

**Report of the Directors and
Financial Statements
for the Year Ended 28 February 2018
for
EMPTOR SERVICES LIMITED**



EMPTOR SERVICES LIMITED

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for the year ended 28 February 2018**

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EMPTOR SERVICES LIMITED
Company Information
for the year ended 28 February 2018

Directors:	J D Drury
Secretary:	J D Drury
Registered office:	Third Floor Michelin House 81 Fulham Road London SW3 6RD
Registered number:	01166678 (England and Wales)
Auditors:	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT

EMPTOR SERVICES LIMITED

Report of the Directors for the year ended 28 February 2018

The directors present their report with the audited financial statements of the company for the year ended 28 February 2018.

Review of business

In the year under review, turnover decreased by 19% from £1,551,408 to £1,249,420. Consequently, the operating profit margin decreased to £61,747 (2017: £76,974). The retained profit for the year was £61,747 (2017: £76,974). The decrease is caused by the company incurring lower administrative expenses in 2018 compared to 2017.

During the year Cofra Holding AG transferred its ownership of the company to C&A AG, another wholly owned direct subsidiary of Cofra Holding AG.

Dividends

The profit for the year, after taxation, amounted to £61,747 (2017 - £76,974).

The directors recommend the payment of a final dividend in the sum of £Nil (2017 - £80,000).

Directors

The directors shown below have held office during the whole of the period from 1 March 2017 to the date of this report.

J D Drury

Other changes in directors holding office are as follows:

C Hammer – resigned 28 June 2018

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small company exemption

This report has been prepared in accordance with the special provisions applicable to companies subject to the Small company regime within part 15 of the Companies Act 2006.

The directors did not prepare a Strategic report because they took advantage of the small companies' exemption as stipulated by the Companies' Act 2006.

EMPTOR SERVICES LIMITED

**Report of the Directors – (continued)
for the year ended 28 February 2018**

Future Developments

The directors aim to maintain the management policies, which have resulted in the company's performance in recent years. They consider that the next year will show a comparable result to the current year.

Going Concern

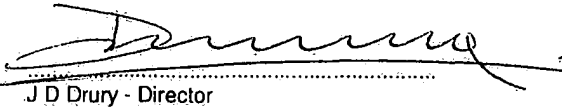
The Company undertakes business mainly for the related companies. The business of the related companies for which the Company provides services is a very mature one and geographically spread throughout Europe. The likelihood of cessation of the arrangements is very low and the directors do not see any significant business risk or uncertainty facing the future of the Company. The Company has performed to the standards required by its counter parties and no complaints have been received in this respect. The directors consider the Company to be in a sound business position at year-end. Accordingly, the financial statements have been prepared under the going concern basis.

Auditors

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:


.....
J D Drury - Director

Date: 24/10/18

**Independent auditor's report to the members of
Emptor Services Limited**

Opinion

We have audited the financial statements of Emptor Services Limited (the 'company') for the year ended 28 February 2018 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 28 February 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Independent auditor's report to the members of
Emptor Services Limited (continued)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Report of the Directors and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Ruth Logan (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: *26th October 2018*

EMPTOR SERVICES LIMITED**Income Statement
for the year ended 28 February 2018**

		2018	2017
	Note	£	£
Turnover		1,246,594	1,551,408
Administrative expenses		<u>(1,187,673)</u>	<u>(1,474,434)</u>
Operating profit		58,921	76,974
Interest receivable and similar income		<u>2,826</u>	<u>-</u>
Profit before taxation	3	61,747	76,974
Tax on profit	6	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>61,747</u></u>	<u><u>76,974</u></u>

The notes form part of these financial statements

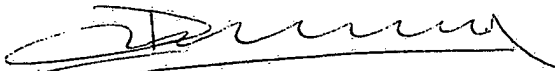
EMPTOR SERVICES LIMITED (REGISTERED NUMBER: 01166678)

**Balance Sheet
28 February 2018**

	Note	2018 £	2017 £
Current assets			
Debtors	8	287,515	11,311
Cash at bank		<u>2,766,586</u>	<u>2,857,273</u>
		3,054,101	2,868,584
Creditors			
Amounts falling due within one year	9	<u>169,566</u>	<u>114,229</u>
Net current assets		2,884,535	2,754,355
Total assets less current liabilities		2,884,535	2,754,355
Pension liability	12	<u>(2,683,323)</u>	<u>(2,534,890)</u>
Net assets		<u>201,212</u>	<u>219,465</u>
Capital and reserves			
Called up share capital	10	100,000	100,000
Retained earnings	11	<u>101,212</u>	<u>119,465</u>
Shareholders' funds		<u>201,212</u>	<u>219,465</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 24/10/18 and were signed on its behalf by:


.....
J D Drury - Director

The notes form part of these financial statements

EMPTOR SERVICES LIMITED

**Statement of Changes in Equity
for the year ended 28 February 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2016	100,000	442,491	542,491
Changes in equity			
Dividends	-	(400,000)	(400,000)
Total comprehensive income	<u>-</u>	<u>76,974</u>	<u>76,974</u>
Balance at 28 February 2017	<u>100,000</u>	<u>119,465</u>	<u>219,465</u>
Changes in equity			
Dividends	-	(80,000)	(80,000)
Total comprehensive income	<u>-</u>	<u>61,747</u>	<u>61,747</u>
Balance at 28 February 2018	<u><u>100,000</u></u>	<u><u>101,212</u></u>	<u><u>201,212</u></u>

The notes form part of these financial statements

EMPTOR SERVICES LIMITED

Notes to the Financial Statements for the year ended 28 February 2018

1. Statutory information

Emptor Services Limited is a private company, limited by shares, registered and domiciled in England and Wales. The address of its registered office is Michelin House Third Floor, 81 Fulham Road, London, SW3 6RD. The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. The contributions payable to the company's pension scheme are charged to income statement in the period to which they relate. Further details are given in note 12.

The company holds a defined benefit obligation towards UK based employees. The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Further details are given in note 12.

Cash flow statement

The company has taken advantage of the small company exemptions afforded by the Companies Act 2006 and therefore the company has not prepared a cash flow statement. The company's cash flows are included in the consolidated accounts of the parent company, Cofra Holding AG.

EMPTOR SERVICES LIMITED

Notes to the Financial Statements - continued for the year ended 28 February 2018

2. Accounting policies - continued

Going concern

The Company undertakes business mainly for the related companies. The business of the related companies for which the Company provides services is a very mature one and geographically spread throughout Europe. The likelihood of cessation of the arrangements is very low and the directors do not see any significant business risk or uncertainty facing the future of the Company. The Company has performed to the standards required by its counter parties and no complaints have been received in this respect. The directors consider the Company to be in a sound business position at year-end. Accordingly, the financial statements have been prepared under the going concern basis.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of Cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Dividends and other appropriations

The directors proposed the payment of a final dividend in the sum of £Nil (2017 - £80,000). Dividends to the Company's shareholders are recognised when the dividends are approved for payment by shareholders passing a written resolution at the AGM.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Pension and other post-employment benefits

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available S2PM(F)A_L mortality tables for the United Kingdom. Future salary increases and pension increases are based on expected future inflation rates for the United Kingdom. Further details are given in note 12.

Taxation

The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

EMPTOR SERVICES LIMITED

**Notes to the Financial Statements - continued
for the year ended 28 February 2018**

3. Operating profit / Profit before taxation

The operating profit and profit before taxation are stated after charging:

	2018	2017
	£	£
Auditors' remuneration	<u>8,447</u>	<u>8,500</u>

4. Employees and directors

	2018	2017
	£	£
Wages and salaries	678,149	657,471
Social security costs	100,615	180,400
Other pension costs	<u>219,433</u>	<u>411,905</u>
	<u>998,197</u>	<u>1,249,776</u>

The average monthly number of employees (excluding directors) during the year was as follows:

	2018	2017
Professional merchandise buying services	<u>3</u>	<u>4</u>

5. Directors' emoluments

	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

During the year, no director received any emoluments (2017 - £NIL).

6. Tax on profit

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 28 February 2018 nor for the year ended 28 February 2017.

Reconciliation of total tax charge included in profit and loss

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

	2018	2017
	£	£
Profit before tax	<u>61,747</u>	<u>76,974</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	11,732	15,395
Effects of: Utilisation of tax losses	<u>(11,732)</u>	<u>(15,395)</u>
Total tax charge	<u>-</u>	<u>-</u>

EMPTOR SERVICES LIMITED

Notes to the Financial Statements - continued for the year ended 28 February 2018

6. Tax on profit - continued

Tax Losses

The company has unutilised tax losses of £48,265 (2017 - £248,435) which are available against future taxable profits.

Factors that may affect future tax charges

In his budget of 8 July 2015, the Chancellor of the Exchequer announced a reduction in the corporation tax rate to 19% for the Financial Year beginning 1 April 2017 and a further reduction to 17% for the Financial Year beginning 1 April 2020. These changes received Royal Assent on 18 November 2015. As these changes were substantively enacted at the balance sheet date deferred tax has been calculated accordingly in these financial statements.

