

Company Registration No. 05832836

A&P Group Limited

Annual Report and Financial Statements

For the year ended 31 March 2014

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A&P Group Limited

Annual report and financial statements for the year ended 31 March 2014

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A&P Group Limited

Annual report and financial statements for the year ended 2014

Officers and professional advisers

Directors

Atlantic & Peninsula Marine Services Limited

J C Carey

P H Child

Registered Office

c/o A&P Tyne Limited

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Hebburn

Tyne & Wear

United Kingdom

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Bankers

Santander UK Plc

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Solicitors

Hill Dickinson LLP

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Liverpool

L3 9SJ

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

Newcastle upon Tyne

United Kingdom

A&P Group Limited

Strategic report (continued)

Principal activities and business review

The group's principal activities are ship repair and marine engineering. The group operates facilities in the south west and north east of England.

The consolidated profit and loss account on page 10 reflects the results of the group for the year ended 31 March 2014.

Key performance indicators ("KPIs")

The group measures KPIs on a monthly basis, as part of its internal control processes. They are considered under the following four headings:

- Safety, quality and the environment
- People, productivity and facilities
- Financial performance
- Customers and markets

Turnover for the group for the year totalled £111.3m (period ended 2013: £124.3m) resulting in a profit before taxation of £10.4m (period ended 2013: £7.4m). The net asset position at the year end was £16.3m (2013: £10.2m). During the year exceptional restructuring costs of £822,000 were incurred (period ended 2013: £197,000).

Given the size, structure and nature of the business, the company's directors are of the opinion that additional disclosures regarding the use of KPI's is not necessary for an understanding of the development, performance and position of the business.

Going Concern

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 in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in price risk, foreign exchange risk, credit risk, liquidity risk and interest rate cash flow risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

The group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price risk

The group is exposed to commodity price risk as a result of its operations. However, given the size of the group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature. The group has no exposure to equity securities price risk as it holds no equity investments.

Foreign exchange risk

The group has exposure to foreign exchange risk as some contracts are invoiced in foreign currency. Where this is the case, forward contracts may be taken out to mitigate the risk of fluctuating exchange rates.

A&P Group Limited

Strategic report (continued)

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to a counterparty is subject to a case by case assessment by the board. For large projects, the group negotiates payment profiles which are at worst cash neutral


Liquidity risk

The group has sufficient available funds and agreed banking facilities for operations and planned expansions.

Interest rate cash flow risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances. Interest bearing liabilities are largely limited to agreements which are fixed for the duration of the facility. Where facilities are linked to base rates, the directors will review on a regular basis to ensure that the group's exposure to interest rate movements is limited. The directors will revisit the appropriateness of interest rate risk management policy should the group's operations change in size or nature.

Approved by the Board of Directors
and signed on behalf of the Board



J C Carey
Director

25 July 2014

A&P Group Limited

Directors' report

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2014.

On 13 November 2012 the Board approved the change of the Company's accounting reference date because of the change in the percentage shareholdings of the shareholders, from 31 December to 31 March, therefore, the report relates to the year ended 31 March 2014 and the comparative period from 1 January 2012 to 31 March 2013.

Review of business and future developments

The year ended 31 March 2014 has been a busy year despite difficult trading conditions within the commercial sector. The group has concentrated on the ground work laid out in previous years by continuing to raise its profile in both the traditional ship repair and conversion market and also in the renewable and the oil and gas sectors. These together with the generation of a strong result by the management and workforce continue to confirm A&P as one of the premier ship repairing, ship conversion and marine engineering businesses in the UK.

Turnover for the group totalled £111 m in the year which represents an 11% pro-rata year on year increase over the previous period. Profit before taxation at £10.4 m for the year is up from £7.4 m for the previous 15 month period and represents a 75% year on year increase in profitability.

These results are regarded as highly pleasing given that the expectations at the beginning of the year were for a difficult economic climate to affect profitability, a tight market in the core ship repair business and little activity in the offshore sector. These factors placed greater emphasis on the need to concentrate on the core larger ticket ship repair and conversion activities and secure significant fabrication contracts, whilst improving performance in respect of previously acquired long term work.

During the year the group continued work on the second UK aircraft carrier project as a follow-up to the successful completion in August 2011 of contract works on the first UK aircraft carrier project. Progress on the contract, which is due to complete in September 2014, is in line with expectations and we envisage providing another first class product to the customer on time and on budget. Whilst the Carrier contract represented a significant portion of the turnover for the year in the North East the core business of ship repair and maintenance remained subdued, however the North East business was nonetheless better positioned to deal with the challenges as a result of the redundancy programme carried out in the latter half of 2011 and subsequently reported satisfactory results for the year. It is a group-wide commitment that in challenging markets, direct and indirect costs will be continually managed in line with our committed and predicted revenue on a short, medium and long term basis.

