

ABACUS LAWRENCE GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

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MAGEE GAMMON

Chartered Accountants
Henwood House
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FRIDAY



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23/05/2014
COMPANIES HOUSE

ABACUS LAWRENCE GROUP LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the company and the group for the year ended 31 December 2013.

Business review and key performance indicators

Following the acquisition of the two trading entities in the previous year, the group has continued to expand, with turnover up by 19.4% now that both entities have been included for a full year.

The directors are satisfied with the results of the group for the year. Consolidated turnover has increased to £7.75 million from £6.48 million in 2012. Continued pressure on margins has reduced the margins from 33.34% in 2012 to 30.77 in 2013, overheads have been controlled in the past year, so the overall profits have increased over 2012 levels. The directors expect this pressure to continue in 2014, but are hopeful that the economy and the construction industry in particular will show signs of improvement in 2014.

The result is that consolidated pre-tax earnings are £671,796 (2012 £426,169)

The directors consider that the group is well placed for the forthcoming year in what they perceive to still be a difficult market place, and given the success of its acquisitions previously is actively seeking other investment opportunities.

Given the straight forward nature of the business, the group's directors are of the opinion that analysis, other than stated above, using KPIs is not necessary for an understanding of the development, performance or position of the business.

Business environment

The group differentiates itself from its competitors by employing people who are experienced, talented and motivated, by providing a first class timely service and is able to adapt to a changing market place.

The company provides management services, at both director and senior management level to its subsidiary companies, who operate in a competitive market place, in the selling and installation of safety surfaces.

Strategy

The group and the company's overriding objective is to achieve sustainable rates of growth and return, through growth, and by acquisition if in the opinion of the directors the correct opportunity arises.

The key elements of growth are

- investment in staff training and retention
- quick delivery and outstanding customer service
- research and investment in new process and products

Principal risks and uncertainties

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

Risks are formally reviewed by the board of directors and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on

Liquidity risk

The group's working capital facility to meet its day-to-day requirements is serviced by a secured funding line.

Competition

The group operates in a highly competitive market particularly around price and service. This results not only in downward pressure on margins but also in the risk of not meeting customer's expectations. In order to mitigate this risk sales and support teams continually monitor prices and customer satisfaction.

ABACUS LAWRENCE GROUP LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

Employee skills and retention

The group's performance depends largely on its contract managers, sales staff and other key employees. The resignation of these individuals and the inability to recruit people with the right experience and skills from the local community could adversely impact the results. To mitigate these issues, the directors have implemented programs and schemes to retain such individuals, including an ongoing training programme and a reward scheme

Risk management

The group's funding, liquidity and exposure to interest rate risks are managed by the group's financial team. The management of these risks is conducted within a framework of policies and guidelines authorised by the board of directors.

The group's financial instruments, other than derivatives, comprise borrowings, cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operating activities

The group publishes its financial statements in pounds sterling and conducts business principally in sterling.

It is, and has been throughout the period under review, the group's policy that no trading in financial instruments be undertaken.

The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The group finances its day-to-day operations from a secured funding line and capital expenditure from a combination of bank loans and asset finance agreements. The directors have also lent funds to the group

Interest on these financial instruments are calculated either as a fixed rate or as base rate or LIBOR rate plus an agreed margin.

Liquidity risk

As regards liquidity, the group has secured a revolving facility to ensure continuity of funding for its operations. The bank loans consist of long term loan agreements and the asset finance agreements are, by their very nature, of a shorter duration

Credit control procedures have been reviewed and amended to prevent delayed receipts and bad debts arising

Approved by the the board of directors on 9 May 2014 and signed on its behalf by:-


G W Rodwell - Director

Registered office

11-30 The Creek
Northfleet
Kent
DA11 9AS

ABACUS LAWRENCE GROUP LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report with the audited consolidated financial statements of the company and the group for the year ended 31 December 2013

Principal activity

The principal activity of the group in the year under review was that of the installation of safety surfacing and playground equipment.

The principal activity of the company in the year under review was that of a holding company providing management services to its trading subsidiaries.

Future outlook

The directors believe that, in what they perceive as a difficult market place they will maintain the current level of performance in the future

Directors

The directors who held office during the year were as follows

G W Rodwell
M J White

Dividends

Aggregate dividends of £172.62 (2012: £183.70) per A ordinary share have been paid during the year

Aggregate dividends of £98.83 (2012: £144.72) per B ordinary share have been paid during the year

Aggregate dividends of £950.00 (2012: £950.00) per C ordinary share have been paid during the year.

