LANGLEY

Langley Holdings plc
Annual Report & Accounts 2013

2013

langleyholdings.com

“providing world-class engineering, building mutually beneficial relationships”

Contents

LANGLEY

Section 1

Group Profile

Section 2

IFRS Annual Report and Accounts 2013

LANGLEY

Group

Langley Holdings plc is a diverse, globally operating engineering group headquartered in the United Kingdom.

The group comprises 5 divisions, based principally in Germany, France and the United Kingdom, with a substantial presence in the United States and more than 70 subsidiaries worldwide. The group employs around 4,000 people.

Established in 1975 by the current Chairman and CEO, the Langley group is financially independent and remains under family ownership.

> 5 divisions, 70 subsidiaries, 4,000 employees

Opposite page: In 2013 the Langley racing yacht *Gladiator* competed in the grand prix 52 Super Series, the world's foremost yacht racing circuit.

The series began in January at Key West in Florida and continued in the waters off Miami in March, crossing the Mediterranean for events in Barcelona, Ibiza, Palma de Mallorca, and Porto Cervo, to complete the 2013 circuit.

In common with Langley businesses, the 52 Super Series represents the very best technology in its field, attracts highly talented people and the competition is conducted with the highest standards of integrity.

Manroland Sheetfed

Location:	Germany
Activity:	Printing press builder
Revenue 2013:	€315.2m
Employees:	1,722

Manroland Sheetfed is a leading producer of sheetfed offset litho printing presses. Founded in 1871, the company is one of the oldest manufacturers of printing presses in the world and a global watchword for quality and reliability.

Formerly part of the MAN group, Manroland Sheetfed GmbH became part the Langley group in 2013. The company is headquartered in Offenbach-am-Main, in Germany.

“one of the oldest manufacturers of printing presses in the world”

The Manroland Sheetfed Offenbach facility extends to around 114,000 m^2 (1,227,000 sq ft) located over more than 30 hectares.

São Paulo, Brazil financial district. Piller protects over 90% of the world's leading financial institutions' data centres.

Piller

Piller Power Systems is Europe's leading producer of uninterruptable power supply (UPS) systems for high-end data centres. Piller also manufactures ground power systems for civil and military airports and on-board electrical systems for naval military applications.

Piller was founded in 1909 and acquired by Langley from the German utility, RWE, in 2004. The company is headquartered at Osterode-am-Hartz, near Hanover, in Germany.

Location:	Germany
Activity:	Power protection systems Airport ground power systems Naval military systems
Revenue 2013:	€217.4m
Employees:	812

"europe's leading producer of UPS systems for data centres"

piller.com

Claudius Peters

Location:	Germany
Activity:	Plant machinery Aerospace components
Revenue 2013:	€117.9m
Employees:	547

For more than a century, Claudius Peters has been producing innovative materials handling and processing systems for the global cement & gypsum, iron & steel and alumina industries.

The company's aerospace division manufactures aircraft stringers, several kilometres are found in every Airbus built.

Established in 1906, Claudius Peters was a member of the British Babcock group from the mid 20th century, until becoming part of the Langley group in 2001. The company is headquartered near Hamburg, in Germany.

> “equipment for cement, steel and alumina production”

Cement plant, Vietnam. Claudius Peters' techniks are installed in cement plants around the world.

claudiuspeters.com

ARO widely regarded as the world leader in resistance welding technology.

ARO

ARO is widely regarded as the world leader in resistance welding to the automotive industry.

The company was founded in 1949, becoming part of the German engineering group, IWKA before being acquired by Langley in 2006.

The ARO group is headquartered near Le Mans, in France. The company also produces in the US and China.

Location:	France
Activity:	Welding technology
Revenue 2013:	€120.7m
Employees:	481

“world leaders in automotive welding technology”

arotechnologies.com

Other Businesses

Location: UK & USA

Activity: Diverse capital equipment
Construction

Revenue 2013: €62.7m

Employees: 480

Other businesses within the Langley group, operating at locations in the UK and the US are principally Bradman Lake, a producer of packaging machinery for the food industry and Clarke Chapman, a producer of cranes for the nuclear industry and other specialised applications.

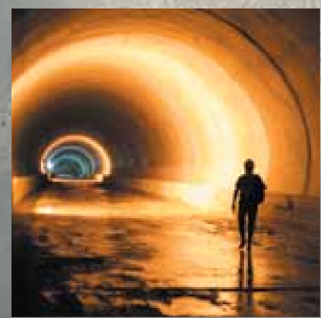
Smaller business units within the division include:

- **JND:** rotary dryer producer
- **Protran:** LPG vehicles builder
- **PEI:** pressure vessel fabricator
- **Reader:** cement grout blending
- **Oakdale Homes:** house builder

The above have their own websites which can be accessed through the main portal: **www.langleyholdings.com**







Bradman Lake integrated packaging systems can be found in food processing and other packaging plants across the globe.

Global Locations

ARGENTINA BUENOS AIRES **I ASIA PACIFIC** SINGAPORE **I AUSTRALIA** SYDNEY **I AUSTRIA** WIENER NEUDORF **I BELGIUM** BRUSSELS, WEMMEL **I BRAZIL** SAO PAULO **I BULGARIA** SOFIA **I CANADA** TORONTO **I CHILE** SANTIAGO **I CHINA** BEIJING, CHENGDU, GUANGZHOU, HONG KONG, SHANGHAI, SHENZHEN, WUHAN **I COLUMBIA** BOGOTA **I CROATIA** ZAGREB **I CZECH REPUBLIC** PRAGUE **I DENMARK** BALLERUP **I FINLAND** VANTAA **I FRANCE** LE MANS, MULHOUSE, PARIS **I GERMANY** FRANKFURT, HAMBURG, HANOVER, AUGSBURG **I HUNGARY** BUDAPEST **I INDIA** MUMBAI **I INDONESIA** JAKARTA **I IRELAND** DUBLIN **I ITALY** BERGAMO, MILAN **I JAPAN** SAITAMA **I MALAYSIA** SELANGOR **I MEXICO** PUEBLA **I**

NETHERLANDS AMSTERDAM **I PERU** LIMA **I POLAND** NADARZYN **I PORTUGAL** SINTRA **I ROMANIA** BUCHAREST, SIBIU **I RUSSIA** MOSCOW **I SLOVAKIA** BRATISLAVA **I SLOVENIA** LJUBLJANA **I SOUTH AFRICA** CAPE TOWN **I SPAIN** BARCELONA, MADRID **I SWEDEN** FJÄRÅS, TROLLHÄTTAN **I SWITZERLAND** KIRCHBERG **I TAIWAN** NEW TAIPEI CITY **I THAILAND** BANGKOK **I UNITED KINGDOM** VARIOUS LOCATIONS **I USA** DALLAS, DETROIT, NEW YORK, ROCK HILL (SOUTH CAROLINA), WESTMONT **I VENEZUELA** CARACAS

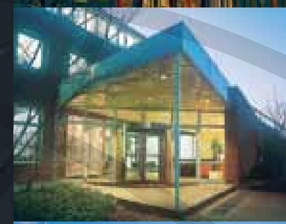

Offenbach, Germany


Dallas, USA


New York, USA


Detroit, USA


Le Mans, France


Hamburg, Germany


Mulhouse, France


Hanover, Germany


Retford, UK

IFRS Annual Report and Accounts 2013

LANGLEY

Company Information

YEAR ENDED 31 DECEMBER 2013

DIRECTORS:	A J Langley – Chairman B A Watson J J Langley – Non-Executive
SECRETARY:	B A Watson
REGISTERED OFFICE:	Enterprise Way Retford Nottinghamshire DN22 7AN England
REGISTERED IN ENGLAND NUMBER:	1321615
AUDITORS:	Nexia Smith & Williamson Portwall Place Bristol BS1 6NA England
PRINCIPAL BANKERS:	Barclays Bank plc PO Box 3333 Snowhill Queensway Birmingham B4 6GN England Deutsche Bank AG Adolphsplatz 7 20457 Hamburg Germany

Key Highlights

YEAR ENDED 31 DECEMBER 2013

	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
REVENUE	833,892	527,065
OPERATING PROFIT BEFORE NON-RECURRING ITEMS	89,270	90,834
NON-RECURRING ITEMS	-	25,158
OPERATING PROFIT	89,270	115,992
PRE TAX PROFIT	91,420	121,253
NET ASSETS	496,525	382,729
NET CASH	278,645	208,223
ORDERS ON HAND	256,025	238,653
	No.	**No.**
EMPLOYEES	4,042	2,264

Chairman's Review

YEAR ENDED 31 DECEMBER 2013

In the year to 31 December 2013 the group recorded revenues of €833.9 million (2012: €527.1 million) and generated an operating profit of €89.3 million (2012: €116.0 million). Income from finance activities contributed €2.7 million (2012: €5.5 million). This resulted in a profit before tax of €91.4 million (2012: €96.1 million before non-recurring gains). There were no non-recurring gains during the period (2012: €25.2 million). At 31 December 2013 the group had nil debt (2012: nil) and the consolidated cash balance stood at €278.6 million (2012: €208.2 million). A shareholder dividend of €25.0 million was paid in April and at the year end the group's net assets were €496.5 million (2012: €382.7 million).

The significant increase in revenue, net assets, cash and other positions, when compared with 2012, was due largely to incorporating Manroland Sheetfed GmbH as a subsidiary from January 2013. The main effects of the merger may be summarised in the table below:

	Group excl Manroland Year ended 31 December 2013 €million	**Manroland** Year ended 31 December 2013 €million	**Total** Year ended 31 December 2013 €million
REVENUE	518.7	315.2	833.9
PROFIT BEFORE TAX	87.9	3.5	91.4
NET ASSETS	422.3	74.2	496.5
CASH	237.4	41.2	278.6

MANROLAND SHEETFED DIVISION

Revenue: €315.2m. (2012: €346.4m). Orders on hand: €48.2m. (2012: €41.3m)

Headquarters: Germany. Employees: 1,639

Manroland Sheetfed, the printing press builder and now the largest of our divisions in revenue and employee terms, performed largely in line with expectations in 2013 to post a small profit on revenues of €315.2 million, a loss in Germany being compensated by positive results in most of the market organisation subsidiaries, notably China, the US, France, Poland, Brazil and the UK although a few, including Mexico, Italy and Switzerland were into negative territory.

Overall the net benefit of the division to the group's pre-tax result is some €10 million before taking account of internal group charges. This is a satisfactory situation considering that the sector has undergone a paradigm shift in recent years, seeing demand for new presses plummet by over two thirds from its peak in 2007. Manroland has been restructured to break even on annual production of just 100 presses per year and the business slightly exceeded this level in 2013. The reduction in revenue between 2013 and 2012 is due to discontinuing loss making activities.

During the year, packing and dispatch functions were relocated from a satellite facility situated some 20km away, to the main facility in Offenbach and a number of mainly older machine tools were disposed of to free up space. Consequently the production process is now significantly more efficient and we will see the benefit of this and other savings in 2014 and beyond. The factory is currently operating at around one third of its maximum capacity and labour resources are matched to this level. Utilisation through the year was high and the production is fully loaded at current manning level, well into the second quarter, with 38% of budgeted presses for 2014 already in the order book.

Whereas I do not expect a return to pre-financial crisis business volumes, it is reasonable to expect something of a recovery in the sector. To accommodate this, the business will need skilled labour and a conscious decision was taken at the outset to maintain a high level of apprentice training. Similarly, extensive research and development has continued during our stewardship and the next evolution of the company's presses is expected to be rolled out in 2015.

The division's market organisation, a network of more than 40 subsidiaries around the world, largely completed their retrenchments during the period and the few remaining actions required in 2014 are fully provided for. The new division generated positive cash flow from operations through the year and a sale of surplus property was agreed towards the year end which will bring in a further €6.2 million of cash in the first quarter.