The results from the Ministry of Defence ('MoD') contract for the support of Royal Fleet Auxiliary ('RFA') vessels were enhanced by the completion of the refit project in Falmouth on RFA Mounts Bay which was completed on time and within budget. Defence sector projects have made a significant contribution to the results for the year, however due to the RFA's disposal of Largs Bay in 2011 the company has lost a major RFA refit planned for the current year and will experience a challenging trading year through to April 2015 when the next RFA refit is due. As a result of the loss of this significant turnover Management took the necessary actions to protect the future of the company and its workforce by announcing a redundancy programme in Falmouth which was completed in the latter half of 2013 at an overall redundancy cost of £821k. The resumption of RFA refits in 2015 will allow the company to plan with confidence for the future.

The Group's activities in Australia as prime contractor on the service and support of HMAS Choules, formerly RFA Largs Bay, for the Royal Australian Navy (RAN), have continued throughout the year generating significant turnover and contribution. The group will continue to pursue other opportunities direct with the RAN thus allowing us the opportunity to export our expertise and knowledge to an international market.

Defence sector projects have made a significant contribution to the 2014 results and will continue to feature strongly in 2015 and beyond, allowing us to plan with confidence for the future.

Falmouth, Tyne and Tees dry docks saw encouraging occupancy levels during the first half of the year with Falmouth in particular being underpinned by the work for the MoD. The latter part of the year remained subdued across all yards and whilst the group continues to attract a significant amount of work from commercial customers, they have continued to reduce the average spend per ship, a trend that has also continued into the early part of the new 2015 financial year. The management and workforce have nonetheless successfully maintained contribution levels enabling the ship repair sector to return a satisfactory performance.

In securing the business results, the Health Safety and Environmental performance across the group has been maintained throughout the year, reflecting the commitment of management and workforce in this area.

A&P Group Limited

Directors' report (continued)

The port operation in Falmouth continued its strong and steady performance and is an integral part of the group's operations there.

The group is determined to take advantage of the Falmouth and Tyne sites, which are well placed to secure work as part of the supply chain for and to provide support services to the emerging renewable energy sector and also into the oil and gas and heavy engineering industry. The Board are pleased to report the successful completion of a number of contracts by A&P Tyne Limited within the oil and gas sector. The Board are paying close attention to the initiatives in these areas and are continuing to develop links into the operation and maintenance part of the offshore supply chain through its investment in Marine Designs which supply bespoke pontoons for maintenance vessels.

The group has a significant pension obligation to past and present employees. The total cash cost to the group in the year was in excess of £2m. All three defined benefit schemes in which the group participates are closed to future accruals. All our employees can now participate in a defined contribution scheme which is administered by the group.

Trading in the first part of 2014/15 has been satisfactory despite a number of commercial ship operators continuing to trim their maintenance budgets. We foresee this trend continuing for the rest of the year but with good long term customer relationships and a sizeable secured order book underpinning the business and a dedicated workforce we expect the rest of year to progress well.

Our shareholders and current management team are committed to delivering our five year plan and ensuring that the business continues to go from strength to strength as we pursue opportunities in new sectors and continue to service our existing customers.

On behalf of the Board, we would like to thank all those who have contributed to our performance in the year, while most importantly recognising the efforts of our workforce.

Future outlook

The group is a leading ship repair and conversion business with three bases in the United Kingdom. It also has a port operation in Falmouth.

The continuing fabrication works for the new Aircraft Carrier, the ongoing RFA Cluster, through life, global reach contract and our regular repeat commercial business will provide a sound turnover base for the foreseeable future.

The Group continues to drive growth both within its traditional ship repair and conversion sector and to seek out new opportunities within the defence, renewables and the oil and gas sectors.

Dividends

A dividend of £2,000,000 was paid during the year (2013: £1,175,000).

Directors

The names of the directors, who held office during the year and up to the date of signing of the financial statements unless otherwise stated, were as follows:

Atlantic & Peninsula Marine Services Limited

J C Carey

P H Child

Directors' indemnity

The company has made qualifying third party indemnity provisions for the benefits of directors which were made during the year and remain in force at the date of the report.

A&P Group Limited

Directors' report (continued)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the group. This is achieved through informal and formal meetings and regular updates on company notice boards. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Charitable donations

The group made donations of £19,255 (2013: £31,002) during the year to charities associated with the maritime industry and charities local to the trading subsidiaries.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to relate to the competition from other domestic and overseas facilities, the volatile and cyclical nature of the business, and maintaining the current good relationships with customers and employees at all levels within the group. The group also considers its successful relationships with its subcontractor base is a key part of its strategy and will continue to develop these further.

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J C Carey
Director

25 July 2014

A&P Group Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of A&P Group Limited

We have audited the Group financial statements of A&P Group Limited for the year ended 31 March 2014 which comprise the Consolidated profit and loss account, the Consolidated statement of total recognised gains and losses, the Consolidated balance sheet the Company balance sheet, the Consolidated cash flow statement and the related notes 1 to 24. 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 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, 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Group and company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on matters prescribed in the Companies Act 2006

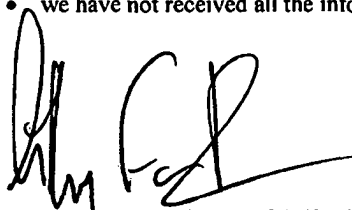
In our opinion the information in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of A&P Group 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle, United Kingdom