The directors have proposed a final dividend of £183.05 (2012: £98.83) per B ordinary share, which, if approved, will not be paid until 31st December 2014

Post balance sheet events

There have been no events since the Balance Sheet date that have materially altered the position of the company as represented within these consolidated financial statements

ABACUS LAWRENCE GROUP LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013

Going concern

The group's business activities together with the factors likely to affect future development, performance and position are set out in the Group Strategic Report. In addition the Group Strategic Report sets out the groups objectives and policies; financial risk management objectives and its exposure to inherent rate risk and liquidity risk.

The group meets its day-to-day working capital facility through a revolving secured funding line. The groups bankers are responsible for the longer term funding of capital expenditure, through loans secured against the assets of the business. There has been no indication from the groups bankers to indicate a withdrawal of any provided facilities. The groups forecasts and projections, taking into account reasonable potential changes show that the group will be able operate within its agreed facilities.

In view of the above the directors believe that the financial statements should be prepared on a going concern basis

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Report of the Directors and the consolidated 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 consolidated 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 consolidated 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 and Loss Account of the company for that period. In preparing these consolidated 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;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements.

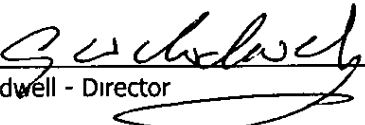
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the directors's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the consolidated financial statements comply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

ABACUS LAWRENCE GROUP LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2013

Auditors

The auditors, Magee Gammon Corporate Limited, will be proposed for reappointment in accordance with Section 487(2) of the the Companies Act 2006.

Approved by the the board of directors on 9 May 2014 and signed on its behalf by.-


G W Rodwell - Director

Registered office

11-30 The Creek
Northfleet
Kent
DA11 9AS

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ABACUS LAWRENCE GROUP LIMITED

We have audited the consolidated financial statements of Abacus Lawrence Group Limited for the year ended 31 December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Parent Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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 auditors

As explained more fully in the statement of directors responsibilities set out in the Report of the Directors, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the consolidated 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 consolidated financial statements

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

Opinion on consolidated financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2013 and of its result 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.

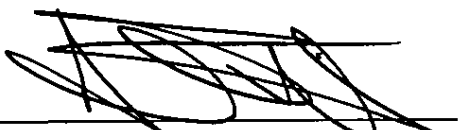
Opinion on other matters prescribed by the Companies Act 2006

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

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 consolidated 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.



Antony Timothy David Tutt F C A (Senior Statutory Auditor)
for and on behalf of

Magee Gammon Corporate Limited

Chartered Accountants and Registered Auditors

Date 9 May 2014

ABACUS LAWRENCE GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013	2012
TURNOVER			
Continuing operations	2	7,742,853	5,188,169
Acquisitions	2	-	1,294,777
TURNOVER	3	7,742,853	6,482,946
Cost of sales	2	(5,359,888)	(4,321,390)
GROSS PROFIT	2	2,382,965	2,161,556
Administrative expenses	2	(1,682,247)	(1,702,122)
OPERATING PROFIT			
Continuing operations	2	700,718	446,215
Acquisitions	2	-	13,219
		700,718	459,434
OPERATING PROFIT	4	700,718	459,434
Other interest receivable and similar income	7	-	1,877
Interest payable and similar charges	8	(28,922)	(35,142)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		671,796	426,169
Tax on profit on ordinary activities	9	(170,597)	(116,781)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		501,199	309,388
Minority interests		(31,888)	(1,202)
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY		£469,311	£308,186

Continuing operations

All the above amounts are in respect of continuing operations

Total recognised gains and losses

There are no other recognised or unrecognised gains or losses included in these consolidated financial statements

The accompanying notes form an integral part of these audited financial statements