PILLER DIVISION

Revenue: €217.4m. (2012: €196.6m). Orders on hand: €75.4m. (2012: €104.4m)

Headquarters: Germany. Employees: 776

Once again Piller was the principal driver of the group's 2013 result. Piller is a leading producer of advanced power conditioning and back-up systems for data centres. The company also produces aircraft ground power equipment and naval military electrical systems. At €217 million, revenues for 2013 were up by over 10% on 2012, exceeding the pre-financial crisis peak of 2007. The continued strong performance of Piller was due principally to ongoing high demand for data centre systems, although defence and airport work was also solid. Towards the end of the year, a number of data centre projects expected from the UK, US and Australian markets in the final quarter were postponed beyond the first quarter of 2014, which possibly indicates that demand is finally cooling in this area; we will know better by the half year. Piller USA put in a strong performance, as did Piller UK and Piller Germany. Demand remained weak in the French, Italian and Spanish subsidiaries, but Piller Singapore, the company we established in 2009, continued to gain traction in the Pacific Rim region. From 2014 a subsidiary has been established in India to develop this largely untapped market. The company also established a presence in China and in Brazil during the year, although they are not expected to contribute materially until 2016.

CLAUDIUS PETERS DIVISION

Revenue: €117.9m. (2012: €139.6m). Orders on hand: €84.1m. (2012: €76.5m)

Headquarters: Germany. Employees: 547

The principal activity of Claudius Peters is the design and manufacture of plant and machinery for the cement & gypsum, iron & steel and alumina industries. The sectors in which it operates remained generally weak, although there was an increase in gypsum projects during the year, traditionally a bell weather to the construction industry.

Headquartered near Hamburg in Germany, the company also produces components for Airbus. This activity performed slightly ahead of expectations. With Airbus now the world's No.1 airliner producer, 2014 looks set to be another busy year in this facility.

The division overall reported a satisfactory trading result, despite sales being down by over 15% on the previous year, which was due largely to a quiet first quarter in the plant machinery business. Activity picked up in the second quarter and the subsidiary in China saw an unexpected up-tick in demand during the year. In the US, business continued to pick up, albeit slowly, whereas subsidiaries in Spain, Italy and the UK continued to report weak demand. This was compensated by Germany and the markets it serves directly, including Russia, and Claudius Peters France, which performed satisfactorily. Overall the division's prospects for 2014 are looking better than this time last year. Orders on hand for capital equipment at the year-end were €84.1 million (2012: €76.5 million).

ARO DIVISION

Revenue: €120.7m. (2012: €136.2m). Orders on hand: €29.2m. (2012: €38.1m)
Headquarters: France. Employees: 481

ARO, which is based near Le Mans in France and operates a second manufacturing plant in Detroit in the USA, is the leading producer of resistance welding equipment to the automotive sector. The division experienced another remarkably successful year in 2013, following records in 2011 and 2012 as both European and US automobile producers continued to invest in new production lines. Despite a continued malaise in mainland European car sales, investment in new production lines outside of Europe remained extremely buoyant, particularly in the US, and utilisation on both sides of the Atlantic remained high. An expected downturn in demand did not materialise in 2013 and the factories are well loaded into the second quarter of 2014, although management are expecting a slow-down in the second half. At the year end the division had orders on hand of €29.2 million (2012: €38.1 million).

OTHER BUSINESSES

Revenue: €62.7m. (2012: €54.7m). Orders on hand: €19.1m. (2012: €19.7m)
Located: United Kingdom & United States. Employees: 480

Our other businesses division, roughly half of which is made up by Bradman Lake, the food packaging machinery specialist, had a satisfactory year overall. Bradman Lake itself enjoyed a very high level of utilisation at its two UK factories, although the US facility was quieter. Clarke Chapman had a similar year to 2012 and remained acceptably profitable as did JND, although the latter only marginally, despite a good performance from its grout blending operation, Reader. Oakdale Homes, which represents less than 1% of total group revenues, was the only business unit in the division to make a loss, although with the UK housing market now much improved, I expect to see a positive contribution in 2014. The other businesses division closed the year with order books of €19.1 million (2012: €21.0 million).

OUR PEOPLE

As is customary, no review of the Langley Holdings group of companies would be complete without mention of our employees, now numbering around 4,000 world-wide. It is their hard work and diligence that make our group the success that it is today. In 2013 we welcomed those people in over 40 countries around the world that comprise the Manroland Sheetfed group to our family of businesses.

CONCLUSION & OUTLOOK 2014

In my review last year I said that I was not expecting 2013's performance to be quite as remarkable as that of 2012. However, demand for our products and services proved to be remarkably robust, particularly in our Piller and ARO divisions and whereas the final tally excluding non-recurring gains did not quite reach that of 2012, 2013 turned out to be another extremely successful year for our group. During the year we successfully integrated the Manroland business as a division of our group and that business, which was substantially restructured prior to the integration, is now in good shape to take its place as a substantial contributor. With only very small exceptions, our businesses performed in line with, or ahead of, expectations and once again much credit is due to our divisional management for their achievements.

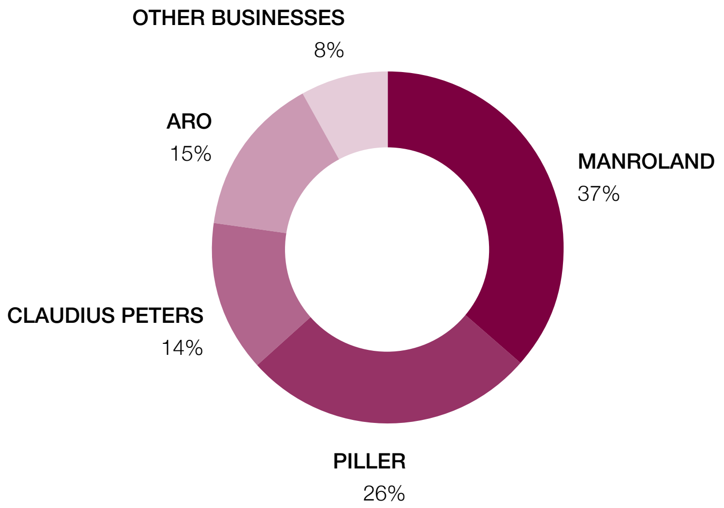
Total orders on hand for capital equipment at the end of 2013 were €256.0 million (2012: €238.7 million). Considering €48.2 million of this is in the new division, the carry over in the other divisions is down by some 13%. However, the outlook for 2014 is positive. Whereas a slowing in some areas is almost inevitable, there are areas of our business and geographical markets which still have considerable potential. The current year may not deliver quite such stellar results as previously, but overall I am confident that 2014 will be a satisfactory year for our group.

Anthony J Langley
Chairman
31 January 2014

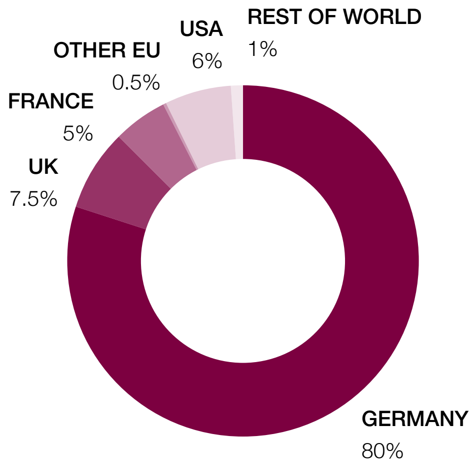
Geographical Distribution

YEAR ENDED 31 DECEMBER 2013

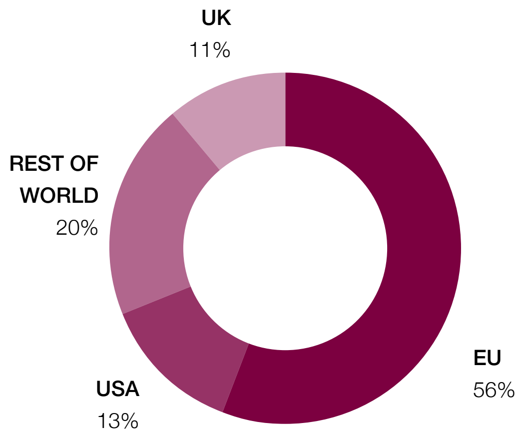
REVENUE BY DIVISION



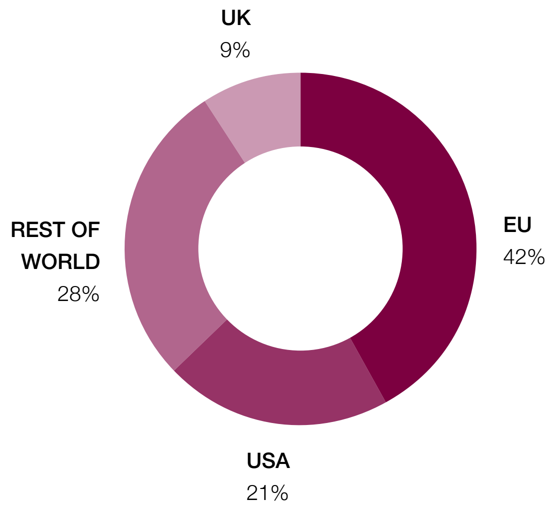
SITU OF FIXED ASSETS



REVENUE BY ORIGIN



REVENUE BY DESTINATION



Directors' Report

YEAR ENDED 31 DECEMBER 2013

The directors present their report together with the audited accounts of the group for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of a managing and parent company for a number of trading subsidiaries organised in divisions and business units engaged principally in the engineering and printing sectors. The specific activities of the subsidiary undertakings are as disclosed in note 17 to the accounts.

RESULTS AND DIVIDENDS

The results of the group for the year are set out on page 31. The profit attributable to the shareholder for the financial year was €65,228,000 (2012 - €85,426,000).

Dividends of €25,000,000 were paid to the ordinary shareholder during the year (2012 - €nil). No final dividend was proposed at the year end.

Financial risk management, research and development and the group's employment policy is considered within the Strategic Report.

POLICY ON THE PAYMENT OF CREDITORS

The group seeks to maintain good relations with all of its trading partners. In particular, it is the group's policy to abide by the terms of payment agreed with each of its suppliers. The average number of days' purchases included within trade creditors for the group at the year end was 25 days (2012 – 30 days).

DIRECTORS' INTERESTS

The directors of the company in office during the year and their beneficial interests in the issued share capital of the company were as follows:

	At 31 Dec 2013 Ordinary shares of £1 each	**At 31 Dec 2012 Ordinary shares of £0.10 each**
A J Langley (Chairman)	60,100,010	1,000,000
J J Langley (Non-Executive)	-	-
B A Watson	-	-

The shareholding of Mr A J Langley represents 100% of the issued share capital of the company.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

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

Directors' Report (continued)

YEAR ENDED 31 DECEMBER 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the group and parent company accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company accounts, as applied in accordance with the provisions of the Companies Act 2006. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the accounts, and;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

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

By order of the Board

B A WATSON
Company Secretary

Langley Holdings plc
Registered in England and Wales
Company number 01321615
31 January 2014

Strategic Report

YEAR ENDED 31 DECEMBER 2013

The directors present their Strategic Report for the year ended 31 December 2013 to provide a review of the group's business, principal risks and uncertainties and performance and position alongside key performance indicators.

(a) Development performance and position

The directors are satisfied with the trading results of the group for the year. The Chairman's review on pages 19 to 23 contains an analysis of the development and performance of the group during the year and its position at the end of the year.

(b) Principal risks and uncertainties

There are a number of risks and uncertainties which may affect the group's performance. A risk assessment process is in place and is designed to identify, manage and mitigate business risks. However it is recognised that to identify, manage and mitigate risks is not the same as to eliminate them entirely. The group ensures that it limits its exposure to any downturn in its traditional trading sector by continuing to diversify its activities, identifying opportunities for existing product offerings into new markets and for new products for all markets. The group has a wide range of customers which limits exposure to any material loss of revenue. The group's exposure to the volatility of exchange rates is mitigated through its geographical spread of operations.

(c) Going Concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Review on pages 19 to 23. The financial position of the group, its cash flows and liquidity position are also described in the Chairman's Review. In addition, note 35 to the accounts includes the group's policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments, and its exposures to credit risk and liquidity risk.