25/7/

2014

A&P Group Limited

Consolidated profit and loss account For the year ended 31 March 2014

		Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
	Notes		
Turnover	2	111,266	124,327
Cost of sales		(92,915)	(107,678)
Gross profit		<u>18,351</u>	<u>16,649</u>
Administrative expenses			
Excluding restructuring costs		(7,298)	(8,377)
Exceptional restructuring costs	3	(822)	(197)
Total administrative expenses		<u>(8,120)</u>	<u>(8,574)</u>
Operating profit	3	<u>10,231</u>	<u>8,075</u>
Profit on ordinary activities before financing		10,231	8,075
Income from other fixed asset investments		534	296
Interest receivable and similar income	4	105	60
Interest payable and similar charges	5	(53)	(146)
Other finance costs	23	(372)	(890)
Profit on ordinary activities before taxation		10,445	7,395
Tax on profit on ordinary activities	7	(2,353)	(1,788)
Profit for the financial year / period	18,19	<u><u>8,092</u></u>	<u><u>5,607</u></u>

All of the above results relate to continuing operations.

A&P Group Limited

Consolidated statement of total recognised gains and losses For the year ended 31 March 2014

		Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
	Notes		
Profit for the financial year / period	18	8,092	5,607
Actuarial gain / (loss) on pension scheme	23	836	(5,291)
Movement in deferred tax relating to the pension scheme	18	(1,324)	347
Tax relief on pension contributions taken to the statement of total gains and losses	7	547	548
Total gains and losses recognised in the year / period		<u>8,151</u>	<u>1,211</u>


A&P Group Limited

Consolidated balance sheet As at 31 March 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	9	6,181	6,681
Tangible	10	15,407	17,933
Investments	11	200	200
		<u>21,788</u>	<u>24,814</u>
Current assets			
Stocks	12	594	504
Debtors	13	19,299	16,721
Cash at bank and in hand		16,481	13,740
		<u>36,374</u>	<u>30,965</u>
Creditors: amounts falling due within one year	14	<u>(23,638)</u>	<u>(25,453)</u>
Net current assets		<u>12,736</u>	<u>5,512</u>
Total assets less current liabilities		<u>34,524</u>	<u>30,326</u>
Creditors: amounts falling due after more than one year	15	<u>(2,494)</u>	<u>(2,923)</u>
Provisions for liabilities	16	<u>(1,964)</u>	<u>(1,303)</u>
Net assets excluding pension deficit		<u>30,066</u>	<u>26,100</u>
Pension deficit	23	<u>(13,759)</u>	<u>(15,944)</u>
Net assets including pension deficit		<u>16,307</u>	<u>10,156</u>
Capital and reserves			
Called-up share capital	17	1	1
Profit and loss account	18	16,306	10,155
Total shareholder's funds	19	<u>16,307</u>	<u>10,156</u>

The financial statements of A&P Group Limited, (registered number 05832836) on pages 10 to 35, were approved by the Board of Directors and authorised for issue on 25 July 2014

Signed on behalf of the Board of Directors



J C Carey
Director

A&P Group Limited

Company balance sheet As at 31 March 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	11	<u>2,162</u>	<u>2,162</u>
Debtors	13	2,024	4,266
Creditors: amounts falling due within one year	14	<u>(2,970)</u>	<u>(4,865)</u>
Net current liabilities		<u>(946)</u>	<u>(599)</u>
Total assets less current liabilities being net assets		<u>1,216</u>	<u>1,563</u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	<u>1,215</u>	<u>1,562</u>
Total shareholders' funds	19	<u>1,216</u>	<u>1,563</u>

The financial statements of A&P Group Limited, (registered number 05832836) on pages 10 to 35, were approved by the Board of Directors and authorised for issue on *28 July 2014*
Signed on behalf of the Board of Directors



J C Carey
Director

A&P Group Limited

Consolidated cash flow statement for the year ended 31 March 2014

		Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
	Note		
Net cash inflow from operating activities	20	6,934	6,860
Returns on investments and servicing of finance			
Dividends received		534	296
Interest received		105	60
Interest paid		(26)	(39)
Interest paid on finance leases		(27)	(107)
Net cash inflow from returns on investments and servicing of finance		586	210
Taxation		(1,620)	(727)
Capital expenditure			
Purchase of tangible fixed assets		(372)	(234)
Sale of tangible fixed assets		36	8
Net cash outflow from capital expenditure and financial investments		(336)	(226)
Dividends paid		(2,000)	(1,175)
Net cash inflow before financing	21	3,564	4,942
Financing			
Loans repaid		(178)	(237)
New finance leases/bank loan		-	-
Repayment of principal under finance leases		(645)	(1,053)
Net cash outflow from financing		(823)	(1,290)
Increase in net cash in the year / period	21	2,741	3,652

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

1. Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The directors have prepared the financial statements on the going concern basis. The company and the group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company and the group should be able to operate within the level of its current facility.

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.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. Intra-group sales and profits are eliminated on consolidation and uniform accounting policies have been used throughout the group.

