented 83% (2011: 105%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

Belgium

In Belgium the company operates a pension scheme providing benefits based on final pensionable pay. The scheme is an insured pension scheme in accordance with Belgian law. The latest full valuation was carried out at 31 December 2007 and updated for FRS17 purpose to 31 December 2009 by a qualified independent actuary. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and rates of increase in salaries and pensions.

The most recent actuarial valuation showed that the market value of the scheme's assets was £0.9 million at 31 December 2012 (2011: £0.7 million) and that the actuarial value of the assets represented 60% (2011: 69%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

Spain

In Spain the company operates a pension scheme providing benefits based on final pensionable pay. The scheme is an insured pension scheme in accordance with Spanish law. The latest full valuation was carried out at 31 December 2003 and updated for FRS17 purpose to 31 December 2009 by a qualified independent actuary. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and rates of increase in salaries and pensions.

The most recent actuarial valuation showed that the market value of the scheme's assets was £2.2 million at 31 December 2012 (2011: £1.7 million) and that the actuarial value of the assets represented 105% (2011: 100%) of the benefits that had accrued to members, before allowing for expected future increases in earnings.

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20 Pension commitments (continued)

The major assumptions used in the valuations

Assumptions at 2012	UK %	Germany %	Netherlands %	Belgium %	Spain %
Rate of increase in salaries	3.50	3.00	3.00	3 00	3 00
Rate of increase in pensions payment and deferred pensions	2.90	2.00	-	-	-
Discount rate applied to scheme liabilities	4 40	4.10	3.30	2 50	4.30
Inflation assumption	3 00	2.50	2.00	2 00	2 00

Assumptions at 2011	UK %	Germany %	Netherlands %	Belgium %	Spain %
Rate of increase in salaries	3 60	2 50	3 00	2 50	3 00
Rate of increase in pensions payment and deferred pensions	3 00	2 00	-	-	-
Discount rate applied to scheme liabilities	4 70	5 20	4 75	4 20	5 00
Inflation assumption	3 10	2 50	2 00	2 00	2 00

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice

ABS Europe expects to contribute the following during the next annual period ended 31 December 2013

	2012 £000	2011 £000
UK	2,200	1,822
Germany	-	-
Netherlands	384	192
Belgium	95	82
Spain	142	118

ABS Europe Limited

Notes to the financial statements
for the year ended 31 December 2012

20 Pension commitments (continued)

Scheme assets

The fair value of the schemes' assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain were

2012	Long term rate of return %	UK £000	Long term rate of return %	Germany £000	Long term rate of return %	Netherlands £000	Long term rate of return %	Belgium £000	Long term rate of return %	Spain £000
Equities	7.70	14,880	-	-	-	-	-	-	-	-
Bonds	3.57	15,856	-	-	-	-	-	-	-	-
Other	7.60	14,795	-	-	3.00	7,957	2.80	895	4.30	2,246
Total market value of assets		45,531		-		7,957		895		2,246
Present value of scheme liabilities		(42,610)		(3,112)		(9,626)		(1,491)		(2,144)
Gross pension surplus/(deficit)		2,921		(3,112)		(1,669)		(596)		102

ABS Europe Limited

Notes to the financial statements
for the year ended 31 December 2012

20 Pension commitments (continued)

Scheme assets

2011	Long term rate of return %	UK £000	Long term rate of return %	Germany £000	Long term rate of return %	Netherlands £000	Long term rate of return %	Belgium £000	Long term rate of return %	Spain £000
Equities	7.00	13,207	-	-	-	-	-	-	-	-
Bonds	3.88	15,205	-	-	-	-	-	-	-	-
Other	8.09	12,753	-	-	4.25	7,455	4.00	796	5.50	1,728
Total market value of assets		41,165		-		7,455		796		1,728
Present value of scheme liabilities		(37,653)		(2,227)		(7,120)		(1,156)		(1,728)
Gross pension surplus/(deficit)		3,512		(2,227)		335		(360)		-

The Company establishes the long-term expected rate of return on plan assets by developing a forward looking, long term result assumption for each asset class, taking into account factors such as the market yield of bond investments of appropriate duration and the expected outperformance for other asset classes based on analysis of long term historical trends. A single long term return assumption is then calculated as the weighted average of the long term return assumption for each asset class, based on the target asset allocation.