ABACUS LAWRENCE GROUP LIMITED**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Notes	2013	2012
FIXED ASSETS			
Intangible assets	11	1,392,036	1,494,510
Tangible assets	12	1,329,884	1,501,707
		<u>2,721,920</u>	<u>2,996,217</u>
CURRENT ASSETS			
Stocks	14	241,346	217,887
Debtors	15	1,564,928	1,287,195
Cash at bank and in hand		85,055	96,052
		<u>1,891,329</u>	<u>1,601,134</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	<u>(1,800,850)</u>	<u>(1,633,753)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>90,479</u>	<u>(32,619)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,812,399	2,963,598
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17	(593,762)	(1,001,523)
PROVISIONS FOR LIABILITIES AND CHARGES	19	<u>(53,506)</u>	<u>(38,528)</u>
NET ASSETS		<u><u>£2,165,131</u></u>	<u><u>£1,923,547</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	1,000	1,000
Profit and loss account	21	2,154,996	1,921,287
SHAREHOLDERS FUNDS	22	2,155,996	1,922,287
Minority interests		9,135	1,260
		<u><u>£2,165,131</u></u>	<u><u>£1,923,547</u></u>

Approved by the board of directors on 9 May 2014 and signed on its behalf by -


 G W Rodwell
 Director


 M J White
 Director


The accompanying notes form an integral part of these audited financial statements

ABACUS LAWRENCE GROUP LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Notes	2013	2012
FIXED ASSETS			
Tangible assets	12	468,905	468,905
Investments	13	2,151,217	2,151,193
		<u>2,620,122</u>	<u>2,620,098</u>
CURRENT ASSETS			
Debtors	15	310,131	99,735
Cash at bank and in hand		<u>1,095</u>	<u>-</u>
		311,226	99,735
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	16	<u>(1,714,188)</u>	<u>(1,253,812)</u>
NET CURRENT LIABILITIES			
		<u>(1,402,962)</u>	<u>(1,154,077)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,217,160	1,466,021
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	17	(524,909)	(948,302)
NET ASSETS			
		<u>£692,251</u>	<u>£517,719</u>
CAPITAL AND RESERVES			
Called up share capital	20	1,000	1,000
Profit and loss account	21	<u>691,251</u>	<u>516,719</u>
SHAREHOLDERS FUNDS			
	22	<u>£692,251</u>	<u>£517,719</u>

Approved by the board of directors on 9 May 2014 and signed on its behalf by:-


G W Rodwell
Director


M J White
Director

The accompanying notes form an integral part of these audited consolidated financial statements

ABACUS LAWRENCE GROUP LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013	2012
Net cash inflow from operating activities	23	502,246	1,043,050
Returns on investments and servicing of finance	24	(28,922)	(33,265)
Taxation	25	(116,622)	(147,719)
Capital expenditure and financial investment	26	196,012	(579,307)
Equity dividends	10	<u>(235,602)</u>	<u>(252,536)</u>
Cash inflow before management of liquid resources and financing		317,112	30,223
Financing	27	<u>(304,787)</u>	<u>39,701</u>
Cash increase		<u><u>£12,325</u></u>	<u><u>£69,924</u></u>

The accompanying notes form an integral part of these audited consolidated financial statements

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

The consolidated financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies are as follows:-

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention.

Consolidation

The consolidated financial statements consolidate the results and financial position of Abacus Lawrence Group Limited and all its subsidiary undertakings ('the Group').

Intra-group transactions have been eliminated. Where necessary adjustments are made to the consolidated financial statements of subsidiaries to align the accounting policies used by the Group.

As permitted by Section 408 of the Companies Act 2006 no profit and loss account is presented for the company.

Turnover

Turnover comprises the amounts receivable for supplies of goods and services, excluding VAT and net of trade discounts

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the identifiable assets and liabilities acquired is capitalised and written off over its useful economic life, which is 20 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land and after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	between 20% and 50% on both cost and written down value
Motor vehicles	between 20 and 25% on both cost and written down value
Fixtures and fittings	15% reducing balance basis

Depreciation is not provided on freehold buildings as, in the opinion of the directors, it is not significant due to the buildings being maintained in a state of good repair and that the residual value does not change.

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies (continued)

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Leases

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Finance costs

Finance costs of financial liabilities are recognised in the Profit and Loss Account over the term of such instruments at a constant rate on the carrying amount.

Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the Profit and Loss Account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Government grants

Government grants relating to tangible fixed assets are treated as deferred incoming released to the Profit and Loss Account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and Loss Account as the related expenditure is incurred.