Goodwill

Purchased goodwill represents the excess arising from the fair value of the consideration given over the fair value of the separable net assets acquired. Fair values are attributed to the identifiable assets and liabilities that existed at the date of acquisition reflecting their condition at that date. Adjustments are also made to bring the accounting policies of acquired businesses into alignment with those of the group, where considered appropriate. The costs of integrating and reorganising acquired businesses are charged to the post-acquisition profit and loss account.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the costs of tangible fixed assets, less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used are as follows:

Leasehold land and buildings	Term of lease
Plant and machinery	2½% - 33⅓%

Dredging costs are capitalised in leasehold land and buildings to the extent they are incurred to allow proper access to the group's facilities and are written off over the year expected to benefit, normally three years. Other associated dredging costs, such as those related to the safe disposal of contaminated material, are expensed as incurred.

No depreciation is charged on assets in the course of construction until they are available for use at which point they are transferred into the relevant asset category.

No depreciation is charged on freehold land.

Fixed asset investments

Fixed asset investments are stated at costless provisions made for impairment.

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

1. Accounting policies (continued)

Impairment of fixed assets and goodwill

The carrying value of fixed assets, including goodwill, is compared to the higher of the value in use and the pre-tax net realisable value in circumstances where such a review is considered necessary. If the carrying value exceeds the higher of the value in use and pre-tax realisable value, the asset is impaired and its value reduced by recognising an impairment loss.

Finance and operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks

Stocks are stated at the lower of original purchase price and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Long term contract balances

Amounts recoverable on contracts are shown at valuation, less amounts invoiced or received. Valuation includes the cost of materials and direct labour, together with attributable profit, estimated to be earned to date. Direct labour hours are used to determine the level of completion for routine and normal ship repair contracts. In circumstances where application of the above policy would unduly accelerate or delay the recognition of profits materially, other direct costs are taken into account to reflect the extent of contract performance. Full provision is made for any known or anticipated losses. The excess of payments received over amounts recorded as turnover is classified under creditors within one year as payments on account.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Turnover

Turnover comprises the sales value of goods and services supplied in the normal course of business. Turnover includes the value of contracts in progress. This is recognised based on the level of completion of the contracts to ensure that margin is recognised evenly over the contract life, unless there is uncertainty over the profitability of the contract, in which case margin is only recognised when the final outcome can be assessed with reasonable certainty. All sales are shown exclusive of value added tax.

Dividends

Dividends paid to the company's shareholders are recognised as a liability in the year in which they are approved by the company's shareholders.

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. This is with the exception of deferred taxation assets, which are recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on an undiscounted basis.

Pension scheme arrangements

The group operates three defined benefit pension schemes which are funded by contributions made by the group, the assets of which are held separately from those of the company in independently administered funds. All defined benefit pension schemes within the group are closed to future accruals. The company contributions are made in accordance with periodic calculations by professionally qualified actuaries.

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

The operating cost of providing pensions, as calculated periodically by independent actuaries, is charged to the company's operating profit and loss in the year that those benefits are earned by employees. The financial return expected on the scheme's assets is recognised in the year in which they arise as part of other finance income and the effect of the unwinding of the discounted value of the scheme's liabilities is treated as part of other finance costs. The changes in value of the schemes assets and liabilities are reported as actuarial gains or losses as they arise in the statement of total recognised gains and losses. The pension scheme's surplus, to the extent it is considered recoverable, or deficit is recognised in full and presented in the balance sheet net of any related deferred tax.

The group also operates a defined contribution scheme in respect of pension costs and post retirement benefits. The group recognises contributions made to this scheme as a charge in the profit and loss account in the year to which they relate.

Transactions denominated in foreign currencies

Transactions denominated in foreign currency are translated at the rate of exchange ruling on the date of the transaction or agreed contractual rate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Related Party Transactions

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8, "Related Party Disclosures", not to disclose related party transactions with members of the group. This exemption only applies to transactions with the Company's direct subsidiaries. The ultimate holding company is Tokenhouse Limited, a company incorporated in the Isle of Man which is controlled by the Billown 1997 Settlement Trust.

2. Turnover

The analysis by geographical destination of the group's turnover, all of which originated in the United Kingdom, from the only class of business being ship repair and marine engineering, is set out below.

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
United Kingdom	91,288	94,491
Continental Europe	9,221	11,886
North America	18	433
Rest of world	10,739	17,517
	<u>111,266</u>	<u>124,327</u>

3. Operating profit

Operating profit is stated after charging / (crediting):

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Loss / (gain) on disposal of fixed assets	133	(3)
Depreciation of tangible fixed assets:		
- owned assets	2,061	2,100
- assets held under finance leases	668	1,243
Exceptional restructuring costs	822	197
Amortisation of goodwill	500	625
Operating leases:		
- plant and machinery	314	432
- other	3,093	3,858
Fees payable to the company's auditor for the audit of the Company's annual financial statements (company: £nil (2013: £nil))	122	116
- Other - pensions	<u>30</u>	<u>-</u>

During the year the group implemented a redundancy program as a result of the loss of a portion of a key contract. During the prior period the group concluded a redundancy program as a result of the loss of a key contract in the year prior to that. These are included as exceptional restructuring costs in the above table.