The group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts.

(d) Financial Risk Management

Prudent liquidity risk management implies maintaining sufficient cash on deposit and the availability of funding through an adequate amount of committed credit facilities. The directors are satisfied that cash levels retained in the business, committed credit facilities and surety lines are more than adequate for future foreseeable requirements. Further details are set out in note 35 to the accounts.

LANGLEY

Strategic Report (continued)

YEAR ENDED 31 DECEMBER 2013

(e) Key performance indicators (KPI's)

The Board uses a number of tools to monitor the group's performance including a review of key performance indicators (KPI's) on a regular and consistent basis across the group. Examples of KPI's currently used include:

Targets

- Regular monthly monitoring of sold and developed contract margins
- Orders on hand
- Cash held

	2013 **€'000**	2012 **€'000**
Orders on hand	256,025	238,653
Cash held	278,645	208,223

The Board also considers the following non-financial key performance indicator:

- Staff turnover

These are reviewed monthly on information provided to the Board and details are shown on page 18.

(f) Research and development

The group is committed to innovation and technical excellence. The group, through its divisions, maintains a programme of research and development to ensure that it remains at the forefront of respective technologies in its key sectors.

(g) Employment Policy

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability, without discrimination of any kind, and to training for the existing and likely needs of the business.

It is the group's policy to keep its employees informed on matters affecting them and actively encourage their involvement in the performance of the group.

By order of the Board

B A WATSON
Company Secretary

Langley Holdings plc
Registered in England and Wales
Company number 01321615
31 January 2014

Independent Auditor's Report to the Member

YEAR ENDED 31 DECEMBER 2013

We have audited the accounts of Langley Holdings plc for the year ended 31 December 2013 which comprise the Group Income Statement, Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statements of Cash Flows and the related notes 1 to 43. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company accounts, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's member, 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 26, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE ACCOUNTS

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

OPINION ON ACCOUNTS

In our opinion:

- the accounts give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- the group accounts have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company accounts have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the accounts have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report to the Member (continued)

YEAR ENDED 31 DECEMBER 2013

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company accounts 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.

Michael Neale
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol BS1 6NA

31 January 2014

Consolidated Income Statement

YEAR ENDED 31 DECEMBER 2013

	Note	2013 €'000	2012 €'000
REVENUE	2	833,892	527,065
Cost of sales		(560,905)	(348,985)
GROSS PROFIT		272,987	178,080
Net operating expenses	3	(183,717)	(62,088)
OPERATING PROFIT	4	89,270	115,992
OPERATING PROFIT BEFORE NON-RECURRING ITEMS		89,270	90,834
NON-RECURRING ITEMS	5	-	25,158
		89,270	115,992
Finance income	7	2,737	5,488
Finance costs	8	(587)	(227)
PROFIT BEFORE TAXATION		91,420	121,253
Income tax expense	12	(26,192)	(35,827)
PROFIT FOR THE YEAR		65,228	85,426

Profit for the year is attributable to the equity holder of the parent company.

The notes on pages 39 to 96 form part of these accounts

LANGLEY

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2013

	Note	2013 €'000	2012 €'000
Profit for the year		65,228	85,426
Other comprehensive income:			
Items which will not be reclassified to profit and loss			
Remeasurement gain / (loss) on defined benefit pension schemes	32	775	(553)
Deferred tax relating to remeasurement	33	(155)	127
		620	(426)
Other deferred tax movements	33	100	53
Gain on revaluation of properties	16	-	2,263
Deferred tax on revaluation surplus		-	(855)
Items which may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		(2,707)	416
Other comprehensive (expense) / income for the year		(1,987)	1,451
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		63,241	86,877

The notes on pages 39 to 96 form part of these accounts

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2013

	Note	2013 €'000	€'000	2012 €'000	€'000
NON-CURRENT ASSETS					
Intangible assets	15		2,913		2,553
Property, plant and equipment	16		147,083		63,263
Investments	17		14		-
Investment property	18		-		48,448
Trade and other receivables	19		1,755		744
Deferred income tax assets	33		21,347		8,891
Income tax recoverable	20		50		16
			173,162		123,915
CURRENT ASSETS					
Inventories	21	140,801		78,038	
Trade and other receivables	23	187,595		183,338	
Cash and cash equivalents	24	278,645		208,223	
Current income tax recoverable	25	4,332		2,747	
		611,373		472,346	
CURRENT LIABILITIES					
Current portion of long term borrowings	29	85		20	
Current income tax liabilities	28	7,193		10,168	
Trade and other payables	26	198,643		141,531	
Provisions	27	28,991		20,164	
		234,912		171,883	
NET CURRENT ASSETS			376,461		300,463
Total assets less current liabilities			549,623		424,378
NON-CURRENT LIABILITIES					
Provisions	27	2,868		2,479	
Long term borrowings	30	53		20	
Trade and other payables	31	11,302		11,029	
Retirement benefit obligations	32	11,354		9,436	
Deferred income tax liabilities	33	27,521		18,685	
			53,098		41,649
NET ASSETS			496,525		382,729
EQUITY					
Share capital	38		71,227		163
Merger reserve	39		4,491		-
Revaluation reserve	40		4,011		4,363
Retained earnings	41		416,796		378,203
TOTAL EQUITY			496,525		382,729

Approved by the Board of Directors on 31 January 2014 and signed on its behalf by

A J LANGLEY
Director

J J LANGLEY
Director

The notes on pages 39 to 96 form part of these accounts

LANGLEY

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2013

	Share capital €'000	Merger reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000
AT 1 JANUARY 2012	163	-	3,058	292,631	295,852
Profit for the year	-	-	-	85,426	85,426
Depreciation transfer	-	-	(106)	159	53
Currency exchange difference arising on retranslation	-	-	3	413	416
Gain on revaluation of properties	-	-	2,263	-	2,263
Deferred tax on revaluation surplus	-	-	(855)	-	(855)
Remeasurement of defined benefit schemes net of deferred tax	-	-	-	(426)	(426)
TOTAL COMPREHENSIVE INCOME	-	-	1,305	85,572	86,877
AT 31 DECEMBER 2012	163	-	4,363	378,203	382,729
Profit for the year	-	-	-	65,228	65,228
Depreciation transfer	-	-	(350)	450	100
Currency exchange difference arising on retranslation	-	-	(2)	(2,705)	(2,707)
Remeasurement of defined benefit schemes net of deferred tax	-	-	-	620	620
TOTAL COMPREHENSIVE INCOME	-	-	(352)	63,593	63,241
Issue of shares on merger	-	75,555	-	-	75,555
Bonus issue of shares	71,064	(71,064)	-	-	-
Dividends paid	-	-	-	(25,000)	(25,000)
AT 31 DECEMBER 2013	71,227	4,491	4,011	416,796	496,525

The notes on pages 39 to 96 form part of these accounts

Company Statement of Financial Position

AS AT 31 DECEMBER 2013

	Note	2013 €'000	€'000	2012 €'000	€'000
NON-CURRENT ASSETS					
Property, plant and equipment	16		9,126		8,005
Investments	17		81,623		7,669
Deferred income tax assets	33		72		125
			90,821		15,799
CURRENT ASSETS					
Inventories	21	21		28	
Trade and other receivables	23	111,468		104,496	
Cash and cash equivalents	24	102,306		77,341	
Current income tax recoverable	25	16		622	
		213,811		182,487	
CURRENT LIABILITIES					
Trade and other payables	26	3,506		3,369	
		3,506		3,369	
NET CURRENT ASSETS			210,305		179,118
Total assets less current liabilities			301,126		194,917
NET ASSETS			301,126		194,917
EQUITY					
Share capital	38		71,227		163
Merger reserve	39		4,491		-
Revaluation reserve	40		-		36
Retained earnings	41		225,408		194,718
TOTAL EQUITY			301,126		194,917

Approved by the Board of Directors on 31 January 2014 and signed on its behalf by

A J LANGLEY
Director

J J LANGLEY
Director

The notes on pages 39 to 96 form part of these accounts

Company Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2013

	Share capital €'000	Merger reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000
AT 1 JANUARY 2012	163	-	46	130,448	130,657
Profit for the year	-	-	-	65,404	65,404
Depreciation transfer	-	-	(11)	17	6
Currency exchange differences arising on retranslation	-	-	1	(1,151)	(1,150)
TOTAL COMPREHENSIVE INCOME	-	-	(10)	64,270	64,260
AT 31 DECEMBER 2012	163	-	36	194,718	194,917
Profit for the year	-	-	-	56,367	56,367
Depreciation transfer	-	-	(35)	55	20
Currency exchange differences arising on retranslation	-	-	(1)	(732)	(733)
TOTAL COMPREHENSIVE INCOME	-	-	(36)	55,690	55,654
Issue of shares on merger	-	75,555	-	-	75,555
Bonus issue of shares	71,064	(71,064)	-	-	-
Dividends paid	-	-	-	(25,000)	(25,000)
AT 31 DECEMBER 2013	71,227	4,491	-	225,408	301,126

The notes on pages 39 to 96 form part of these accounts

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2013

	Note	2013 €'000	€'000	2012 €'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	43		81,645		75,035
Bank and loan interest paid			(587)		(227)
Interest received			2,737		5,488
Income taxes paid			(33,858)		(26,630)
NET CASH FROM OPERATING ACTIVITIES			49,937		53,666
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash acquired with subsidiaries on merger		46,482		-	
Purchase of intangible assets		(742)		-	
Purchase of investment property		-		(23,290)	
Purchase of property, plant and equipment		(7,114)		(11,613)	
Proceeds from sale of property, plant and equipment		1,155		305	
Amounts loaned to related undertaking		-		(55,635)	
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES			39,781		(90,233)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of amounts borrowed		(27)		(20)	
Dividends paid to the shareholder		(25,000)		-	
NET CASH USED IN FINANCING ACTIVITIES			(25,027)		(20)
Net increase / (decrease) in cash and cash equivalents			64,691		(36,587)
Cash and cash equivalents at 1 January 2013			208,223		245,728
Effects of exchange rate changes on cash and cash equivalents			5,731		(918)
Cash and cash equivalents at 31 December 2013			278,645		208,223
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	24		278,645		208,223

The notes on pages 39 to 96 form part of these accounts

LANGLEY

Company Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2013

	Note	2013 €'000	€'000	2012 €'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	43		(6,086)		(11,137)
Interest paid			(27)		(25)
Interest received			5,448		4,897
Income taxes paid			(1,005)		(225)
NET CASH USED IN OPERATING ACTIVITIES			(1,670)		(6,490)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		55,197		61,567	
Amounts loaned to group company		-		(21,838)	
Amounts loaned to related undertaking		-		(54,674)	
Purchase of property, plant and equipment		(1,885)		(2,265)	
Proceeds from sale of property, plant and equipment		69		57	
Purchase of subsidiary undertakings		-		(536)	
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES			53,381		(17,689)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to the shareholder		(25,000)		-	
NET CASH USED IN FINANCING ACTIVITIES			(25,000)		-
Net increase / (decrease) in cash and cash equivalents			26,711		(24,179)
Cash and cash equivalents at 1 January 2013			77,341		99,272
Effects of exchange rate changes on cash and cash equivalents			(1,746)		2,248
Cash and cash equivalents at 31 December 2013			102,306		77,341
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	24		102,306		77,341

The notes on pages 39 to 96 form part of these accounts

Notes to the Accounts

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES

a Basis of preparation

Langley Holdings plc is a company incorporated in the United Kingdom.

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union applied in accordance with the provisions of the Companies Act 2006.

The accounts have been prepared on a historical cost basis, except for the revaluation of property, plant and equipment.

New and amended standards which became effective during the year

Adjustments to the accounts arising from the adoption of Amendments to IAS 1 and IAS 19 and the adoption of IFRS 13 are disclosed below. There were a number of other Amendments to Standards dealing with disclosures of transfers of financial instruments, first time adoption of IFRS and accounting for property, plant and equipment, but none of these had a material impact on the group in the current period.