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20 Pension commitments (continued)

Movement in surplus/(deficit) in year

2012	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Surplus/(deficit) in scheme at beginning of the year	3,512	(2,227)	335	(360)	-	1,261
Current service cost	(2,023)	(134)	(186)	(59)	(114)	(2,515)
Contributions paid	2,103	18	366	92	103	2,682
Other financial income	1,089	(111)	(135)	(21)	(6)	816
Actuarial (loss)/gain	(1,760)	(704)	(2,025)	(255)	117	(4,627)
Foreign exchange impact	-	46	(24)	7	1	29
Surplus/(deficit) in scheme at the end of the year	2,921	(3,112)	(1,669)	(596)	102	(2,354)
Related Deferred Tax Asset/(Liability)	(672)	1,028	426	199	(31)	950
Less Impact of the branch exemption	-	(1,028)	(426)	(199)	31	(1,622)
Net surplus/(deficit) in scheme at end of the year	<u>2,249</u>	<u>(3,112)</u>	<u>(1,669)</u>	<u>(596)</u>	<u>102</u>	<u>(3,026)</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20 Pension commitments (continued)

Movement in surplus/(deficit) in year

2011	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Surplus/(deficit) in scheme at beginning of the year	5,413	(2,211)	358	(348)	7	3,219
Current service cost	(1,669)	(190)	(170)	(65)	(121)	(2,215)
Contributions paid	2,178	-	414	129	94	2,815
Other financial income	905	(122)	(164)	(26)	(5)	588
Actuarial (loss)/gain	(3,315)	235	(94)	(60)	25	(3,208)
Foreign exchange impact	-	61	(9)	10	-	62
Surplus/(deficit) in scheme at the end of the year	3,512	(2,227)	335	(360)	-	1,261
Related Deferred Tax Asset/(Liability)	(878)	735	(269)	96	-	(316)
Less Impact of the branch exemption	-	(735)	269	(96)	-	(562)
Net surplus/(deficit) in scheme at end of the year	<u>2,634</u>	<u>(1,491)</u>	<u>66</u>	<u>(264)</u>	<u>-</u>	<u>383</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20 Pension commitments (continued)

Analysis of other pension costs in arriving at operating profit

2012	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Current service cost	<u>2,023</u>	<u>134</u>	<u>186</u>	<u>59</u>	<u>113</u>	<u>2,515</u>

Amounts included in other finance income

Expected return on pension scheme assets	2,893	-	243	28	84	3,248
Interest on pension scheme liabilities	<u>(1,804)</u>	<u>(111)</u>	<u>(377)</u>	<u>(49)</u>	<u>(89)</u>	<u>(2,430)</u>
	<u>1,089</u>	<u>(111)</u>	<u>(134)</u>	<u>(21)</u>	<u>(5)</u>	<u>818</u>

2011	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Current service cost	<u>1,669</u>	<u>190</u>	<u>170</u>	<u>65</u>	<u>120</u>	<u>2,215</u>

Amounts included in other finance income

Expected return on pension scheme assets	2,759	-	210	26	81	3,076
Interest on pension scheme liabilities	<u>(1,854)</u>	<u>(122)</u>	<u>(374)</u>	<u>(52)</u>	<u>(87)</u>	<u>(2,488)</u>
	<u>905</u>	<u>(122)</u>	<u>(164)</u>	<u>(26)</u>	<u>(11)</u>	<u>578</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20 Pension commitments (continued)

Analysis of amount recognised in consolidated statement of total recognised gains and losses

2012	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Actual return less expected return on scheme assets	(49)	-	186	-	368	505
Experience gains and losses arising on scheme liabilities	-	-	(306)	(255)	23	(538)
Change in assumptions underlying the present value of scheme liabilities	(1,711)	(704)	(1,906)	-	(273)	(4,594)
Group life insurance loss	-	-	-	-	-	-
Actuarial gain/(loss) recognised in statement of total recognised gains and losses	<u>(1,760)</u>	<u>(704)</u>	<u>(2,025)</u>	<u>(255)</u>	<u>117</u>	<u>(4,627)</u>
2011	UK £000	Germany £000	Netherlands £000	Belgium £000	Spain £000	Total £000
Actual return less expected return on scheme assets	(1,977)	-	409	-	(6)	(1,574)
Experience gains and losses arising on scheme liabilities	-	-	-	(60)	31	(29)
Change in assumptions underlying the present value of scheme liabilities	(1,338)	236	(502)	-	-	(1,604)
Group life insurance loss	-	-	-	-	-	-
Actuarial gain/(loss) recognised in statement of total recognised gains and losses	<u>(3,315)</u>	<u>236</u>	<u>(94)</u>	<u>(60)</u>	<u>25</u>	<u>(3,208)</u>

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20 Pension commitments (continued)

	2012	2011	2010	2009	2008
UK					
Difference between the expected and actual return on scheme assets					
Amount (£000)	(49)	(1,977)	1,700	2,325	(5,228)
Percentage of year end scheme assets	-	(5)	4	7	(18)
Experience gains and losses on scheme liabilities					
Amount (£000)	-	-	-	-	-
Percentage of year end scheme liabilities	-	-	-	-	-
Total amount recognised in statement of total recognised gains and losses					
Amount (£000)	(1,760)	(3,315)	5,015	(4,439)	(3,359)
Percentage of year end scheme assets/liabilities (%)	(4)	(94)	15	6,081	(91)
Germany					
Difference between the expected and actual return on scheme assets					
Amount (£000)	-	-	-	-	-
Percentage of year end scheme assets	-	-	-	-	-
Experience gains and losses on scheme liabilities					
Amount (£000)	-	-	-	-	-
Percentage of year end scheme liabilities	-	-	-	-	-
Total amount recognised in statement of total recognised gains and losses					
Amount (£000)	(704)	-	-	372	62
Percentage of year end scheme assets/liabilities (%)	26	-	-	-	-