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Notes to the financial statements For the year ended 31 March 2014

4. Interest receivable and similar income

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Bank interest	105	60

5. Interest payable and similar charges

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Interest payable on other loans	26	38
Interest payable on finance leases	27	108
	53	146

6. Staff costs

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

	Year ended 31 March 2014 No.	15 month period ended 31 March 2013 No.
By activity:		
Production	627	568
Administration	96	110
	723	678
	£'000	£'000
Staff costs for the above persons		
Wages and salaries	24,862	28,147
Social security costs	1,931	2,472
Company pension contributions to money purchase pension scheme	1,165	1,558
	27,958	32,177

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

6. Staff costs (continued)

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Directors' remuneration		
Aggregate emoluments	409	521
Fees paid to third parties in respect of directors' services	400	500
Company pension contributions to money purchase pension scheme	66	52
	<u>875</u>	<u>1,073</u>

Two directors accrued retirement benefits through group operated defined contribution schemes (2013: two).

Emoluments payable to the highest paid director are as follows:

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Aggregate emoluments	164	290
Company pension contributions to money purchase pension scheme	19	29
	<u>183</u>	<u>319</u>

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

7. Tax on profit on ordinary activities

a) Analysis of tax charge in the year / period

Group	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Current tax:		
United Kingdom corporation tax at 23% (2013: 24.5%) based on the profit for the year / period	314	1,853
Group relief payable at 23%	1,820	-
Foreign Tax relief	(224)	(545)
Adjustments in respect of prior years	(104)	100
Foreign tax suffered	292	669
Total current tax	2,098	2,077
Deferred tax:		
Origination and reversal of timing differences	434	(145)
Adjustments in respect of prior years / periods	(6)	(111)
Effect of changes in tax rates	(173)	(33)
Total deferred tax (note 16)	255	(289)
Tax on profit on ordinary activities	2,353	1,788

b) Factors affecting tax charge for the year / period

The tax assessed for the year is lower (2013: higher) than the standard rate of corporation tax in the UK of 23% (2013: 24.5%). The differences are explained below:

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Profit on ordinary activities before tax	10,445	7,395
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 23% (2013: 24.5%)	2,402	1,804
Effects of:		
Expenses not deductible for tax purposes	418	333
Income not assessable for tax purposes	(398)	(73)
Accelerated capital allowances and other timing differences	127	469
Utilisation of tax losses	-	(132)
Group relief surrendered	14	-
Relief on pension contributions taken to the statement of total recognised gains and losses	(547)	(548)
Effects of other tax rates / credits	118	
Higher tax rates on overseas earnings	68	124
Adjustments in respect of prior years / periods	(104)	100
Current tax charge for the year / period	2,098	2,077

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

7. Tax on profit on ordinary activities (continued)

c) Factors affecting future tax charges

Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Deferred tax balances have been revalued to the lower rate of 20% in these accounts. To the extent that the deferred tax reverses before 1 April 2015 then the impact on the net deferred tax liability will be reduced.

d) Deferred tax

The amount of deferred tax asset recognised/unrecognised in the financial statements at 31 March 2014 (excluding pension deficit) was as follows:

	Recognised		Unrecognised	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Accelerated capital allowances	160	328	(52)	(56)
Gain held over	31	35	220	253
Other timing differences	(57)	(16)	(131)	(104)
Losses	-	(11)	(7)	(7)
	<u>134</u>	<u>336</u>	<u>30</u>	<u>86</u>

Deferred tax asset relating to pension deficit	2014	2013
	£'000	£'000
At the start of the year /period	(4,763)	(4,416)
Deferred tax charged to the profit & loss account	547	-
Deferred tax charged to the statement of total recognised gains and losses	777	(347)
At the year / period end	<u>(3,439)</u>	<u>(4,763)</u>

The deferred tax asset of £3,439,000 (2013: £4,763,000) has been deducted in arriving at the net pension deficit on the balance sheet. These assets have been recognised since, in the opinion of the directors, it is more likely than not that they will be recoverable in the short term.

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

8. Result of parent company

As permitted by section 408 of the Companies Act 2006, the parent company's profit and loss account has not been presented in these financial statements. Of the profit attributable to shareholders for the financial year, a profit of £1,653,000 (2013: £1,562,000) is recorded in the financial statements of the company.

9. Intangible assets

Group

	Goodwill £'000
Cost	
At 1 April 2013 and 31 March 2014	10,049
Accumulated amortisation	
At 1 April 2013	3,368
Charge for the year	500
At 31 March 2014	3,868
Net book amount	
At 31 March 2014	6,181
At 31 March 2013	6,681

Purchased goodwill represents the excess arising from the fair value of the consideration given over the fair value of the separable net assets acquired.