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2 Analysis of continuing and discontinued operations

	2013				
	<u>Continuing</u>	<u>Acquisitions</u>	<u>Continuing Activities</u>	<u>Discontinued</u>	<u>Total</u>
Turnover	7,742,853	-	7,742,853	-	7,742,853
Cost of sales	5,359,888	-	5,359,888	-	5,359,888
Gross profit	2,382,965	-	2,382,965	-	2,382,965
Administrative expenses	1,682,247	-	1,682,247	-	1,682,247
	1,682,247	-	1,682,247	-	1,682,247
Operating profit	£700,718	£-	£700,718	£-	£700,718

	2012				
	<u>Continuing</u>	<u>Acquisitions</u>	<u>Continuing Activities</u>	<u>Discontinued</u>	<u>Total</u>
Turnover	5,188,169	1,294,777	6,482,946	-	6,482,946
Cost of sales	3,417,011	904,379	4,321,390	-	4,321,390
Gross profit	1,771,158	390,398	2,161,556	-	2,161,556
Administrative expenses	1,324,943	377,179	1,702,122	-	1,702,122
	1,324,943	377,179	1,702,122	-	1,702,122
Operating profit	£446,215	£13,219	£459,434	£-	£459,434

3 Turnover

Turnover arises from sales generated from its principal activity and wholly within the United Kingdom.

4 Operating profit

Operating profit is stated after charging / (crediting):

	2013	2012
	£	£
Audit fees	15,000	15,000
Depreciation of owned tangible fixed assets	48,286	55,464
Depreciation of financed tangible fixed assets	26,525	19,829
Loss on disposal of fixed assets	2,509	4,667
Amortisation of goodwill	102,474	102,471
Operating lease rentals - other	27,667	22,605

ABACUS LAWRENCE GROUP LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5 Employee information

	2013	2012
Staff costs, including directors, during the year amounted to		
- Wages and salaries	1,728,375	1,334,487
- Social security costs	23,007	141,608
- Pension costs - money purchase schemes	2,700	2,075
	<u>£1,754,082</u>	<u>£1,478,170</u>
The average number of employees during the year was as follows		
- Directors	2	2
- Operations managers	3	3
- Administration	7	6
- Direct staff	48	45
	<u>60</u>	<u>56</u>

6 Directors remuneration

	2013	2012
Emoluments in respect of qualifying services	-	7,500
	<u>£-</u>	<u>£7,500</u>

7 Other interest receivable and similar income

	2013	2012
Release of grant	-	1,877
	<u>£-</u>	<u>£1,877</u>

8 Interest payable and similar charges

	2013	2012
Bank interest	1,452	3,111
Loan interest payable	19,778	24,898
Hire purchase interest and finance lease charges	7,692	7,133
	<u>£28,922</u>	<u>£35,142</u>

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

9 Tax on profit on ordinary activities

	2013	2012
<u>Current tax</u>		
UK corporation tax at current rates	155,619	123,317
Adjustments in respect of prior years	-	(6,696)
<u>Total current tax</u>	<u>155,619</u>	<u>116,621</u>
<u>Deferred tax</u>		
Origination and reversal of timing differences	9,320	2,105
Effect of change of tax rate on opening liability	<u>5,658</u>	<u>(1,945)</u>
<u>Total deferred tax</u>	<u>14,978</u>	<u>160</u>
<u>Tax on profit on ordinary activities</u>	<u><u>£170,597</u></u>	<u><u>£116,781</u></u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2013	2012
Profit on ordinary activities before taxation	<u><u>£671,796</u></u>	<u><u>£426,169</u></u>
Tax on profit on ordinary activities at UK standard rate of 23% (2012 : 24%)	167,950	106,542
<u>Effects of</u>		
Expenses not deductible for taxes	1,336	1,872
Goodwill amortisation - not deductible for tax purposes	25,619	25,618
Capital allowances in excess of depreciation	19,331	19,990
Relief due to lower tax bands	(58,617)	(30,705)
Other differences	-	(6,696)
<u>Current tax</u>	<u><u>£155,619</u></u>	<u><u>£116,621</u></u>

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10 Dividends

Aggregate dividends declared during the year were as follows.

	2013	2012
£172.62 (2012 £183.70) per A Ordinary share	120,837	128,592
£98.83 (2012 £144.72) per B Ordinary share	19,765	28,944
£950.00 (2012 £950.00) per C Ordinary share	95,000	95,000
	<u>£235,602</u>	<u>£252,536</u>

Under the terms of the shareholders agreement, the directors will propose a final dividend, on the B ordinary share, totalling £36,610 for the year ending 31 December 2013. This dividend has not been accounted for within the current year consolidated financial statements.

