

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
SEMCON ENGINEERING UK LIMITED**

THURSDAY



A7DX93XK

A10

06/09/2018

#430

COMPANIES HOUSE

SEMCON ENGINEERING UK LIMITED (REGISTERED NUMBER: 02993766)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Page
Company Information	1
Report of the Directors	2
Independent Auditors' Report	4
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

SEMCON ENGINEERING UK LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS: N Chekaoui
M Granlund
C Krapichler

SECRETARY: P Chandler

REGISTERED OFFICE: Langstone Gate - Building 200
Solent Road
Havant
PO9 1TR

REGISTERED NUMBER: 02993766 (England and Wales)

AUDITORS: Ernst & Young LLP
One Colmore Square
Birmingham
B4 6HQ

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

The Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006.

The Company has availed of the small companies' exemption under Section 414B of the Companies Act 2006 from providing a Strategic Report.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of supply of computer aided design services to the automotive and energy sectors.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2017 was £nil (2016: £500,000).

DIRECTORS

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

N Chekaoui
M Granlund

Other changes in directors holding office are as follows:

A M Hill - resigned 21 August 2017
C Krapichler - appointed 21 August 2017

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), 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 and then apply them consistently;
- make judgements 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.

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.

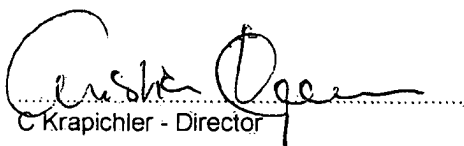
SEMCON ENGINEERING UK LIMITED (REGISTERED NUMBER: 02993766)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

AUDITORS

The auditors, Ernst & Young LLP, who were appointed during the year, have expressed their willingness to continue in office and will be proposed for re-appointment at the forthcoming Annual General Meeting.

SIGNED BY ORDER OF THE DIRECTORS:


C Krapichler - Director

Date: 30/AUG/2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMCON ENGINEERING UK LIMITED

Opinion

We have audited the financial statements of Semcon Engineering UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 20, 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 31 December 2017 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.

Opinions 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 the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEMCON ENGINEERING UK 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 directors' report.

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
- 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the 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.


Andrew Merrick (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

3/9/18

SEMCON ENGINEERING UK LIMITED (REGISTERED NUMBER: 02993766)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

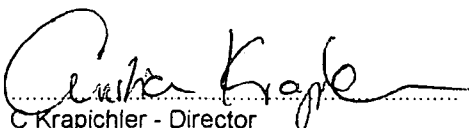
	Notes	2017 £	2016 £
TURNOVER	3	9,447,656	9,235,848
Cost of sales		<u>7,687,154</u>	<u>7,577,659</u>
GROSS PROFIT		1,760,502	1,658,189
Administrative expenses		<u>1,334,629</u>	<u>1,211,916</u>
OPERATING PROFIT	5	425,873	446,273
Interest receivable and similar income	6	<u>887</u>	<u>220</u>
		426,760	446,493
Interest payable and similar expenses	7	<u>1,820</u>	<u>7,593</u>
PROFIT BEFORE TAXATION		424,940	438,900
Tax on profit	8	<u>82,943</u>	<u>83,275</u>
PROFIT FOR THE FINANCIAL YEAR		341,997	355,625
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>341,997</u>	<u>355,625</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	10	5,814	9,427
Tangible assets	11	18,680	29,406
Investments	12	<u>1</u>	<u>1</u>
		24,495	38,834
CURRENT ASSETS			
Debtors	13	1,426,001	1,187,826
Cash at bank		<u>719,897</u>	<u>587,000</u>
		2,145,898	1,774,826
CREDITORS			
Amounts falling due within one year	14	<u>739,560</u>	<u>1,117,342</u>
NET CURRENT ASSETS		<u>1,406,338</u>	<u>657,484</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,430,833	696,318
PROVISIONS FOR LIABILITIES	16	<u>3,549</u>	<u>5,881</u>
NET ASSETS		<u>1,427,284</u>	<u>690,437</u>
CAPITAL AND RESERVES			
Called up share capital	17	15,000	15,000
Retained earnings	18	<u>1,412,284</u>	<u>675,437</u>
SHAREHOLDERS' FUNDS		<u>1,427,284</u>	<u>690,437</u>