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Notes to the financial statements For the year ended 31 March 2014

10. Tangible fixed assets

Group

	Freehold land £'000	Leasehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 April 2013	1,099	11,827	16,918	29,844
Additions	-	-	372	372
Disposals	-	(152)	(107)	(259)
At 31 March 2014	1,099	11,675	17,183	29,957
Accumulated depreciation				
At 1 April 2013	-	3,987	7,924	11,911
Transfer	-	(623)	623	-
Charge for the year	-	355	2,374	2,729
Disposals	-	-	(90)	(90)
At 31 March 2014	-	3,719	10,831	14,550
Net book value				
At 31 March 2014	1,099	7,956	6,352	15,407
At 31 March 2013	1,099	7,840	8,994	17,933

Plant and machinery at 31 March 2014 includes assets held under finance leases with a net book amount of £1,437,000 (2013: £2,105,000). The depreciation charge in the year in respect of such assets is £668,000 (2013: £1,243,000).

11. Fixed asset investments

Group

	Investments 2014 £'000
Cost and net book value	
At 1 April 2013 and 31 March 2014	200

One of the company's subsidiaries holds a 5% shareholding in Cammell Laird Ship Repairers & Shipbuilders Limited. The directors have assessed that those shares are at least £200,000 (2013: £200,000).

The directors believe that the open market value of the investment is at least equal or greater than the net book value.

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

11. Fixed asset investments (continued)

Company

Cost and net book value

At 1 April 2013 and 31 March 2014

Investments
2014
£'000

2,162

Interest in principal subsidiary undertakings

Undertaking	Principal activity	Description of shares held	Proportion of nominal value of shares held	
			Group %	Company %
A&P Falmouth Limited	Ship repair and general engineering services	Ordinary £1 shares	100	-
A&P Tyne Limited	Ship repair and general engineering services	Ordinary £1 shares	100	-
A&P Tees Limited	Ship repair and general engineering services	Ordinary £1 shares	100	-
Marine Designs Limited	Marine Design and fabrication	Ordinary £1 shares	100	-
The Falmouth Docks and Engineering Company (formed under the Falmouth Docks Act 1959)	Owner and manager of wharves and dry docks; cargo handling and services in Falmouth	Ordinary £1 shares	100	-
A&P GH 2006 Limited	Intermediate holding company	Ordinary £1 shares	100	100
A&P Ship Repairers Limited	Intermediate holding company	Ordinary £1 shares	100	-
A&P Shipbuilders Limited	Property ownership	Ordinary £1 shares	100	-

The above companies are registered in England and Wales. A full listing of all subsidiary undertakings can be obtained from the company's registered office.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

In the year ended 31 December 2010 A&P Ship Repairers Limited entered into a call and put option with De Facto 1693 Limited, a related party, which gave De Facto 1693 Limited the right to purchase and A&P Ship Repairers Limited the right to sell its investment in the ordinary share capital of the A&P Shipbuilders Limited. This agreement expired on 30 September 2013.

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

12. Stocks

	Group	
	2014	2013
	£'000	£'000
Raw materials and consumables	594	504

Stocks are held at the lower of original purchase price or net realisable value.

13. Debtors

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Trade debtors	12,051	7,819	1,840	4,118
Amounts recoverable on contracts	5,623	6,465	175	-
Amounts owed by group undertakings (note 24)	4	12	9	148
Other debtors	752	1,846	-	-
Prepayments and accrued income	869	579	-	-
	<u>19,299</u>	<u>16,721</u>	<u>2,024</u>	<u>4,266</u>

14. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Trade creditors	16,320	18,049	2,630	4,196
Term loans (note 15)	160	160	-	-
Other loans	-	18	-	-
Amounts owed to group undertakings (note 24)	137	246	-	-
Obligations under finance leases (note 15)	74	647	-	-
Corporation tax	1,243	855	152	669
Other taxation and social security	617	622	-	-
Accruals and deferred income	5,087	4,856	188	-
	<u>23,638</u>	<u>25,453</u>	<u>2,970</u>	<u>4,865</u>

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

15. Creditors: amounts falling due after more than one year

	Group	
	2014	2013
	£'000	£'000
Term loans	187	347
Obligations under finance leases	-	72
Accruals and deferred income	2,307	2,504
	<u>2,494</u>	<u>2,923</u>

Maturity analysis of borrowings

	Group	
	2014	2013
	£'000	£'000
Term loans repayable as follows:		
- within one year	160	178
- between one and two years	160	160
- between two and five years	27	187
Finance leases are repayable as follows:		
- within one year	74	647
- between one and two years	-	72
- between two and five years	-	-
	<u>421</u>	<u>1,244</u>

The group holds one term loan (2013: one). A loan of £347,000 (2013: £507,000) is secured over specific plant and machinery within the group. Interest is payable at 2.5% per annum.

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

16. Provisions for liabilities and charges

	Deferred tax £'000	Industrial illness provision £'000	Total £'000
At 1 April 2013	336	967	1,303
Utilised in the year	(202)	(47)	(249)
Credited in the year	-	910	910
At 31 March 2014	<u>134</u>	<u>1,830</u>	<u>1,964</u>

An analysis of the deferred tax liability is shown in note 7.

The provision for industrial illness represents the expected costs of settling notified and future claims. The directors' assessment of the cost of current and future claims includes consideration of an independent actuary's review which provides an estimate of the Group's unpaid and uninsured UK industrial illness claims.