11 Intangible fixed assets - group

	Goodwill	Total
<u>Cost</u>		
At 1 January 2013 and at 31 December 2013	<u>2,020,086</u>	<u>2,020,086</u>
<u>Amortisation</u>		
At 1 January 2013	525,576	525,576
Charge for the year	<u>102,474</u>	<u>102,474</u>
At 31 December 2013	<u>628,050</u>	<u>628,050</u>
<u>Net book value</u>		
As at 31 December 2013	<u>£1,392,036</u>	<u>£1,392,036</u>
As at 31 December 2012	<u>£1,494,510</u>	<u>£1,494,510</u>

ABACUS LAWRENCE GROUP LIMITED

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12 Tangible fixed assets - group

	<u>Land & Buildings</u>	<u>Fixtures, Fittings, Tools & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost :</u>				
At 1 January 2013	1,084,002	364,626	671,662	2,120,290
Additions	-	-	144,279	144,279
Disposals	(221,983)	(12,067)	(98,060)	(332,110)
At 31 December 2013	<u>862,019</u>	<u>352,559</u>	<u>717,881</u>	<u>1,932,459</u>
<u>Depreciation</u>				
At 1 January 2013	-	255,341	363,242	618,583
Charge for the year	-	20,444	54,367	74,811
Disposals	-	(9,501)	(81,318)	(90,819)
At 31 December 2013	<u>-</u>	<u>266,284</u>	<u>336,291</u>	<u>602,575</u>
<u>Net book value</u>				
As at 31 December 2013	<u>£862,019</u>	<u>£86,275</u>	<u>£381,590</u>	<u>£1,329,884</u>
As at 31 December 2012	<u>£1,084,002</u>	<u>£109,285</u>	<u>£308,420</u>	<u>£1,501,707</u>
Net book value of leased assets included above	£-	£2,433	£254,822	£257,255
Depreciation charged on those assets	<u>£-</u>	<u>£355</u>	<u>£28,296</u>	<u>£28,651</u>

Tangible fixed assets - company

	<u>Land & Buildings</u>	<u>Total</u>
<u>Cost :</u>		
At 1 January 2013 and at 31 December 2013	<u>468,905</u>	<u>468,905</u>
<u>Net book value :</u>		
As at 31 December 2013	<u>£468,905</u>	<u>£468,905</u>
As at 31 December 2012	<u>£468,905</u>	<u>£468,905</u>

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

13 Fixed asset investments - company

	<u>Subsidiaries</u>	<u>Total</u>
<u>Cost</u>		
At 1 January 2013	2,151,193	2,151,193
Additions	24	24
At 31 December 2013	<u>2,151,217</u>	<u>2,151,217</u>
<u>Net book value</u>		
As at 31 December 2013	<u>£2,151,217</u>	<u>£2,151,217</u>
As at 31 December 2012	<u>£2,151,193</u>	<u>£2,151,193</u>

Subsidiaries

The company owns 100.0% of Abacus Playgrounds Limited, a company incorporated in England and Wales. The principal activity of that company is that of safety surfacing

The company owns 100 0% of Lawrenco PT Limited, a company incorporated in England and Wales. The principal activity of that company is that of non trading holding company and is otherwise dormant

The company owns 100.0% of Playtop Limited, a company incorporated in England and Wales. The principal activity of that company is that of safety surfacing.

The company owns 76% (2012: 52%) of Abacrete Limited, a company incorporated in England and Wales. The principal activity of that company is that of the provision and installation of play equipment.

The company owns 100 0% of Nova Sport Limited, a company incorporated in England and Wales. The principal activity of that company is that of safety surfacing.

14 Stocks

	Group		Company	
	2013	2012	2013	2012
Raw materials and consumables	231,381	205,571	-	-
Work-in-progress	9,965	12,316	-	-
	<u>£241,346</u>	<u>£217,887</u>	<u>£-</u>	<u>£-</u>

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

15 Debtors

	Group		Company	
	2013	2012	2013	2012
Trade debtors	1,431,365	1,185,655	-	857
Amounts owed by group undertakings	-	-	308,578	42,350
Amounts owed by undertakings in which the company has a participating interest	-	-	-	20,000
Other debtors	14,184	13,007	360	565
Prepayments and accrued income	119,379	88,533	1,193	35,963
	<u>£1,564,928</u>	<u>£1,287,195</u>	<u>£310,131</u>	<u>£99,735</u>