The financial statements were approved by the Board of Directors on 30/Aug/2018 and were signed on its behalf by:


C. Krapichler - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	15,000	819,812	834,812
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	<u>355,625</u>	<u>355,625</u>
Balance at 31 December 2016	<u>15,000</u>	<u>675,437</u>	<u>690,437</u>
Changes in equity			
Total comprehensive income	-	<u>736,847</u>	<u>736,847</u>
Balance at 31 December 2017	<u>15,000</u>	<u>1,412,284</u>	<u>1,427,284</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

Semcon Engineering UK Limited is a private company, limited by shares, registered in England. The company's registered number and registered office address can be found on the Company Information page.

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 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.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Semcon Engineering UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Semcon International AB, Lindholmsallén 2, SE-41780 Gothenburg, Sweden.

Significant judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies below.

Turnover

Turnover represents amounts derived from the provision of services which fall within the company's ordinary activities after deduction of value added tax. Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of service provided to date. The turnover and pre-tax profit is attributable to the principal activity of the company.

Intangible assets - patents and licences

Patents and licenses are included at cost and amortised in equal annual instalments over a period of 10 years which is their estimated useful economic life. Provision is made for any impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Current taxation, including UK Corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Lease commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Financial instruments

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

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 statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2017 £	2016 £
Rendering of services	9,447,656	9,235,848
	<u>9,447,656</u>	<u>9,235,848</u>

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	5,668,594	4,894,999
Sweden	3,684,586	4,156,132
Germany	94,476	184,717
	<u>9,447,656</u>	<u>9,235,848</u>

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	1,634,912	1,870,535
Social security costs	178,865	205,111
Other pension costs	237,380	233,255
	<u>2,051,157</u>	<u>2,308,901</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2017	2016
Productive	25	31
Administrative	<u>9</u>	<u>9</u>
	<u>34</u>	<u>40</u>

	2017 £	2016 £
Directors' remuneration	169,753	160,852
Directors' pension contributions to money purchase schemes	<u>34,840</u>	<u>31,377</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Other operating leases	109,366	121,987
Depreciation - owned assets	17,249	21,558
Loss on disposal of fixed assets	2,428	-
Patents and licences amortisation	3,389	4,305
Auditors' remuneration	4,625	2,875
Foreign exchange differences	<u>13,030</u>	<u>(150,746)</u>

Auditor's remuneration comprises the fee payable to the auditor for the statutory audit of the company's financial statements. There was no auditor remuneration in relation to non-audit services in the current or preceding year.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Deposit account interest	183	9
Group interest charge	<u>704</u>	<u>211</u>
	<u>887</u>	<u>220</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Group interest payable	-	7,593
Corporation tax interest	<u>1,820</u>	<u>-</u>
	<u>1,820</u>	<u>7,593</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	85,275	85,787
Deferred tax	<u>(2,332)</u>	<u>(2,512)</u>
Tax on profit	<u>82,943</u>	<u>83,275</u>

UK corporation tax has been charged at 19.25% (2016 - 20%).

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>424,940</u>	<u>438,900</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	81,788	87,780
Effects of:		
Expenses not deductible for tax purposes	1,155	965
Group Relief	<u>-</u>	<u>(5,470)</u>
Total tax charge	<u>82,943</u>	<u>83,275</u>

At the Summer Budget 2015 the Government announced that the main rate of Corporation Tax would reduce from 20% to 19% with effect from 1 April 2017. The reduction in the rate of corporation tax to 19% was substantively enacted on 8 July 2015, hence the rate applied in 2017 is the blended rate of 19.25%.