17. Called-up share capital

Group and company

	2014 £	2013 £
Allotted, called up and fully paid		
8,000 ordinary shares of £0.10 each	<u>800</u>	<u>800</u>

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

18. Profit and loss account

Group	£'000
At 1 April 2013	10,155
Profit for the financial year	8,092
Dividends paid on equity shares	(2,000)
Actuarial gain relating to the pension scheme	836
Movement in deferred tax relating to the pension scheme	(777)
At 31 March 2014	<u>16,306</u>
 Company	 £'000
At 1 April 2013	1,562
Profit for the financial year	1,653
Dividends paid on equity shares	(2,000)
At 31 March 2014	<u>1,215</u>

19. Reconciliation of movements in shareholder's funds

Group	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Profit for the financial year / period	8,092	5,607
Dividends paid on equity shares	(2,000)	(1,175)
Actuarial gain (loss) relating to the pension scheme	1,830	(5,414)
Adjustment in respect of paragraph 37 of FRS17	(994)	123
Movement in deferred tax position relating to the pension schemes	(777)	895
Net decrease in shareholder's fund	<u>6,151</u>	<u>36</u>
Opening shareholder's funds	<u>10,156</u>	<u>10,120</u>
Closing shareholder's funds	<u>16,307</u>	<u>10,156</u>
 Company	 2014 £'000	 2013 £'000
Profit for the financial year / period	1,653	1,562
Dividends paid on equity shares	(2,000)	(1,175)
Net (decrease) / increase in shareholder's fund	<u>(347)</u>	<u>387</u>
Opening shareholders' funds	<u>1,563</u>	<u>1,176</u>
Closing shareholder's funds	<u>1,216</u>	<u>1,563</u>

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

20. Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Operating profit	10,231	8,075
Amortisation of goodwill	500	625
Pension cash contributions	(3,045)	(3,140)
Depreciation of tangible fixed assets	2,729	3,343
Loss / (profit) on disposal of tangible fixed assets	133	(3)
(Increase) / decrease in stocks	(90)	29
(Increase) in trade debtors and amounts recoverable on long term contracts	(3,390)	(2,399)
Decrease / (increase) in amounts due by group undertakings	8	(12)
Decrease / (increase) in other debtors	1,094	(1,083)
(Increase) / decrease in prepayments	(290)	151
(Decrease) / increase in trade creditors	(1,729)	4,829
(Decrease) / increase in other taxation and social security creditors	(5)	27
(Decrease) in other creditors and related party creditors	(109)	(261)
Increase / (decrease) in accruals and deferred income	34	(3,120)
Increase / (decrease)/increase in provisions	863	(201)
Net cash inflow from operating activities	<u>6,934</u>	<u>6,860</u>

21. Reconciliation of net cash flow to movement in net cash

a) Reconciliation of net cash flow to movement in net cash

	Year ended 31 March 2014 £'000	15 month period ended 31 March 2013 £'000
Increase in cash during the year	2,741	3,652
Cash flow from movement in debt and lease financing	823	1,290
Change in net debt resulting in cash flows	<u>3,564</u>	<u>4,942</u>
As at start of year	12,496	7,554
As at end of year	<u>16,060</u>	<u>12,496</u>

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

21. Reconciliation of net cash flow to movement in net cash (continued)

b) Analysis of cash

	As at 1 April 2013	Cash flow £'000	Other non-cash changes £'000	As at 31 March 2014 £'000
Cash at bank and in hand	13,740	2,741	-	16,481
Debt due within one year	(178)	-	18	(160)
Debt due after one year	(347)	178	(18)	(187)
Finance leases due within one year	(647)	-	573	(74)
Finance leases due after one year	(72)	645	(573)	-
Net debt	<u>12,496</u>	<u>3,564</u>	<u>-</u>	<u>16,060</u>

22. Financial commitments

At 31 March 2014 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Plant and machinery	
	2014	2013	2014	2013
Within one year	-	-	46	32
Within two to five years	-	-	206	245
After five years	3,069	3,064	-	-
	<u>3,069</u>	<u>3,064</u>	<u>252</u>	<u>277</u>

23. Pension arrangements

The group operates three defined benefit schemes in the United Kingdom, the A&P Pension Scheme, the A&P Ship Repairers Pension Scheme and the A&P Falmouth Pension Scheme. The schemes are closed to future accruals.

The principal assumptions for the plans made by the actuaries were:

Assumptions as at:

	As at 31 March 2014 %	As at 31 March 2013 %
Price inflation - RPI	3.30	3.30
Price inflation - CPI	2.55	2.55
Pension increase rate	2.15 - 3.30	2.15-3.25
Salary increase rate	n/a	n/a
Return on assets	5.10	5.16
Discount rate	<u>4.45</u>	<u>4.25</u>

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

23. Pension arrangements (continued)

The amounts recognised in the balance sheet are as follows:

	Value at 31 March 2014 £'000	Long term expected rate of return at 31 March 2014 %	Value at 31 March 2013 £'000	Long term expected rate of return at 31 March 2013 %
Equities	36,873	6.95	42,951	6.36
Corporate bonds	26,719	4.15	25,653	4.00
Bonds	9,024	3.45	7,395	2.79
Cash	6,108	0.05	854	0.05
Insured liabilities	2,450		2,347	-
Total market value of assets	81,174		79,200	
Present value of liabilities	(96,850)		(99,379)	
Restriction of surplus	(1,522)		(528)	
Deficit in scheme	(17,198)		(20,707)	
Deferred tax asset	3,439		4,763	
Net pension deficit	(13,759)		(15,944)	

The group has restricted the surplus recorded on one of the group's schemes as the group's actuaries have indicated that this surplus would not be accessible by the group in the future.