New and amended standards which are not effective for the current period

IFRS 9, *Financial instruments*, is in issue but not yet effective and has not yet been approved by the European Union. IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements* and IFRS 12, *Disclosures of Interests in Other Entities*, are in issue and have been approved by the European Union with a mandatory adoption date of 1 January 2014 so the group has not adopted these standards in these accounts.

A number of Amendments, Improvements and Interpretations have also been issued but are not yet effective including dealing with presentation and disclosure of financial instruments, levies and hedge accounting. The directors are currently assessing the impact of these new Standards, Interpretations and Amendments on the group's accounts.

Amendments to IAS1 Presentation of items of other comprehensive income

The group has applied the amendments to IAS 1 for the first time in the current year. The amendments require items of other comprehensive income to be grouped into two categories in other comprehensive income: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Tax on items of other comprehensive income is required to be allocated on the same basis. The amendments have been applied retrospectively, and hence the presentation of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentational changes, the application of the amendments to IAS 1 do not result in any impact on profit or loss, other comprehensive income or total comprehensive income.

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

a Basis of preparation (continued)

IFRS 13 Fair value measurement

The group has applied IFRS 13 for the first time in the current year. IFRS 13 provides single source guidance for fair value measurements and disclosures about fair value measurements. It applies to financial instrument items and non-financial instrument items for which other IFRSs permit or require fair value measurements and disclosures about fair value measurements, except for share-based payments within the scope of IFRS 2 Share-based payments and leasing transactions within the scope of IAS 17 Leases and measurements that have some similarities to fair value but are not fair value (eg net realisable value for the purpose of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement price under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is observable or estimated using another valuation technique.

IFRS 13 requires prospective application from 1 January 2013. Comparative information provided for periods before the initial application of the Standard is not required. The group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated accounts.

IAS 19 Employee Benefits

The group has applied amendments to IAS 19 for the first time in the current year. The amendments have impacted on the accounting for defined benefit pension schemes. Interest income on plan assets was previously calculated as the expected return on the assets but is now calculated using a discount rate derived from corporate bonds with the net interest expense reported in finance costs. The difference between actual returns on assets and the interest income calculated is reported in other comprehensive income as part of the remeasurement of the net liability. Amendments to the required disclosures have also been implemented.

The amendments have not been applied retrospectively as this is immaterial to the group.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

b Consolidation

The Consolidated Accounts incorporate the accounts of the company and all of its subsidiary undertakings for the year ended 31 December 2013 using the acquisition method, except for common control transactions, and exclude all intra-group transactions. Assets, liabilities and contingent liabilities of acquired companies are measured at fair value at the date of acquisition.

Any excess or deficiency between the cost of acquisition and fair value is treated as positive or negative goodwill as described below. Where subsidiary undertakings are acquired or disposed of during the year, the results and turnover are included in the Consolidated Income Statement from, or up to, the date control passes.

The company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 from presenting its own Income Statement (note 13).

All Manroland Group companies were owned and controlled by A J Langley from 2 February 2012. Effective control passed to Langley Holdings plc with effect from 1 January 2013 and formal ownership was transferred from A J Langley to Langley Holdings plc on 23 August 2013 and this transfer therefore constitutes a group reconstruction.

The transaction is described as a common control transaction and falls outside the scope of IFRS 3 'Business Combinations'. Accordingly, following the guidance regarding the selection of an appropriate accounting policy provided in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', the transaction has been accounted for in these accounts using the principles of merger accounting with reference to UK Generally Accepted Accounting Practice (UK GAAP) applied from the beginning of the current year, being the date effective control was obtained.

Therefore, although the group reconstruction did not become unconditional until 23 August 2013, these accounts are presented as if the group structure has been in place from 1 January 2013.

c Goodwill

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is recognised as an asset at cost and reviewed for impairment annually. Any impairment is recognised immediately in the Consolidated Income Statement and is not reversed in subsequent years.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is credited to the Consolidated Income Statement in the year of acquisition.

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

d Impairment of intangible assets

Assets that have an indefinite useful life are not subject to amortisation and are reviewed for impairment annually and when there are indications that the carrying value may not be recoverable. Assets that are subject to amortisation are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The amortisation charged on those intangible assets that do not have an indefinite useful life is calculated as follows:

Patents and licenses	-	2 to 10 years straight line

e Property, plant and equipment

Property, plant and equipment is stated at cost of purchase or valuation, net of depreciation and any impairment provision.

Freehold land	-	not depreciated
Freehold buildings	-	50 years straight line
Vehicles	-	4 to 10 years straight line
Plant and machinery	-	4 to 20 years straight line
Computers	-	3 to 8 years straight line

Revaluations of land and buildings are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the year end.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

f Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the group becomes a party to the contractual provisions of the instrument.

Trade receivables
Trade receivables do not carry any interest and are initially measured at their fair value, and subsequently at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

Borrowings
Interest-bearing loans and overdrafts are recorded initially when the proceeds are received. Finance charges are accounted for at amortised cost using the effective interest rate method.

Trade payables
Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost.

g Investments

Investments represent the parent company's holdings in its subsidiaries and are presented as non-current assets and stated at cost less any impairment in value. Any impairment is charged to the Company Income Statement.

h Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables	-	cost of purchase on first in, first out basis.
Finished goods	-	cost of raw materials and labour together with attributable overheads.
Work in progress	-	cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

i Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to either the contract costs incurred up to the year end as a percentage of total estimated costs for each contract, or by reference to milestone conditions as defined in the contracts, as appropriate to the circumstances of the particular contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion, and are presented as inventories, prepayments or other assets, depending on their nature.

The group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

j Taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the accounts. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

k Foreign currencies

(a) Transactions and balances
Transactions in currencies other than euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

(b) Accounts of overseas operations
On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Preparation of accounts
These accounts have been presented in euro because the majority of the group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.18 (2012 - €1.23) to the Pound Sterling. The opening exchange rate was €1.23 (2012 - €1.19) to the Pound Sterling and the closing exchange rate was €1.20 (2012 - €1.23) to the Pound Sterling.

l Revenue recognition

Revenue from sale of goods is recognised when the group has delivered the products and the customer has accepted them, and is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from construction contracts is recognised in accordance with the group's accounting policy on construction contracts.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

m Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits with banks and similar financial institutions with a maturity of six months or less, and bank overdrafts.

n Pension obligations

For defined benefit post-employment schemes, the difference between the fair value of the scheme assets (if any) and the present value of the scheme liabilities is recognised as an asset or liability in the Statement of Financial Position.

Any asset recognised is restricted, if appropriate, to the present value of any amounts the group expects to recover by way of refunds from the plan or reductions in future contributions. Remeasurements of the net surplus/deficit arising in the year are taken to the Statement of Comprehensive Income.

Other movements in the net surplus or deficit are recognised in the Income Statement, including the current service cost and any past service cost. The net interest cost on the net defined benefit liability is also charged to the Income Statement. The amount charged to the Income Statement in respect of these schemes is included within operating costs.

The most significant assumptions used in accounting for pension schemes are the discount rate and the mortality assumptions. The discount rate is used to determine the interest cost and net present value of future liabilities. The discount rate used is the yield on high quality corporate bonds with maturity and terms that match those of the post employment obligations as closely as possible. Where there is no developed corporate bond market in a country, the rate on government bonds is used. Each year, the unwinding of the discount on the net liabilities is charged to the group's Income Statement as the interest cost. The mortality assumption is used to project the future stream of benefit payments, which is then discounted to arrive at a net present value of liabilities.

Valuations of liabilities are carried out using the projected unit method.

The values attributed to scheme liabilities are assessed in accordance with the advice of independent qualified actuaries.

The group's contributions to defined contribution pension schemes are charged to the Income Statement in the period to which the contributions relate.

For defined contribution plans, contributions are recognised as an employee benefit expense when they are due.

o Leased assets

All leases are "operating leases" and the relevant annual rentals are charged to the Consolidated Income Statement on a straight line basis over the lease term.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

p Government grants

Government grants received to fund training of employees are credited to the Consolidated Income Statement in the period received.

q Dividend policy

Dividend distribution to the company's shareholder is recognised as a liability in the group's accounts in the period in which the dividends are approved by the company's shareholder.

r Key assumptions and significant judgements

The preparation of the accounts in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the accounts. The areas where the most judgement is required are highlighted below:

i *Pensions*

The determination of the pension cost and defined benefit obligation of the group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. See note 11 for further details.

ii *Property, plant and equipment*

The property, plant and equipment used within the group have estimated service lives of between 3 and 20 years, with the exception of property which has an estimated service life of 50 years, and the depreciation charge is clearly sensitive to the lives allocated to the various types of asset. Asset lives are reviewed regularly and changed where necessary to reflect the current view on their remaining lives in light of the technological change, prospective economic utilisation and the physical condition of the assets.

iii *Revenue recognition*

Revenue and profit are recognised for contracts undertaken based on estimates of the stage of completion of the contract activity. The group's policies for the recognition of revenue and profit are set out above.

iv *Impairment of assets*

Property, plant and equipment, and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES (continued)

r Key assumptions and significant judgements (continued)

v *Income taxes*

The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes in each territory. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts which were initially recorded, such differences will impact the income tax and deferred tax provision in the period to which such determination is made. See notes 12 and 33 for further information.

vi *Provisions*

Provision is made for liabilities that are uncertain in timing or amount of settlement. These include provision for rectification and warranty claims. Calculations of these provisions are based on cash flows relating to these costs estimated by management supported by the use of external consultants where needed and discounted at an appropriate rate where the impact of discounting is material.

s Research and development

Research and development expenditure is charged to the Income Statement in the period in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset is met. Other development expenditure is recognised in the Income Statement as incurred.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

2 REVENUE

An analysis of the group's revenue between each significant category is as follows:

	2013 €'000	2012 €'000
Revenue from construction contracts	175,950	183,292
Sale of goods	657,942	343,773
	833,892	527,065

3 ANALYSIS OF NET OPERATING EXPENSES

	2013 €'000	2012 €'000
Distribution costs	50,012	27,902
Administrative expenses	142,909	68,574
Non-recurring items (note 5)	-	(25,158)
Other operating income (note 6)	(9,204)	(9,230)
Net operating expenses	183,717	62,088

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

4 OPERATING PROFIT

	2013 €'000	2012 €'000
Operating profit has been arrived at after charging/(crediting)		
Directors' emoluments (note 9)	1,694	2,458
Depreciation of owned assets (note 16)	10,532	7,202
Amortisation of intangibles (note 15)	444	178
Research and development costs	6,378	6,023
(Profit) / loss on sale of property, plant and equipment	(212)	211
Fees payable to the group's auditor for the audit of the group's accounts	172	101
Fees payable to the group's auditor and its associates for other services		
- the auditing of subsidiary accounts	1,130	558
- other services relating to taxation compliance	191	79
- other services relating to taxation advisory	-	11
- all other services	391	116
Operating leases		
- land and buildings	5,079	2,366
- other	2,257	205
Impairment of trade receivables	4,362	127
Cost of inventories recognised as an expense (included in cost of sales)	391,350	211,439
Net loss on foreign currency translation	174	272
Write down of inventories	5,887	2,389

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

5 NON-RECURRING ITEMS

The non-recurring gain of €25,158,000 in the prior year relates to a fair value adjustment of investment properties in CPVA GmbH. Further details are disclosed in note 18.

6 OTHER OPERATING INCOME

	2013 €'000	2012 €'000
Public grants	628	752
Rents receivable	497	3,001
Other income	8,079	3,814
Management charge from related undertakings	-	1,663
	9,204	9,230

7 FINANCE INCOME

	2013 €'000	2012 €'000
Bank interest receivable	2,059	2,859
Loan interest receivable from related undertaking	-	2,458
Other interest receivable	678	171
	2,737	5,488

8 FINANCE COSTS

	2013 €'000	2012 €'000
Other interest	587	227

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

9 KEY MANAGEMENT PERSONNEL COMPENSATION

	2013 €'000	2012 €'000
Salaries and short-term employee benefits	1,728	2,534
Post-employment benefits	40	37
	1,768	2,571

All of the above key management personnel compensation relates to directors.