The Finance Bill 2016 provides for a further reduction in the corporation tax rate to 17% for the Financial Year beginning 1 April 2020. This change was substantively enacted on 6 September 2016.

Deferred Tax

A deferred tax asset has not been recognised in respect of tax losses of £48,265 (2017 - £248,435) at a tax rate of 19% (2017 - 19%), these losses represent a potential tax asset of £9,170 (2017 - £47,203). These losses would be recoverable in the event of taxable profits arising in this company.

A deferred tax asset has not been recognised in respect of the pension liability of £2,683,323 (2017 - £2,534,890) at a tax rate of 19% (2017 - 19%), representing a potential tax asset of £509,831 (2017 - £481,629). Pension contributions are a tax deductible expense when the pension is physically paid. For further details please see note 12.

7. Dividends

	2018 £	2017 £
Ordinary shares of £1 each		
Final	<u>80,000</u>	<u>400,000</u>

8. Debtors: amounts falling due within one year

	2018 £	2017 £
Amounts owed by group undertakings	279,554	-
Other debtors	<u>7,961</u>	<u>11,311</u>
	<u>287,515</u>	<u>11,311</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	13	-
Salaries & bonus payable	110,824	-
Other tax and social security	42,981	-
Amounts owed to group undertakings	-	85,802
Accruals and deferred income	<u>15,748</u>	<u>28,427</u>
	<u>169,566</u>	<u>114,229</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

EMPTOR SERVICES LIMITED

Notes to the Financial Statements - continued for the year ended 28 February 2018

11. Reserves

	Retained earnings £
At 1 March 2017	119,465
Profit for the year	61,747
Dividends	<u>(80,000)</u>
At 28 February 2018	<u>101,212</u>

The reserves in Emptor Services Limited of £101,212 (2017 - £119,465) consists of retained profits, i.e. total profits less dividends paid to date since incorporation.

12. Employee benefit obligations

Emptor Services Limited holds a defined benefit obligation towards UK based employees. In 2004 several Emptor employees were relocated to European cities. Their relocation package included a pension promise. The final calculation of the company pension for an individual will be determined at time of retirement by an independent actuary to make sure the company undertaking and commitment is honoured.

The valuation used has been based on the most recent actuarial valuation at 4 November 2016 and was updated by Towers Watson & Co. The pension obligation as at 28 February 2018 was estimated to be £2,683,323. The scheme does not hold any assets.

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2018 £	2017 £
Current service cost	<u>148,433</u>	<u>294,639</u>
	<u>148,433</u>	<u>294,639</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018 £	2017 £
Opening defined benefit obligation	2,534,890	2,240,251
Current service cost	<u>148,433</u>	<u>294,639</u>
Closing defined benefit obligation	<u>2,683,323</u>	<u>2,534,890</u>

EMPTOR SERVICES LIMITED

Notes to the Financial Statements - continued for the year ended 28 February 2018

12. Employee benefit obligations - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate	1%	1%
Inflation assumption	3.5%	3.5%
Rate of increase in pension in payment	3.2%	3.2%
Pension revaluation increases	2.0%	2.0%

Assumptions taken into account amongst others is mortality. The mortality rate is based on publicly available mortality S2PM(F)A_L tables for the United Kingdom.

Defined contribution scheme

Emptor Services Limited's arrangements for the provision of pension benefits to its employees consists of a defined contribution scheme, the Hexagon Group Pension Plan. Emptor Services Limited's employees are not the only members of the scheme and therefore the assets are not held exclusively for their benefit.

Contributions made by Emptor Services Limited into the defined contribution scheme during the year was £70,337 (2017: £46,539). At 28 February 2018 and 28 February 2017, there were no outstanding or prepaid contributions.

13. Ultimate parent undertaking and controlling party

Turnover consists of £1.25m (2017 - £1.55m) charged to members of the Cofra Holding AG group of companies. Debtors include a current account balance of £279,554 (2017 - £Nil) due from members of the Cofra Holding AG group of companies. Creditors include a current account balance of £Nil (2017 - £85,802) due to members of the Cofra Holding AG group of Companies.

During the year, Cofra Holding AG transferred its ownership of the company to C&A AG, which is now the immediate parent undertaking, another wholly owned direct subsidiary of Cofra Holding AG. The Directors still regard Cofra Holding AG, an undertaking incorporated in Switzerland, as the ultimate parent undertaking. Cofra Holding AG is the parent undertaking of the largest group of which Emptor Services Limited is a member and for which group financial statements are drawn up.