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20. Pension commitments (continued)	2012	2011	2010	2009	2008
Netherlands					
Difference between the expected and actual return on scheme assets					
Amount (£000)	187	409	-	53	161
Percentage of year end scheme assets	2	5	-	1	2
Experience gains and losses on scheme liabilities					
Amount (£000)	(306)	-	-	(119)	(364)
Percentage of year end scheme liabilities	3	-	-	2	6
Total amount recognised in statement of total recognised gains and losses					
Amount (£000)	(2,025)	(94)	-	(250)	50
Percentage of year end scheme assets/liabilities (%)	173	(28)	-	27	5
Belgium					
Difference between the expected and actual return on scheme assets					
Amount (£000)	-	-	2	(2)	5
Percentage of year end scheme assets	-	-	-	-	1
Experience gains and losses on scheme liabilities					
Amount (£000)	(254)	(60)	(35)	(48)	18
Percentage of year end scheme liabilities	17	7	4	6	(3)
Total amount recognised in statement of total recognised gains and losses					
Amount (£000)	(255)	(60)	(31)	(78)	(3)
Percentage of year end scheme assets/liabilities (%)	43	16	3	20	1

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20 Pension commitments (continued)	2012	2011	2010	2009	2008
Spain					
Difference between the expected and actual return on scheme assets					
Amount (£000)	367	(72)	192	(74)	(21)
Percentage of year end scheme assets	16	(5)	10	(5)	(2)
Experience gains and losses on scheme liabilities					
Amount (£000)	273	25	48	26	2
Percentage of year end scheme liabilities	(13)	(2)	(3)	(2)	-
Percentage of year end scheme assets					
Amount (£000)	117	(116)	157	(119)	86
Percentage of year end scheme assets/liabilities	115	580	1,950	(541)	(137)
Analysis of net assets/(deficit) for the Group					
	2012	2011	2010	2009	2008
	£000	£000	£000	£000	£000
Total fair value of scheme assets	56,630	50,452	48,798	43,222	37,809
Present value of funded scheme liabilities	(58,984)	(49,180)	(45,579)	(44,645)	(35,463)
Net (deficit)/assets	(2,354)	1,272	3,219	(1,423)	2,346

International Benefit Plan

Certain foreign employees of the company are members of a funded defined benefit pension scheme of The American Bureau of Shipping, the details of which are disclosed in the consolidated accounts of The American Bureau of Shipping, an entity incorporated by special statute in the United States of America

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits' the scheme will be accounted for by the company as the scheme was a defined contribution scheme

The latest full actuarial valuation was carried out at 14 February 2012 by a qualified actuary. The market value of the group scheme's assets was \$75.6m (2011 \$59.1m) and the present value of the scheme's liabilities which are derived from cash flow projections over a long period and are thus inherently uncertain were \$82.0m (2011 \$71.9m) giving rise to a scheme deficit of \$6.4m (2011 \$12.8m) before taking account of any deferred tax asset.

The company is one of a number of participating employers and the implications of any surplus or deficit are considered on a group basis.

ABS Europe Limited

**Notes to the financial statements
for the year ended 31 December 2012**

21 Operating lease commitments

At 31 December 2012 the Group had annual commitments under non-cancellable operating leases as follows

Group	2012 £000	2011 £000
Expiry date Land & Buildings		
Within 1 year	42	-
Between 2 and 5 years	461	25
After more than 5 years	511	745
	<hr/>	<hr/>
Expiry date Other		
Within 1 year	2	-
Between 2 and 5 years	18	-
After more than 5 years	-	33
	<hr/>	<hr/>

22 Ultimate parent undertaking

The company is a subsidiary undertaking of The American Bureau of Shipping, an entity incorporated by special statute in the United States of America. The accounts are available from the following address

ABS Plaza
16855 North Chase Drive
Houston
TX 77060

23. Principal subsidiaries

ABS Europe Limited directly holds the percentage of ordinary shares and voting rights in the following subsidiaries

Company name	Country	Percentage Shareholding	Description
ABS Marine Services Limited	Great Britain	100	Marine Services
ABS Group Limited	Great Britain	100	Industrial verification
ABS Quality Evaluations Limited	Great Britain	100	Quality evaluation
ABS Italy Srl	Italy	99	Classification services
ABS Hellas	Greece	100	Dormant

All the above entities have been included in the Group consolidation