Directors' emoluments

	2013 €'000	2012 €'000
Aggregate emoluments as directors of the company	1,654	2,421
Value of group pension contributions to money purchase schemes	40	37
	1,694	2,458
Emoluments of the highest paid director	990	1,929

	No.	No.
Number of directors who are accruing benefits under money purchase pension schemes	3	3

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

10 EMPLOYEE NUMBERS AND COSTS

The average number of persons employed by the group (including directors) during the year was as follows:

	2013 No.	2012 No.
Management, office and sales	2,087	983
Manufacturing and direct labour	1,955	1,281
	4,042	2,264

The aggregate payroll costs of these persons were as follows:

	2013 €'000	2012 €'000
Wages and salaries	200,633	117,510
Social security costs	42,474	24,325
Other pension costs	2,517	3,019
	245,624	144,854

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

11 POST-EMPLOYMENT BENEFITS

The table below outlines where the group's post-employment amounts and activity are included in the accounts.

	2013 €'000	2012 €'000
Balance sheet obligations for:		
Defined pension benefits	(8,213)	(9,436)
Post-employment medical benefits	(3,141)	-
Liability in the balance sheet	(11,354)	(9,436)
Income statement charge included in operating expenses for:		
Defined pension benefits	(17)	(1,298)
Post-employment medical benefits	(41)	-
	(58)	(1,298)
Remeasurements (charge) /credit for:		
Defined pension benefits	(179)	527
Post-employment medical benefits	(17)	-
	(196)	527

The income statement charge included within operating expenses includes current service cost, interest cost and past service costs.

a) Defined benefit pension schemes

The group operates defined benefit pension plans in the UK (one defined benefits scheme and one hybrid scheme) and Eurozone under broadly similar regulatory frameworks. All of the plans include final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. Pensions in payment are generally updated in line with inflation. The plans face broadly similar risks, as described below. UK benefit payments are from trustee-administered funds and Eurozone benefit payments are from unfunded plans where the company meets the benefit payment obligation as it falls due. Assets held in UK trusts are governed by UK regulations and practice, as is the nature of the relationship between the group and the trustees and their composition. Responsibility for governance of the schemes – including investment decisions and contribution schedules – lies jointly with the group and the boards of trustees. The boards of trustees must be composed of representatives of the group and scheme participants in accordance with the schemes' regulations.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

11 POST-EMPLOYMENT BENEFITS (continued)

The amounts recognised in the balance sheet are determined as follows:

	2013 €'000	2012 €'000
Present value of funded obligations	(12,119)	(12,242)
Fair value of plan assets	14,853	14,520
Net surplus on funded plans	2,734	2,278
Present value of unfunded obligations	(8,020)	(8,310)
Total deficit of defined benefit pension plans	(5,286)	(6,032)
Unrecognised net actuarial loss	-	(728)
Impact of minimum funding requirement/asset ceiling	(2,927)	(2,676)
Liability in the balance sheet	(8,213)	(9,436)

The UK defined benefit scheme has a surplus that is not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund.

The amounts recognised in the income statement:

	2013 €'000	2012 €'000
Current service cost	46	-
Past service cost	-	(1,384)
Expenses	(11)	-
Expected return on assets	-	630
Net interest cost	(52)	(544)
	(17)	(1,298)

The above amounts are included as an employee cost within net operating expenses.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

11 POST-EMPLOYMENT BENEFITS (continued)

Remeasurement of the net defined benefit liability to be shown in other comprehensive income:

	2013 €'000	2012 €'000
Loss from changes in financial assumptions	(264)	-
Gain from change in demographic assumptions	139	-
Experience losses	(2)	-
Return on assets, excluding interest income	(239)	-
Change in the effect of the asset ceiling excluding interest income	187	-
Actuarial gains	-	144
Adjustment for surplus not recoverable and unrecognised actuarial gain	-	(697)
Gain on currency translation on plans not using euro as their functional currency	-	26
	(179)	527

Changes in present value of obligations:

	2013 €'000	2012 €'000
Present value of obligations at start of the year	(20,552)	(18,308)
Adjustment	(11)	17
Current service cost	46	-
Expenses	(11)	-
Interest cost	(527)	(544)
Acturial gain / (loss) on Scheme liabilities based on:		
- Changes in financial assumptions	409	-
- Changes in demographic assumptions	(139)	-
- Experience	2	-
Benefits paid	399	396
Other movements	(2)	(1)
Exchange differences	247	(308)
Actuarial losses	-	(402)
Amount provided and utilised in unfunded schemes	-	(1,402)
Present value of obligation at end of the year	(20,139)	(20,552)

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

11 POST-EMPLOYMENT BENEFITS (continued)

Changes in the fair value of scheme assets:

	2013 €'000	2012 €'000
Fair value of scheme assets at the start of the year	14,520	13,235
Interest income	585	-
Expected return on assets	-	630
Remeasurement of scheme assets	239	-
Actuarial gains	-	547
Contributions by employers	132	170
Benefits paid	(357)	(396)
Exchange differences	(266)	334
Fair value of scheme assets at the end of the year	14,853	14,520

The significant actuarial assumptions were as follows:

	2013 UK	2013 Eurozone	2012 UK	2012 Eurozone
Rate of increase in salaries	-	0.5 - 2.8%	2.2 - 2.9%	0.5 - 2.4%
Discount rate	4.5%	2.5 - 4.1%	4.2 - 4.3%	2.9 - 3.6%
Inflation	3.5 - 3.6%	0.5 - 2.8%	2.9%	0.5 - 2.4%

The inflation assumption shown for the UK is for the Retail Price Index. The assumption for the Consumer Price Index at 31 December 2013 was 2.5 - 2.7%.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2013	2012
Retiring at the end of the reporting period:		
Male	22 years	21 - 23 years
Female	24 - 25 years	23 - 25 years
Retiring 20 years after the end of the reporting period:		
Male	23 - 24 years	23 - 25 years
Female	26 - 27 years	25 - 27 years

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

11 POST-EMPLOYMENT BENEFITS (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease obligation by 3.4 - 4.7%	Increase obligation by 3.4 - 4.7%
Inflation	0.25%	Increase obligation by 0.2 - 4.1%	Decrease obligation by 0.2 - 4.1%
Life expectancy	1 year	Increase obligation by 2.4 - 3.0%	Decrease obligation by 2.4 - 3.0%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

b) Post-employment medical benefits

The group operates a post-employment medical benefit scheme in the US. This scheme is unfunded. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes set out above with the addition of actuarial assumptions relating to the long-term increase in healthcare costs of 3.5% a year and claim rates of 5.5%.

The amounts recognised in the balance sheet are determined as follows:

	2013 €'000
Present value of unfunded obligations	(3,141)
Liability in the balance sheet	(3,141)

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

11 POST-EMPLOYMENT BENEFITS (continued)

The movement in the defined benefit liability over the year is as follows:

	Present value of obligation €'000
At 1 January 2013	-
Current service cost	(101)
Past service cost	59
Interest income	1
	(41)
Remeasurements:	
Return on plan assets, excluding amounts included in income	175
Loss from change in demographic assumptions	(81)
Loss from change in financial assumptions	(111)
	(17)
Exchange differences	(5)
Payments from scheme - benefit payments	270
Other movement	299
Acquired in a business combination (note 14)	(3,647)
At 31 December 2013	(3,141)

c) Post-employment benefits (pension and medical)

Schemes' assets are comprised as follows:

	2013 Total €'000	2013 %	2012 Total €'000	2012%
Equity instruments	6,190	42%	5,495	38%
Equities and equity funds	3,450		2,972	
Diversified growth fund	2,740		2,523	
Debt instruments	7,784	52%	8,444	58%
Government	2,911		3,109	
Corporate bonds (investment grade)	4,873		5,335	
Property	327	2%	322	2%
Cash and cash equivalents	355	3%	37	0%
Other	197	1%	222	2%
Total	14,853	100%	14,250	100%

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

11 POST-EMPLOYMENT BENEFITS (continued)

Through its defined benefit pension schemes and post-employment medical plans, the group is exposed to a number of risks, most of which are detailed below:

Asset volatility The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if scheme assets underperform this yield, this will create a deficit. The UK schemes hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

The group has reduced the level of investment risk by investing more in assets that better match the liabilities. This process is ongoing with the purchase of a mixture of government and corporate bonds. The government bonds represent investments in UK government securities only. The corporate bonds are global securities with an emphasis on the UK.

Changes in bond yield A decrease in corporate bond yields will increase scheme liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.

Inflation risk Some of the group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the schemes against extreme inflation). The majority of the schemes' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy The majority of the schemes' obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the scheme's liabilities. This is particularly significant in the UK schemes, where inflationary increases result in higher sensitivity to changes in life expectancy.

In the case of the defined benefit scheme, the group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the scheme. Within this framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The UK hybrid scheme currently has no asset-liability matching strategy. The group has not changed the processes used to manage its risks from previous periods. The group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2013 consists of equities and bonds, although the group also invests in property and cash.

The group has agreed that it will aim to eliminate the deficit in the hybrid scheme over the next 16 years. There is no deficit in the defined benefits scheme. The next triennial valuations are due to be completed as at 5 April 2015 and 31 July 2015 for the defined benefits scheme and hybrid scheme respectively. The group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period.

Expected contributions to post-employment benefit schemes for the year ending 31 December 2014 are €252,000.

The weighted average duration of the defined benefit obligation is 19.3 years.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

12 INCOME TAX EXPENSE

(a) Charge for the year	2013	2012
	€'000	**€'000**
Current income tax:		
UK corporation tax at 23.25% (2012 – 24.5%)	4,283	2,337
Overseas tax	25,591	26,190
Adjustments to prior year UK tax	129	(211)
Adjustments to prior year overseas tax	(669)	370
Total current taxation	29,334	28,686
Deferred income tax:		
Movement in overseas deferred tax	(3,384)	7,014
Movement in UK deferred tax	242	127
Total deferred taxation	(3,142)	7,141
Income tax expense	26,192	35,827

(b) Factors affecting tax expense	2013	2012
	€'000	**€'000**
Profit before taxation	91,420	121,253
Profit before taxation multiplied by the standard rate of tax of 23.25% (2012 – 24.5%)	21,255	29,707
Depreciation (less than) / in excess of capital allowances	(19)	292
Expenses not deductible for tax purposes	9,127	559
Income not taxable	(636)	(2,048)
Timing differences	(2,791)	(1,565)
Effect of foreign tax rates	(6,106)	9,975
Utilisation of losses brought forward	(1,932)	(159)
Deferred tax assets not recognised	7,128	22
Exchange adjustment	495	(977)
Adjustment to tax charge in previous period	(329)	21
Tax expense	26,192	35,827

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

12 INCOME TAX EXPENSE (continued)

(c) Factors that may affect future tax charges

The group had UK tax losses of approximately €1,959,000 at 31 December 2013 (2012 – €2,875,000) available for carry forward against future trading profits. In addition the Claudius Peters Group had overseas tax losses of approximately €1,132,000 at 31 December 2013 (2012 – €771,000), the ARO Group €73,000 (2012 – €nil) and the Manroland Group €154,529,000 (2012 – €nil) available for carry forward against future trading profits of that group.

(d) Impact of future tax rate changes

Finance Act 2013 included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and 20% from 1 April 2015.

13 COMPANY PROFIT

The company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 whereby no individual Income Statement of the company is disclosed. The company's profit for the financial year amounted to €56,367,000 (2012 – €65,404,000).

14 BUSINESS COMBINATIONS

On 1 January 2013 the group acquired, in a related party transaction, the entire share capital of Sheetfed Holdings Limited in a share for share exchange. As explained in note 1 the business combination has been accounted for using the principles of merger accounting and therefore no goodwill has been recognised as a result of the merger.