The mortality assumptions used were as follows:

	2014 Years	2013 Years
Longevity at age 65 for current pensioners:		
- Men	21.8-22.3	21.2-22.0
- Women	24.1-24.7	24.2-25.0
Longevity at age 65 for future pensioners:		
- Men	22.3-23.7	23.2-23.3
- Women	24.9-26.3	26.1-26.3

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Notes to the financial statements For the year ended 31 March 2014

23. Pension arrangements (continued)

Amounts recognised in profit and loss account are as follows:

	2014 £'000	2013 £'000
Included within other finance income:		
Expected return on pension scheme assets	3,736	4,320
Interest on pension scheme liabilities	(4,108)	(5,210)
	<u>(372)</u>	<u>(890)</u>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Analysis of amount recognised in the statement of total recognised gains and losses:

	2014 £'000	2013 £'000
Actual return less expected return on pension scheme assets	(1,024)	6,825
Experience losses arising on scheme liabilities	2,854	(12,239)
Restriction of surplus	(994)	123
	<u>836</u>	<u>(5,291)</u>
Actuarial loss recognised in the statement of total recognised gains and losses		

Under the funding schedule agreed with the scheme trustees, the group aims to eliminate the deficit over a period of 5 to 11 years within the respective schemes. The group considers that the contribution rates agreed with the trustees are sufficient to eliminate the current deficit over the agreed period.

Reconciliation of defined benefit obligation:

	2014 £'000	2013 £'000
Opening defined benefit obligation	99,379	86,934
Interest cost	4,108	5,210
Actuarial losses	(2,854)	12,239
Benefits paid	(3,783)	(5,004)
	<u>96,850</u>	<u>99,379</u>
Closing defined benefit obligation		

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £12,367,000 (2013: losses £13,203,000)

A&P Group Limited

Notes to the financial statements For the year ended 31 March 2014

23. Pension arrangements (continued)

Reconciliation of fair value of plan assets:

	2014 £'000	2013 £'000
Opening fair value of scheme assets	79,200	69,919
Expected return on assets	3,736	4,320
Contributions by the employer	3,045	3,140
Actuarial (loss) / gain	(1,024)	6,825
Benefits paid	(3,783)	(5,004)
Closing fair value of scheme assets	<u>81,174</u>	<u>79,200</u>

Details of experience gains and losses for the year to 31 March 2014

	2014 £'000	2013 £'000	2011 £'000	2010 £'000	2009 £'000
Fair value of plan assets	81,174	79,200	69,919	67,885	63,088
Present value of defined benefit obligation	(96,850)	(99,379)	(86,934)	(77,558)	(78,239)
Adjustment in respect of paragraph 37 of FRS17	<u>(1,522)</u>	<u>(528)</u>	<u>(651)</u>	<u>(1,221)</u>	<u>-</u>
Deficit	<u>(17,198)</u>	<u>(20,707)</u>	<u>(17,666)</u>	<u>(10,894)</u>	<u>(15,151)</u>
Experience adjustment on scheme assets	<u>(1,024)</u>	<u>6,825</u>	<u>(762)</u>	<u>2,492</u>	<u>5,458</u>
Experience adjustment on scheme liabilities	<u>2,854</u>	<u>(12,239)</u>	<u>(8,423)</u>	<u>514</u>	<u>(6,244)</u>

The group operates a group wide defined contribution scheme. Contributions are charged to the profit and loss account in the year in which the liability arises. Contributions during the year were £1,164,593 (2013: £1,558,000). Amounts accrued at the year end were £98,193 (2013: £108,302) and are included within accruals.

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Notes to the financial statements For the year ended 31 March 2014

24. Related party transactions

During the year the company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The names of the related parties, nature of these transactions and their total value is shown below

	2014		2013	
	Value of transaction £	Receivable (payable) at the year end £	Value of transaction £	Receivable (payable) at the year end £
Transactions with A&P Ports & Properties Limited and its subsidiaries:				
A&PA Property Limited				
Rental payments and services payable by A&P Group Limited and its subsidiaries	1,674	(112)	2,092	(112)
A&P Tyne Properties Limited				
Rental payments and services payable by A&P Group Limited subsidiaries	1,279	-	1,599	-
A&P Ports & Properties Limited				
Services and supplies to A&P Group Limited	-	-	36	-
Transactions with Atlantic & Peninsula Services Limited:				
Fees payable in respect of directors' services	400	-	500	-
Fees receivable in respect of directors' services	90	-	45	12
Transactions with Cammell Laird Ship Repairers & Shipbuilders Limited:				
Purchase of fabrication services	212	(25)	552	(134)
Sale of fabrication services	35	4	358	-