16 Creditors : amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
Bank loans and overdrafts	234,487	116,822	234,487	101,691
Obligations under finance leases and hire purchase contracts	63,060	63,207	-	-
Trade creditors	550,874	420,341	1,378	881
Amounts owed to group undertakings	-	-	1,240,196	1,016,671
Directors loan accounts	29,443	12,647	29,443	12,647
Corporation tax	157,122	123,317	71,174	71,701
Other taxation and social security	164,352	145,573	100,836	5,118
Other creditors	533,259	676,059	23,250	28,944
Accruals and deferred income	68,253	75,787	13,424	16,159
	<u>£1,800,850</u>	<u>£1,633,753</u>	<u>£1,714,188</u>	<u>£1,253,812</u>

At the balance sheet date, other creditors includes an amount of £441,453 (2012 £557,750) which is secured on the trade debtors.

The bank borrowings are secured by a debenture over the assets of the group, together with a first legal charge over the group's freehold properties and a personal guarantee, limited to £100,000 from Mr G W Rodwell

Finance lease and hire purchase contracts are secured on the assets concerned.

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

17 Creditors : amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
Bank loans and overdrafts	333,500	693,250	333,500	693,250
Obligations under finance leases and hire purchase contracts	68,853	53,221	-	-
Directors loan accounts	59,607	100,000	59,607	100,000
Other creditors	131,802	155,052	131,802	155,052
	<u>£593,762</u>	<u>£1,001,523</u>	<u>£524,909</u>	<u>£948,302</u>

Maturity of the above financial liabilities are as follows.

	Group		Company	
	2013	2012	2013	2012
On demand or within one year	297,547	180,029	234,487	101,691
Between one and two years	59,607	100,000	59,607	100,000
Between two and five years	68,853	53,221	-	-
After five years	333,500	693,250	333,500	693,250
	<u>£759,507</u>	<u>£1,026,500</u>	<u>£627,594</u>	<u>£894,941</u>

The director's loan account, the aggregate total of which amounts to £59,607 is repayable in one instalment, after 31st December 2014 and is unsecured. The interest on this loan is consistent with the rate on the bank loans.

Other creditors comprises dividends declared on the B ordinary shares that do not fall for payment until after 31st December 2014

18 Maturity profile of finance lease and hire purchase contracts

	Group		Company	
	2013	2012	2013	2012
On demand or within one year	67,247	68,011	-	-
Between one and two years	69,353	55,423	-	-
	<u>136,600</u>	<u>123,434</u>	<u>-</u>	<u>-</u>
Interest and finance charges relating to future periods	(4,687)	(7,006)	-	-
	<u>£131,913</u>	<u>£116,428</u>	<u>£-</u>	<u>£-</u>

Finance leases and hire purchase contracts are repayable by instalments and have a fixed interest rate for each contract between 5% and 7.5%

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

19 Provisions for liabilities and charges

	Group		Company	
	2013	2012	2013	2012
At 1 January 2013	38,528	38,368	-	-
Charged to profit and loss account	14,978	160	-	-
At 31 December 2013	<u>£53,506</u>	<u>£38,528</u>	<u>£-</u>	<u>£-</u>

Deferred tax is provided as follows:

Accelerated capital allowances	53,506	38,528	-	-
Provision for deferred tax	<u>£53,506</u>	<u>£38,528</u>	<u>£-</u>	<u>£-</u>

20 Share capital

	2013	2012
<u>Allotted, called up and fully paid.</u>		
700 A Ordinary shares of £1.00 each	700	700
200 B Ordinary shares of £1.00 each	200	200
100 C Ordinary shares of £1.00 each	100	100
	<u>£1,000</u>	<u>£1,000</u>

All ordinary shares rank pari passu.

21 Profit and loss account

	Group	Company
At 1 January 2013	1,921,287	516,719
Profit for the financial year	469,311	410,134
Dividends paid on equity shares	(235,602)	(235,602)
At 31 December 2013	<u>£2,154,996</u>	<u>£691,251</u>

The company has taken advantage of the exemption contained in Section 408 of the Companies Act 2006 not to present its own profit and loss account

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22 Shareholders funds

	Group		Company	
	2013	2012	2013	2012
Profit for the financial year after taxation	469,311	308,186	410,134	324,568
Dividends payable on equity shares	(235,602)	(252,536)	(235,602)	(252,536)
Net addition to shareholders funds	233,709	55,650	174,532	72,032
Opening shareholders funds	1,922,287	1,866,637	517,719	445,687
Closing shareholders funds	<u>£2,155,996</u>	<u>£1,922,287</u>	<u>£692,251</u>	<u>£517,719</u>