The profits after taxation of the acquired entities were as follows:

	Profit after tax **€'000**
Results post acquisition included in the Consolidated Income Statement	1,019

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

14 BUSINESS COMBINATIONS (continued)

The assets and liabilities of the acquired entities at the date of acquisition were as follows:

	Net Book Value **€'000**
Intangible assets	221
Property, plant and equipment	40,713
Investments	28
Non-current trade and other receivables	3,888
Deferred income tax asset	15,089
Inventories	92,489
Current trade and other receivables	59,111
Cash and cash equivalents	46,482
Current income tax recoverable	2,188
Short-term borrowings	(21)
Current portion of long-term borrowings	(11)
Current income tax liabilities	(2,118)
Trade and other payables	(81,044)
Current provisions	(25,298)
Non-current provisions	(565)
Long-term borrowings due to Langley Holdings plc	(55,000)
Non-current trade and other payables	(2,154)
Retirement benefit obligations	(3,647)
Non-current deferred income tax liabilities	(14,796)
	75,555

IFRS ANNUAL REPORT & ACCOUNTS 2013

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

15 INTANGIBLE ASSETS

GROUP	Positive Goodwill €'000	Patents and Licences €'000	Total €'000
Cost			
At 1 January 2013	2,207	2,602	4,809
Additions	-	742	742
On acquisition	-	246	246
Exchange adjustment	(88)	(74)	(162)
At 31 December 2013	2,119	3,516	5,635
Aggregate impairment and amortisation			
At 1 January 2013	-	2,256	2,256
Amortisation charge for the year	-	444	444
On acquisition	-	25	25
Exchange adjustment	-	(3)	(3)
At 31 December 2013	-	2,722	2,722
Net book values			
At 31 December 2013	2,119	794	2,913
At 31 December 2012	2,207	346	2,553
Cost			
At 1 January 2012	2,250	2,616	4,866
Additions	-	-	-
Exchange adjustment	(43)	(14)	(57)
At 31 December 2012	2,207	2,602	4,809
Aggregate impairment and amortisation			
At 1 January 2012	-	2,092	2,092
Amortisation charge for the year	-	178	178
Exchange adjustment	-	(14)	(14)
At 31 December 2012	-	2,256	2,256
Net book values			
At 31 December 2012	2,207	346	2,553
At 31 December 2011	2,250	524	2,774

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

16 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land & buildings €'000	Plant & machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2013	74,916	77,307	10,137	13,268	175,628
Additions	613	3,451	2,599	558	7,221
On acquisition	6,347	34,939	916	1,032	43,234
Disposals	(24)	(1,664)	(1,137)	(302)	(3,127)
Reclassification	48,448	-	-	-	48,448
Exchange adjustments	(621)	(1,348)	(461)	(322)	(2,752)
At 31 December 2013	129,679	112,685	12,054	14,234	268,652
Depreciation					
At 1 January 2013	32,933	62,124	5,921	11,387	112,365
Charge for the year	2,109	5,345	1,835	1,243	10,532
On acquisition	1,418	729	246	128	2,521
Disposals	-	(928)	(943)	(300)	(2,171)
Exchange adjustments	(159)	(978)	(406)	(135)	(1,678)
At 31 December 2013	36,301	66,292	6,653	12,323	121,569
Net book amount					
At 31 December 2013	93,378	46,393	5,401	1,911	147,083
At 31 December 2012	41,983	15,183	4,216	1,881	63,263

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

16 PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP	Freehold land & buildings €'000	Plant & machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2012	68,612	74,976	9,371	16,539	169,498
Additions	4,051	4,379	1,958	1,225	11,613
Disposals	(8)	(2,028)	(1,307)	(4,433)	(7,776)
Revaluation	2,263	-	-	-	2,263
Reclassification	48	(12)	-	(36)	-
Exchange adjustments	(50)	(8)	115	(27)	30
At 31 December 2012	74,916	77,307	10,137	13,268	175,628
Depreciation					
At 1 January 2012	31,394	60,737	5,550	14,718	112,399
Charge for the year	1,564	3,316	1,498	824	7,202
Disposals	(8)	(1,929)	(1,190)	(4,134)	(7,261)
Exchange adjustments	(17)	-	63	(21)	25
At 31 December 2012	32,933	62,124	5,921	11,387	112,365
Net book amount					
At 31 December 2012	41,983	15,183	4,216	1,881	63,263
At 31 December 2011	37,218	14,239	3,821	1,821	57,099

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

16 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Freehold land & buildings €'000	Plant & machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2013	6,741	2,000	2,081	460	11,282
Additions	1,269	470	144	2	1,885
Disposals	-	(105)	(169)	(12)	(286)
Exchange adjustments	(102)	(31)	(41)	(9)	(183)
At 31 December 2013	7,908	2,334	2,015	441	12,698
Depreciation					
At 1 January 2013	257	1,551	1,202	267	3,277
Disposals	-	(105)	(143)	(12)	(260)
Charge for the year	132	113	316	50	611
Exchange adjustments	(2)	(30)	(19)	(5)	(56)
At 31 December 2013	387	1,529	1,356	300	3,572
Net book amount					
At 31 December 2013	7,521	805	659	141	9,126
At 31 December 2012	6,484	449	879	193	8,005

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

16 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Freehold land & buildings €'000	Plant & machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2012	5,591	2,174	1,618	525	9,908
Additions	1,014	351	726	174	2,265
Disposals	-	(583)	(302)	(253)	(1,138)
Exchange adjustments	136	58	39	14	247
At 31 December 2012	6,741	2,000	2,081	460	11,282
Depreciation					
At 1 January 2012	154	1,906	1,159	475	3,694
Disposals	-	(547)	(275)	(253)	(1,075)
Charge for the year	100	140	288	31	559
Exchange adjustments	3	52	30	14	99
At 31 December 2012	257	1,551	1,202	267	3,277
Net book amount					
At 31 December 2012	6,484	449	879	193	8,005
At 31 December 2011	5,437	268	459	50	6,214

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

16 PROPERTY, PLANT AND EQUIPMENT (continued)

If these assets had not been revalued they would have been included at the following historical cost amounts:

	Group 2013 €'000	Group 2012 €'000	Company 2013 €'000	Company 2012 €'000
Freehold land and buildings				
Cost	98,082	68,476	7,195	6,014
Aggregate depreciation	35,179	31,811	385	255

17 NON-CURRENT INVESTMENTS

	Group Shares in unlisted undertakings €'000	Company Shares in unlisted undertakings €'000
Cost		
At 1 January 2013	-	7,669
On acquisition	28	75,555
Revaluation	(14)	-
Exchange adjustment	-	(1,601)
At 31 December 2013	14	81,623
Carrying amount		
At 31 December 2013	14	81,623
At 31 December 2012	-	7,669

	Group Shares in unlisted undertakings €'000	Company Shares in unlisted undertakings €'000
Cost		
At 1 January 2012	-	6,958
Additions	-	536
Exchange adjustment	-	175
At 31 December 2012	-	7,669
Carrying amount		
At 31 December 2012		7,669
At 31 December 2011	-	6,958

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted trading subsidiaries at 31 December 2013:

Company	Country of Registration	Principal Activity
The Clarke Chapman Group Limited	England	Design, manufacture, maintenance, refurbishment and repair of cranes and other mechanical handling equipment
Clarke Chapman Aftermarket Limited	England	Design, manufacture, maintenance, refurbishment and repair of cranes and other mechanical handling equipment
JND Technologies Limited	England	Design, manufacture and refurbishment of process plant, road tankers and cementitious grouts
Oakdale Homes Limited	England	House builders
Oakdale Properties Limited	England	Residential property
Claudius Peters Group GmbH	Germany	Parent company (see below)
Piller Holding GmbH	Germany	Parent company (see below)
Pressure Engineering International Limited	England	Manufacture of process plant and equipment, steel structures, heat exchangers, tankage and pressure vessels
Langley Aviation Limited	England	Aircraft transport
ARO Welding Technologies SAS	France	All of the ARO companies are involved in the design, manufacture, maintenance, repair and/or distribution of resistance welding equipment and control systems
ARO Welding Technologies Inc	United States of America	

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

17 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
Bradman Lake Group Limited	England	Dormant holding company (see below)
Retford Investments LLC	United States of America	Property rental
CPVA GmbH	Germany	Property rental
Sheetfed Holdings Limited	England	Parent company (see below)
Sail Cruising Limited	England	Dormant subsidiary
Mikenboard Limited	England	Dormant subsidiary
JND Thermal Process Limited	England	Dormant subsidiary
Allens Light Rail Limited	England	Dormant subsidiary
Magco Tollemache Limited	England	Dormant subsidiary
Protran Developments Limited	England	Dormant subsidiary
Reader Grout & Equipment Limited	England	Dormant subsidiary
H Q Engineers Limited	England	Dormant subsidiary
Oil Systems Limited	England	Dormant subsidiary
Buckley & Taylor Limited	England	Dormant subsidiary
JND Parts & Services Limited	England	Dormant subsidiary
JND Wefco Limited	England	Dormant subsidiary
JND Manufacturing Limited	England	Dormant subsidiary

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted trading subsidiaries of ARO Welding Technologies SAS, at 31 December 2013:

Company	Country of Registration	Principal Activity
ARO Welding Technologies AB	Sweden	All of the companies are involved in the design, manufacture, maintenance, repair and / or distribution of resistance welding equipment and control systems
ARO Welding Technologies SA de CV	Mexico	
ARO Welding Technologies SAU	Spain	
ARO Welding Technologies Limited	England	
ARO Welding Technologies SA-NV	Belgium	
ARO Welding Technologies s.r.o	Slovakia	
ARO Welding Technologies GmbH	Germany	
ARO Welding Technologies (Wuhan) Ltd	China	
ARO Welding Technologies de Soldagem Ltda	Brazil	

The following companies are wholly owned unlisted subsidiaries of Bradman Lake Group Limited, at 31 December 2013:

Company	Country of Registration	Principal Activity
Bradman-Lake Limited	England	Both of the companies are involved in the design and manufacture of packaging equipment
Bradman-Lake Inc	United States of America	

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2012

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted subsidiaries of The Clarke Chapman Group Limited at 31 December 2013:

Company	Country of Registration	Principal Activity
Clarke Chapman Manufacturing Ltd	England	Provision of manufacturing services
Clarke Chapman Engineering Services Ltd	Ireland	Provision of facilities management services
Clarke Chapman Facilities Management Limited	England	Provision of facilities management services
Clarke Chapman Machining Limited	England	Provision of machining services
Mackley Pumps Limited	England	Dormant subsidiary
Clarke Chapman Services Limited	England	Dormant subsidiary
Cowans Sheldon Limited	England	Dormant subsidiary
Wellman Booth Limited	England	Dormant subsidiary
Stothert and Pitt Limited	England	Dormant subsidiary
Butterley Limited	England	Dormant subsidiary

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH at 31 December 2013:

Company	Country of Registration	Principal Activity
Claudius Peters Projects GmbH	Germany	All of the companies are involved in the design, manufacture, maintenance, refurbishment and repair of materials processing and handling equipment
Claudius Peters Technologies SAS	France	
Claudius Peters (Italiana) srl	Italy	
Claudius Peters (Iberica) SA	Spain	
Claudius Peters (China) Limited	Hong Kong	
Claudius Peters (UK) Limited	England	
Claudius Peters (Americas) Inc	United States of America	
Claudius Peters (do Brasil) Ltda	Brazil	
Claudius Peters (Romania) srl	Romania	
Claudius Peters Automation srl	Romania	
Claudius Peters (Beijing) Machinery Services Limited	China	
Claudius Peters (India) Pvt. Limited	India	
Claudius Peters (Asia Pacific) Pte Ltd	Singapore	

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

17 NON-CURRENT INVESTMENTS (continued)

The following companies are wholly owned unlisted subsidiaries of Piller Holding GmbH (formerly Claudius Peters Aerospace GmbH), at 31 December 2013:

Company	Country of Registration	Principal Activity
Piller Group GmbH	Germany	See below
Piller Dynasine GmbH	Germany	See below