The rate used for closing deferred tax balances is 17%.

9. DIVIDENDS

	2017 £	2016 £
Interim	<u>-</u>	<u>500,000</u>

No dividends were declared during the year (2016: £33 per share on 6 July 2016).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

10. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 January 2017	22,085
Disposals	<u>(585)</u>
At 31 December 2017	<u>21,500</u>
AMORTISATION	
At 1 January 2017	12,658
Amortisation for year	3,389
Eliminated on disposal	<u>(361)</u>
At 31 December 2017	<u>15,686</u>
NET BOOK VALUE	
At 31 December 2017	<u>5,814</u>
At 31 December 2016	<u>9,427</u>

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2017	37,980	12,143	141,110	191,233
Additions	-	-	8,726	8,726
Disposals	<u>(7,018)</u>	<u>-</u>	<u>(3,703)</u>	<u>(10,721)</u>
At 31 December 2017	<u>30,962</u>	<u>12,143</u>	<u>146,133</u>	<u>189,238</u>
DEPRECIATION				
At 1 January 2017	28,487	12,143	121,197	161,827
Charge for year	4,625	-	12,624	17,249
Eliminated on disposal	<u>(4,815)</u>	<u>-</u>	<u>(3,703)</u>	<u>(8,518)</u>
At 31 December 2017	<u>28,297</u>	<u>12,143</u>	<u>130,118</u>	<u>170,558</u>
NET BOOK VALUE				
At 31 December 2017	<u>2,665</u>	<u>-</u>	<u>16,015</u>	<u>18,680</u>
At 31 December 2016	<u>9,493</u>	<u>-</u>	<u>19,913</u>	<u>29,406</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2017	
and 31 December 2017	<u>1</u>
NET BOOK VALUE	
At 31 December 2017	<u>1</u>
At 31 December 2016	<u>1</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Semcon UK Limited

Registered office: Langstone Gate - Building 200, Solent Road, Havant, PO9 1TR

Nature of business: Provision of consulting services

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(91,306)	(154,947)
Profit/(loss) for the year		<u>63,641</u>	<u>(27,351)</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	371,566	242,179
Amounts owed by group undertakings	664,003	505,363
Amounts recoverable on contracts	342,051	360,131
Other debtors	8,700	16,075
VAT	-	13,617
Prepayments and accrued income	<u>39,681</u>	<u>50,461</u>
	<u>1,426,001</u>	<u>1,187,826</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	391,423	523,855
Amounts owed to group undertakings	6,091	375,531
Tax	35,275	50,787
Social security and other taxes	49,715	50,245
VAT	44,982	-
Other creditors	40,190	46,322
Accruals and deferred income	<u>171,884</u>	<u>70,602</u>
	<u>739,560</u>	<u>1,117,342</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	51,800	71,550
Between one and five years	<u>47,200</u>	<u>37,500</u>
	<u>99,000</u>	<u>109,050</u>

16. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	<u>3,549</u>	<u>5,881</u>

	Deferred tax £
Balance at 1 January 2017	5,881
Credit to Statement of Comprehensive Income during year	<u>(2,332)</u>
Balance at 31 December 2017	<u>3,549</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
1,500	Ordinary	£10	<u>15,000</u>	<u>15,000</u>

18. RESERVES

	Retained earnings £
At 1 January 2017	675,437
Profit for the year	341,997
Capital contribution	<u>394,850</u>
At 31 December 2017	<u>1,412,284</u>

19. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Semcon AB, a public quoted company registered in Sweden, this being the smallest and largest group into which this company is consolidated. A copy of the parent company financial statements, which are prepared in accordance with EEC 7th company Law Directive, are available from the company's registered office at Lindholmsallén 2, SE-41780 Gothenburg, Sweden.

20. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is Semcon AB, a public quoted company registered in Sweden.