23 Reconciliation of operating profit to operating cash flows

	2013	2012
Operating profit	700,718	459,434
Depreciation, amortisation and impairment charges	177,285	177,764
Loss on disposal of fixed assets	2,509	4,667
(Increase) / Decrease in stocks	(23,459)	20,384
Increase in debtors	(277,733)	(406,162)
(Decrease) / Increase in creditors	(77,074)	786,963
Net cash inflow from operating activities	<u>£502,246</u>	<u>£1,043,050</u>

24 Return on investments and servicing of finance

	2013	2012
Release of grant	-	1,877
Interest paid	(21,230)	(28,009)
Interest element of finance lease and hire purchase contracts	(7,692)	(7,133)
Net cash outflow	<u>(£28,922)</u>	<u>(£33,265)</u>

25 Taxation

	2013	2012
Corporation tax paid	(116,622)	(147,719)
Net cash outflow	<u>(£116,622)</u>	<u>(£147,719)</u>

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

26 Capital expenditure and financial investment

	2013	2012
Purchase of intangible fixed assets	-	(29,000)
Purchase of tangible fixed assets	(42,770)	(570,801)
Sale of tangible fixed assets	238,782	20,494
Net cash inflow / (outflow)	<u>£196,012</u>	<u>(£579,307)</u>

27 Financing

	2013	2012
New borrowings	-	355,000
Capital repayment of borrowings	(218,763)	(263,250)
Capital repayment of finance lease and hire purchase contracts	(86,024)	(52,049)
Net cash (outflow) / inflow	<u>(£304,787)</u>	<u>£39,701</u>

28 Analysis of net debt

	<u>At 1 January 2013</u>	<u>Cash Flows</u>	<u>Non-cash Changes</u>	<u>At 31 December 2013</u>
Cash at bank and in hand	96,052	(10,997)	-	85,055
Overdraft	(23,322)	23,322	-	-
Cash	<u>72,730</u>	<u>12,325</u>	<u>-</u>	<u>85,055</u>
Debt due within one year	(93,500)	93,500	(234,487)	(234,487)
Debt due after one year	(693,250)	125,263	234,487	(333,500)
Hire purchase contracts and finance leases	(116,428)	86,024	(101,509)	(131,913)
Debt	<u>(903,178)</u>	<u>304,787</u>	<u>(101,509)</u>	<u>(699,900)</u>
Net debt	<u>(£830,448)</u>	<u>£317,112</u>	<u>(£101,509)</u>	<u>(£614,845)</u>

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

29 Reconciliation of net debt

	2013	2012
Cash increase	12,325	69,924
Cash inflow / (outflow) from increase / (decrease) in debt	304,787	(39,701)
Change in net funds resulting from cash flows	317,112	30,223
Non cash changes in net debt	(101,509)	(111,117)
Movement in net debt	215,603	(80,894)
Opening net debt	(830,448)	(749,554)
Closing net debt	(£614,845)	(£830,448)

30 Financial commitments

At the balance sheet date, the company had annual commitments under non-cancellable operating leases which expire as follows:

	2013	2012
<u>Land and buildings</u>		
Between two and five years	12,000	12,000
After five years	36,000	36,000
	£48,000	£48,000
	2013	2012
<u>Other</u>		
After five years	112,500	112,500
	£112,500	£112,500

31 Contingent liability

The company has given cross guarantees to its bank in respect of group borrowings.

ABACUS LAWRENCE GROUP LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

32 Related party transactions

In accordance with FRS8 Abacus Lawrence Group Limited is exempt from disclosing related party transactions with its wholly owned subsidiaries.

During the year, the group entered into business transactions with Abacrete Limited, a subsidiary undertaking. The group provided supplies and services of £220,325 (2012 : £88,329) and also purchased supplies of £139,232 (2012 : £48,378). Mr White, a director of the group has a material interest in the transactions by virtue of his shareholding in Abacrete Limited

Dividends were paid to the following directors

	2013	2012
Mr and Mrs G W Rodwell	£120,837	£128,592
Mr and Mrs M J White	<u>£95,000</u>	<u>£95,000</u>

33 Controlling party

Mr G W Rodwell, a director of the company, has control of the company as a result of controlling, directly or indirectly, 54% of the issued share capital of the company