

Financial Statements Prodrive Investments Limited (formerly Hundred Percent Properties Limited)

For the Year Ended 31 December 2016



Company Information

Directors	D P Richards K Richards
Company secretary	R Eden
Registered number	02298732
Registered office	Prodrive Headquarters Chalker Way Banbury Oxfordshire OX16 4XD
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Balance sheet	6
Notes to the financial statements	7 - 14

Directors' Report

For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The company's principal activity is the development and rental of freehold properties that are owned by the company.

On 11 April 2017 the Company changed its name from Hundred Percent Properties Limited to Prodrive Investments Limited

Results and dividends

The loss for the year, after taxation, amounted to £1,331,176 (2015: profit £1,057,901).

Directors

The directors who served during the year were:

D P Richards
K Richards

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors' Report (continued)

For the Year Ended 31 December 2016

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board on 26 September 2017 and signed on its behalf.

D P Richards
Director



Independent Auditor's Report to the Members of Prodrive Investments Limited (formerly Hundred Percent Properties Limited)

We have audited the financial statements of Prodrive Investments Limited (formerly Hundred Percent Properties Limited) for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss 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.

Independent Auditor's Report to the Members of Prodrive Investments Limited (formerly Hundred Percent Properties Limited) (continued)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report been prepared in accordance with applicable legal requirements.

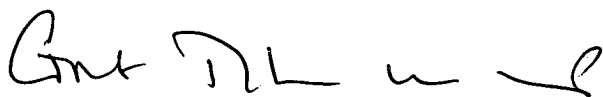
Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

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



David White (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Birmingham

28 September 2017

26

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		-	449,850
Administrative expenses		(2,721)	(19,787)
Exceptional administrative expenses		(1,830,978)	(126,545)
Operating (loss)/profit		(1,833,699)	303,518
Interest receivable and similar income	5	502,646	473,171
Interest payable and expenses		(123)	(244)
(Loss)/profit before tax		(1,331,176)	776,445
Tax on (loss)/profit	6	-	281,456
(Loss)/profit for the year		(1,331,176)	1,057,901
Other comprehensive income for the year			
Total comprehensive income for the year		(1,331,176)	1,057,901

The notes on pages 7 to 14 form part of these financial statements.

Balance Sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	7,188	-
Investment property	9	347,141	91,383
		<u>354,329</u>	<u>91,383</u>
Current assets			
Debtors: amounts falling due after more than one year	10	7,557,875	-
Debtors: amounts falling due within one year	10	9,551,696	18,995,666
Cash at bank and in hand		34,981	3,073
		<u>17,144,552</u>	<u>18,998,739</u>
Creditors: amounts falling due within one year	11	(95,441)	(355,506)
Net current assets		<u>17,049,111</u>	<u>18,643,233</u>
Total assets less current liabilities		<u>17,403,440</u>	<u>18,734,616</u>
Net assets		<u><u>17,403,440</u></u>	<u><u>18,734,616</u></u>
Capital and reserves			
Called up share capital	12	100,000	100,000
Profit and loss account	13	17,303,440	18,634,616
		<u><u>17,403,440</u></u>	<u><u>18,734,616</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2017.

D P Richards
 Director

The notes on pages 7 to 14 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

Hundred Percent Properties Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are presented in Pound Sterling (GBP), which is the Company's functional currency. All financial information presented in GBP is rounded-off to the nearest pound, except when otherwise stated.

Information on the impact of first-time adoption of FRS 102 is given in note 16.

The following principal accounting policies have been applied:

2.2 Going concern

The directors consider that the going concern basis for the preparation of the company's financial statements continue to be appropriate.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	15% per annum
---------------------	---	---------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.12 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2015 -).

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £Nil).

5. Interest receivable

	2016 £	2015 £
Other interest receivable	502,646	473,171

Notes to the Financial Statements

For the Year Ended 31 December 2016

6. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	(281,456)
Total current tax	-	(281,456)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(1,331,176)	776,445
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - %)	(266,235)	-
Effects of:		
Income and expenses not deductible for tax purposes	266,235	-
Adjustments to tax charge in respect of prior periods	-	(281,456)
Total tax charge for the year	-	(281,456)

Factors that may affect future tax charges

The corporation tax rate changes to 19% from 1 April 2017 and to 17% from 1 April 2020.

7. Exceptional items

	2016 £	2015 £
Impairment of investment in subsidiary undertaking	-	126,545
Impairment of amounts owed by group undertakings	1,830,978	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

8. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2016	-
Additions	8,000
At 31 December 2016	<u>8,000</u>
Depreciation	
At 1 January 2016	-
Charge for the period on owned assets	812
At 31 December 2016	<u>812</u>
Net book value	
At 31 December 2016	<u>7,188</u>
At 31 December 2015	<u>-</u>

9. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	91,383
Additions at cost	255,758
At 31 December 2016	<u>347,141</u>

The 2016 valuations were made by the directors, on an open market value for existing use basis.

Notes to the Financial Statements

For the Year Ended 31 December 2016

10. Debtors

	2016 £	2015 £
Due after more than one year		
Other debtors	7,557,875	-
	<u>7,557,875</u>	<u>-</u>
Due within one year		
Trade debtors	400	17,204
Amounts owed by group undertakings	9,532,389	11,923,233
Other debtors	18,907	7,055,229
	<u>9,551,696</u>	<u>18,995,666</u>

Amounts owed to group undertakings include £241,495 (2015: £2,377,161) due from the company's parent undertaking Hundred Percent Group Limited. A further £4,699,198 (2015: £9,546,072) is due from Hundred Percent Hella Limited and £4,591,674 (2015: Nil) is due from Hundred Percent Management Limited, the company's subsidiary undertakings.

Other debtors are loans and accrued interest due from Prodrive (Holdings) Limited, a company under common control. On 1 December 2016, the repayment date was extended to 31 December 2018.

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	75,933	41,225
Corporation tax	-	306,281
Other creditors	19,508	8,000
	<u>95,441</u>	<u>355,506</u>

12. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100,000 Ordinary shares shares of £1 each	<u>100,000</u>	<u>100,000</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

13. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses

14. Related party transactions

	2016 £	2015 £
Prodrive Holdings Limited - property fee	-	450,000
Prodrive Holdings Limited - loan receivable	5,820,000	5,820,000
Prodrive Holdings Limited - interest receivable	1,737,875	1,235,228

Prodrive Holdings Limited is a related party by virtue of it being an associated undertaking of the Hundred Percent Group.

There were no other transactions requiring disclosure under Section 1A of Financial Reporting Standard 102.

15. Controlling party

At 31 December 2016 the company was a wholly owned subsidiary undertaking of Hundred Percent Group Limited, a company registered in England and Wales. The smallest and largest group of undertakings into which the Company is consolidated is that headed by Hundred Percent Group Limited.

On 31 March 2017 the Company was acquired by Prodrive Group Limited and that company became the immediate parent company.

The ultimate controlling party is D P Richards.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

17. Post balance sheet event

Since the year end the Hundred Percent Group has undertaken a group reorganisation. Following this reorganisation there is no fundamental change in the ownership of the group.