The following companies are wholly owned unlisted subsidiaries of Piller Group GmbH, at 31 December 2013:

Company	Country of Registration	Principal Activity
Piller Australia Pty Limited	Australia	All of the companies are involved in producing electrical machinery, specialising in high capacity uninterruptible power supply (UPS) systems. The group is also involved in the production of converters for aircraft ground power and naval military applications
Piller France SAS	France	
Piller USA Inc	United States of America	
Piller UK Limited	England	
Piller Italia Srl	Italy	
Piller Iberica SL	Spain	
Piller Power Singapore Pte. Limited	Singapore	
Piller Germany GmbH & Co KG	Germany	
Piller Management GmbH	Germany	

The following companies are investments held by Sheetfed Holdings Limited and its subsidiaries, at 31 December 2013:

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Sheetfed GmbH	Germany	100%	Note 1
Manroland Deutschland GmbH	Germany	100%	Note 2
Manroland Used Equipment GmbH	Germany	100%	Note 2

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

17 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Sheetfed (UK) Limited	England	100%	Note 2
Manroland Latina S.A.	Chile	99.9%	Note 2
Manroland Latina S.A. de C.V.	Mexico	99.9%	Note 2
Manroland Mexico Servicos S.A. de C.V.	Mexico	99.9%	Note 2
Manroland do Brasil Serviços Ltda	Brazil	99.9%	Note 2
Manroland Latina S.A.	Argentina	100%	Note 2
Manroland Latina S.A.C	Peru	100%	Note 2
Manroland Latina S.A.S	Columbia	100%	Note 2
Manroland Singapore PTE Ltd	Singapore	100%	Note 2
PT Manroland Indonesia	Indonesia	100%	Note 2
Manroland Thailand Ltd	Thailand	100%	Note 2
Manroland Nordic Finland Oy	Finland	100%	Note 2
Manroland Nordic Sverige AB	Sweden	100%	Note 2
Manroland Nordic Danmark A/S	Denmark	100%	Note 2
Manroland Inc	USA	100%	Note 2
Manroland Canada Inc	Canada	100%	Note 2
Manroland Western Europe Group B.V.	Netherlands	100%	Note 2
Manroland Österreich GmbH	Austria	100%	Note 2
Web Tech Engineering Sdn. Bhd.	Malaysia	100%	Note 2
Manroland Malaysia Sdn. Bhd	Malaysia	100%	Note 2
Votra AG	Switzerland	100%	Note 2
Manroland Japan Co. Ltd	Japan	100%	Note 2
Manroland (Korea) Ltd	Korea	100%	Note 2
Manroland (Taiwan) Ltd	Taiwan	100%	Note 2
Manroland (China) Limited	China	100%	Note 2
Printcom (Asia) Ltd	China	100%	Note 2

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

17 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
Guangzham Printcom Printing Supplies Co. Ltd	China	100%	Note 2
Manroland Printing Equipment (Shanghai) Co. Ltd	China	100%	Note 2
Manroland Printing Equipment (Shenzhen) Ltd	China	100%	Note 2
Manroland d.o.o	Slovenia	100%	Note 2
Manroland Hrvatska d.o.o	Croatia	100%	Note 2
Manroland ROMANIA S.R.L	Romania	100%	Note 2
Manroland Bulgaria EOOD	Bulgaria	100%	Note 2
Manroland Magyaroszag Kft.	Hungary	100%	Note 2
Manroland Polska Sp. z.o.o	Poland	100%	Note 2
Manroland Czech s.r.o	Czech Republic	100%	Note 2
Manroland France S.A.S	France	100%	Note 2
Manroland Swiss A.G.	Switzerland	100%	Note 2
Manroland Ireland Ltd	Ireland	100%	Note 2
Manroland Iberica Sistemas S.L	Spain	100%	Note 2
Manroland Iberica Sistemas S.A	Portugal	100%	Note 2
Manroland Italia S.p.a	Italy	100%	Note 2
Manroland Benelux N.V.	Belgium	100%	Note 2
Manroland Nordic Norge A/S	Norway	100%	Note 2
AS Polymark	Estonia	48%	Note 2
Manroland Southern Africa (PTY) Ltd	South Africa	100%	Note 2
Manroland Baltics S.I.A.	Latvia	100%	Note 2
MAN Roland Poland Sp. Z.o.o.	Poland	100%	Note 3
Manroland IP GmbH	Germany	50%	Note 4

Note 1: The design, manufacture and sale of sheetfed offset litho printing presses and aftermarket services

Note 2: The sale of sheetfed offset litho printing presses and aftermarket services

Note 3: Property rental

Note 4: Intellectual Property

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

18 INVESTMENT PROPERTY

	Freehold property €'000	Total €'000
Valuation		
At 1 January 2012	-	-
Additions	23,290	23,290
Revaluations	25,158	25,158
Fair value at 31 December 2012	48,448	48,448
Transfer to owner-occupied property	(48,448)	(48,448)
Fair value at 31 December 2013	-	-

Freehold investment properties are accounted for under the fair value model. The determination of fair value is supported by market evidence, based on a valuation in 2012 by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

The original historical cost of freehold investment property acquired in February 2012 was €23,290,000. The amount recognised in the income statement in relation to the revaluation to fair value of these properties in 2012 was €25,158,000. No depreciation has been charged.

During the year the investment property was transferred at its fair value into property, plant and equipment as freehold land and buildings. See note 16.

19 NON-CURRENT TRADE AND OTHER RECEIVABLES

	Group 2013 €'000	Group 2012 €'000
Other receivables	1,716	712
Pension scheme prepayment	39	32
	1,755	744

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

20 NON-CURRENT INCOME TAX RECOVERABLE

	Group	
	2013	2012
	€'000	€'000
Income tax	50	16

21 INVENTORIES

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Raw materials	61,317	35,885	-	-
Work in progress	52,154	24,274	-	-
Finished goods	27,330	17,879	21	28
	140,801	78,038	21	28

22 CONSTRUCTION WORK IN PROGRESS

Contracts in progress at the year end:

	Group	
	2013	2012
	€'000	€'000
Amounts due from contract customers included in trade and other receivables (note 23)	29,147	18,259
Amounts due to contract customers included in trade and other payables (note 26)	(2,503)	(3,519)
	26,644	14,740
Contract costs incurred plus recognised profit less recognised losses to date	200,298	141,132
Less: Progress billings	(173,654)	(126,392)
	26,644	14,740

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

23 CURRENT TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Trade receivables	123,815	90,517	136	5,214
Retentions	4,682	2,339	-	-
Amounts recoverable on construction contracts	29,147	18,259	-	-
Amounts owed by group undertakings	-	-	107,743	41,804
Amounts owed by Related undertakings	-	55,635	-	54,674
Directors' current accounts (note 37)	379	160	379	160
Other receivables	7,663	2,799	-	-
VAT recoverable	7,939	5,054	131	177
Prepayments and accrued income	13,970	8,575	3,079	2,467
	187,595	183,338	111,468	104,496

For terms and conditions relating to related party receivables, refer to note 37.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

23 CURRENT TRADE AND OTHER RECEIVABLES (continued)

Trade and other receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	Group	
	2013	2012
	€'000	€'000
Balance at beginning of the year	2,549	2,350
On acquisition	18,233	-
Exchange differences	1,968	-
Charge for the year	3,501	415
Amounts written off	(4,553)	(82)
Unused amounts reversed	(286)	(134)
Balance at end of the year	21,412	2,549

Trade receivables are non-interest bearing and are generally on 30 – 90 day terms.

At 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

	Past due but not impaired				
	<30 days	31-60 days	61-90 days	91-120 days	>121 days
	€'000	€'000	€'000	€'000	€'000
Group					
2013	24,045	4,611	4,253	3,976	817
2012	15,933	2,958	1,141	1,974	278
Company					
2013	-	-	-	4	130
2012	96	1	9	114	-

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

24 CASH AND CASH EQUIVALENTS

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Cash in hand, at bank and short term deposits	278,645	208,223	102,306	77,341

25 CURRENT INCOME TAX RECOVERABLE

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Income tax	4,332	2,747	16	622

26 CURRENT TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Trade payables	45,400	30,287	296	386
Other payables	7,186	6,560	94	106
Other taxes and social security	6,607	5,813	50	466
Accruals and deferred income	73,805	48,717	698	559
VAT payable	4,295	4,193	-	-
Amounts owed to group undertakings	-	-	2,368	1,852
Payments on account	58,847	42,442	-	-
Amounts due on construction contracts	2,503	3,519	-	-
	198,643	141,531	3,506	3,369

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

27 PROVISIONS

GROUP	Warranty Provision €'000	Other Provision €'000	Total €'000
Balance at 1 January 2013	18,927	3,716	22,643
On acquisition	12,494	13,369	25,863
Additional provision recognised	12,363	4,791	17,154
Provision utilised during the year	(9,193)	(11,222)	(20,415)
Provision released during year	(10,891)	(3,368)	(14,259)
Foreign exchange difference	(157)	1,030	873
Balance at 31 December 2013	23,543	8,316	31,859
Current	21,141	7,850	28,991
Non-current	2,402	466	2,868

	Warranty Provision €'000	Other Provision €'000	Total €'000
Balance at 1 January 2012	26,103	2,395	28,498
Additional provision recognised	8,538	2,718	11,256
Provision utilised during the year	(8,332)	(1,126)	(9,458)
Provision released during year	(7,373)	(255)	(7,628)
Foreign exchange difference	(9)	(16)	(25)
Balance at 31 December 2012	18,927	3,716	22,643
Current	16,754	3,410	20,164
Non-current	2,173	306	2,479

The warranty provision is arrived at using estimates from historical warranty data. The other provision includes specific claims, redundancy and restructuring provisions. There were no provisions in the company.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

28 CURRENT INCOME TAX LIABILITIES

	Group 2013 €'000	Group 2012 €'000
Income tax	7,193	10,168

29 CURRENT PORTION OF LONG TERM BORROWINGS

	Group 2013 €'000	Group 2012 €'000
Loans	85	20

30 LONG TERM BORROWINGS

	Group 2013 €'000	Group 2012 €'000
Loans	138	40
Due within one year (included in current liabilities)	(85)	(20)
	53	20
Amounts payable:		
Between one and two years	38	20
Between two and five years	15	-
	53	20

The fair value of the loans are approximately equivalent to the book value disclosed above. Interest was charged at 8% (2012 – 0%) on those loans during the year.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

31 NON-CURRENT TRADE AND OTHER PAYABLES

	Group	
	2013	2012
	€'000	€'000
Trade payables	279	434
Accruals and deferred income	11,023	10,595
	11,302	11,029

32 RETIREMENT BENEFIT OBLIGATIONS

GROUP	2013	2012
	€'000	€'000
At 1 January 2013	9,436	7,780
Adjustment	11	-
Total (income) / expense recognised in the Income Statement in the year	(225)	1,365
Actuarial gains – financial assumptions	(298)	-
Actuarial losses – demographic assumptions	220	-
Actuarial gains – experience	(241)	-
Other actuarial gains	-	(144)
Contributions paid	(132)	(170)
Payments from the plan	(312)	-
Changes in the effect of asset ceiling and unrecognised actuarial losses	(475)	697
Acquired in a business combination	3,647	-
Exchange differences	22	(44)
Utilised in the year	-	(48)
Other movement	(299)	-
At 31 December 2013	11,354	9,436

UK defined benefit schemes	24	1,126
Overseas unfunded defined benefit obligations	8,189	8,310
Unfunded medical benefits obligations	3,141	-
Retirement benefit obligation in balance sheet	11,354	9,436

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

33 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Deferred tax assets	21,347	8,891	72	125
Deferred tax liabilities	(27,521)	(18,685)	-	-
	(6,174)	(9,794)	72	125

The net movement on the deferred income tax account is as follows:

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
At 1 January 2013	9,794	2,365	(125)	(150)
On revaluation in year	-	855	-	-
Transfer to revaluation reserve	(100)	(53)	(20)	(5)
Exchange differences	(240)	(387)	8	-
Income Statement charge (note 12)	(3,142)	7,141	65	30
Arising on acquisition	(293)	-	-	-
Release to equity on actuarial loss	155	(127)	-	-
At 31 December 2013	6,174	9,794	(72)	(125)

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

33 DEFERRED INCOME TAX (continued)

GROUP

The movement in net deferred tax assets and liabilities during the year is as follows:

	Accelerated tax depreciation €'000	Tax losses €'000	Other short-term temporary differences €'000	Retirement benefit obligations €'000	Fair value gains €'000	Total €'000
At 1 January 2012	2,344	(453)	1,966	(1,313)	(179)	2,365
Charge / (credit) to income	1,122	321	(1,530)	163	7,065	7,141
Recognised in equity on revaluation in year	-	-	-	-	855	855
Release to equity on actuarial loss	-	-	-	(127)	-	(127)
Transfer to revaluation reserve	-	-	-	-	(53)	(53)
Exchange differences	(22)	1	(3)	10	(373)	(387)
At 31 December 2012	3,444	(131)	433	(1,267)	7,315	9,794
Charge / (credit) to income	32	2,090	301	(961)	(4,604)	(3,142)
Recognised in equity regarding remeasurement of defined benefit scheme	-	-	-	155	-	155
Arising on acquisition	(284)	(9,451)	(4,736)	(47)	14,225	(293)
Transfer to revaluation reserve	-	-	-	-	(100)	(100)
Exchange differences	(119)	281	150	79	(631)	(240)
At 31 December 2013	3,073	(7,211)	(3,852)	(2,041)	16,205	6,174

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

33 DEFERRED INCOME TAX (continued)

COMPANY

	Accelerated capital allowances €'000	Fair value gains €'000	Total €'000
At 1 January 2012	(145)	(5)	(150)
Credit to income	25	5	30
Credit to equity	-	(5)	(5)
At 31 December 2012	(120)	(5)	(125)
Charge to income	65	-	65
Credit to equity	-	(20)	(20)
Exchange differences	4	4	8
At 31 December 2013	(51)	(21)	(72)

Unprovided deferred taxation

	Group		Company	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Accelerated tax depreciation	166	-	-	-
Tax losses available	41,388	231	-	-
Other short term timing differences	714	161	-	-
Retirement benefit obligation	268	98	-	-
	42,536	490	-	-

No deferred tax asset has been recognised in respect of the above accelerated tax depreciation, other short term temporary differences and tax losses because the group is not expected to have sufficient relevant taxable profits to utilise these assets in the near future.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

34 CONTINGENT LIABILITIES

Contingent liabilities exist at the balance sheet date in respect of:

	Group		Company	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
UK group bank guarantees	-	-	9,101	9,471
UK group value added tax	-	-	535	709
UK Bonds, guarantees and indemnities	1,583	3,881	1,583	624
Overseas bank guarantees	38,135	76,977	-	-
Overseas bonds, guarantees and indemnities	9,546	26,100	-	-
	49,264	106,958	11,219	10,804

The company has guaranteed the bank facilities of UK subsidiaries and is party to a group VAT registration. Throughout the group, contingent liabilities exist in respect of guarantees, performance bonds and indemnities issued on behalf of group companies by banks and insurance companies in the ordinary course of business.

In view of net cash position held with the same UK bank within the group, the directors believe that the likelihood of the guarantees being invoked is unlikely, therefore no provision has been recognised in these accounts.

35 FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise borrowings, cash and short term deposits, bank loans and overdrafts and various items such as trade payables and trade receivables that arise directly from its operations. The main purpose of these financial instruments is to fund the group's operations, as well as to manage its working capital, liquidity and surplus funds.

The main risks arising from the group's financial instruments are foreign currency risk, credit risk and interest rate risk. Liquidity risk is not considered to be a main risk to the group given the group's cash and cash equivalents balances being considerably higher than any bank borrowings.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

35 FINANCIAL INSTRUMENTS (continued)

Foreign currency risk

The group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of individual group entities (which are principally sterling, euro and US dollars).

The group publishes its Consolidated Accounts in euro and as a result, it is subject to foreign currency exchange translation risk in respect of the results and underlying net assets of its operations where the euro is not the functional currency of that operation.

Financial risk

The following table demonstrates the sensitivity to a reasonably possible change in the sterling to euro and other currencies to euro exchange rate, with all other variables held constant, of the group's profit before tax due to changes in the fair value of monetary assets and liabilities.

	Increase/decrease in sterling rate	Effect on profit before tax	Increase/decrease in other exchange rates	Effect on profit before tax
		€'000		€'000
2013	+10%	(1,383)	+10%	(1,974)
	-10%	1,691	-10%	2,420
2012	+10%	(684)	+10%	(2,083)
	-10%	836	-10%	2,545

Credit risk

The group trades only with recognised, creditworthy third parties. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the group, comprising of cash and cash equivalents, the group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

Interest rate risk

The group's exposure to the risk of changes in market interest rates relates primarily to the group's money on deposit.

Capital risk management

The group defines capital as being share capital plus reserves and manages capital to ensure adequate resources are retained for continued growth of the group. Access to capital includes the retention of cash on deposit and availability of funding through agreed capital facilities. Long term deposits are used to obtain more favourable rates of return only when adequate cash resources are maintained on shorter term deposit for the group's working capital requirements.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

36 FAIR VALUE MEASUREMENTS

As at 31 December 2013 there were no significant differences between book values and fair values of financial assets and liabilities.

The following table categorises the group's assets and liabilities held at fair value by the lowest level of the significant inputs used in determining their fair value:

1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
2) Inputs other than quoted prices included within level 1 that are observable either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

GROUP Recurring fair value measurements	Level 1 2013 €'000	Level 2 2013 €'000	Level 3 2013 €'000	Total 2013 €'000
Freehold property	-	92,546	-	92,546
	-	92,546	-	92,546

COMPANY Recurring fair value measurements	Level 1 2013 €'000	Level 2 2013 €'000	Level 3 2013 €'000	Total 2013 €'000
Freehold property	-	7,521	-	7,521
	-	7,521	-	7,521

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

36 FAIR VALUE MEASUREMENTS (continued)

For valuations based on a valuation technique the following information is provided about the technique used and significant inputs:

GROUP	Fair value at 31 Dec 2013 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	92,546	Market comparable approach	Market price per square metre for comparable properties

COMPANY	Fair value at 31 Dec 2013 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	7,521	Market comparable approach	Market price per square metre for comparable properties

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

37 RELATED PARTY TRANSACTIONS

At 31 December 2013, A J Langley owed €379,000 (2012 – €160,000) to the company. The maximum overdrawn balance during the year was €1,610,000 (2012 – €591,000). The full amount has been repaid since the year end.

During the year, the company invoiced management charges and provided funding to group companies with the following amounts outstanding at the year end:

	Amount invoiced during the year		Amount outstanding at the year end	
	2013	2012	2013	2012
	€'000	**€'000**	**€'000**	**€'000**
COMPANY				
The ARO group of companies	608	733	62	1
The Bradman Lake group of companies	167	212	204	3,585
The Clarke Chapman group of companies	263	312	(11)	21
The Claudius Peters group of companies	612	576	112	1,188
The Piller group of companies	1,109	1,057	10,795	647
The Manroland group of companies	1,582	1,663	55,721	54,674
CPVA GmbH	-	-	25,616	21,838
Retford Investments LLC	-	-	6,912	7,543
Other group companies	168	149	5,964	5,129

Transactions with related parties are at market value, and are unsecured. The company has recorded a €604,000 impairment of receivables relating to amounts owed by subsidiary undertakings during the year (2012 – €702,000) and reversed €nil (2012 – €338,000) against previous impairments.

The company and group are controlled by A J Langley, a director of the company.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

37 RELATED PARTY TRANSACTIONS (Continued)

During the year, the following group companies paid interest on loans from the company:

	2013	2012
	€'000	**€'000**
COMPANY		
The ARO group of companies	6	80
The Bradman Lake group of companies	74	89
The Manroland group of companies	2,737	2,458
CPVA GmbH	745	590
Other group companies	943	555

Transactions between subsidiaries have been eliminated on consolidation and are disclosed in the individual company accounts.

LANGLEY

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

38 SHARE CAPITAL

	2013 €'000	2012 €'000
Authorised:		
60,100,010 (2012 - 1,000,000) ordinary shares of £1 (2012 - £0.10) each	71,227	163

Allotted, issued and fully paid:	2013 Number	2012 Number	2013 €'000	2012 €'000
At 1 January 2013 (£0.10 each)	1,000,000	1,000,000	163	163
Issue of shares on merger	100	-	-	-
Consolidation to £1 shares	(900,090)	-	-	-
Bonus issue of shares	60,000,000	-	71,064	-
At 31 December 2013 (£1 each)	60,100,010	1,000,000	71,227	163

39 MERGER RESERVE

The merger reserve arose during the year on the business combination with Sheetfed Holdings Limited as explained in note 14. The transaction was accounted for as described in note 1(b) and qualified for merger relief under section 612 of the Companies Act 2006. During the year a bonus issue of 60,000,000 £1 shares was funded from the merger reserve.

40 REVALUATION RESERVE

This reserve is used to reflect changes in the fair value of assets, net of deferred tax, as indicated in note 1(e). It is not available for the payment of dividends.

41 RETAINED EARNINGS

Included within the retained earnings of the group are foreign currency translation reserves of €(6,741,000) (2012 – €(4,036,000). Included within the retained earnings reserve for the company is €(1,217,000) (2012 – (€485,000) of foreign currency translation reserves.

The net currency exchange difference arising on retranslation in the year was a loss of €2,705,000 (2012 – gain of €413,000) for the group and a loss of €732,000 (2012 – loss of €1,151,000) for the company. The foreign currency translation reserve contains the accumulated foreign currency translation differences arising when the accounts of the company and group operations are translated from their own functional currency to the euro, being the presentation currency for the group accounts.

Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

42 COMMITMENTS UNDER OPERATING LEASES

At the year end, the group had outstanding commitments for future minimum lease payments and other costs under non-cancellable operating leases, which fall due as follows:

	2013 €'000	2012 €'000
Within one year	3,684	2,072
In two to five years	3,855	2,906
After five years	1,581	557
	9,120	5,535

The lease commitments relate primarily to leases of land and buildings. The leases have various terms and renewal rights.

43 CASH GENERATED FROM OPERATIONS

GROUP	2013 €'000	2012 €'000
Profit before taxation	91,420	121,253
Revaluation of investment property	-	(25,158)
Depreciation	10,532	7,202
Revaluation of investments	14	-
(Profit) / loss on sale of property, plant and equipment	(212)	211
Amortisation of intangibles	444	178
Interest income	(2,737)	(5,488)
Interest expense	587	227
Decrease / (increase) in inventories	29,726	(11,368)
Decrease / (increase) in trade and other receivables	2,731	(12,436)
Decrease in trade and other payables	(43,334)	(1,817)
Movement in retirement benefit obligations	(688)	1,148
Foreign exchange translation adjustments	(6,838)	1,083
Cash generated from operations	81,645	75,035

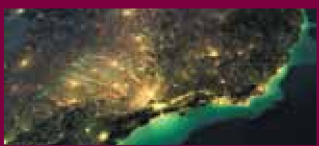
Notes to the Accounts (continued)

YEAR ENDED 31 DECEMBER 2013

43 CASH GENERATED FROM OPERATIONS (continued)

	2013	2012
COMPANY	**€'000**	**€'000**
Profit before taxation	58,051	65,436
Depreciation	611	559
(Profit) / loss on sale of property, plant and equipment	(43)	5
Dividend income received	(55,197)	(61,567)
Interest income	(5,448)	(4,897)
Interest expense	27	25
Decrease in inventories	7	4
Increase in trade and other receivables	(6,972)	(7,146)
Increase in trade and other payables	136	167
Foreign exchange translation adjustments	2,742	(3,723)
	(6,086)	(11,137)

Printed in Offenbach, Germany using OnePass® technology.


langleyholdings.com