

Company Registration No. 03434393 (England and Wales)

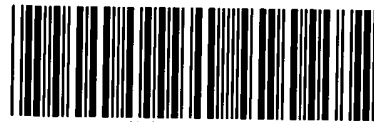
**A 2 C SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 SEPTEMBER 2016**

FRIDAY



\*L69OWNHS\*

LD8

30/06/2017

#71

COMPANIES HOUSE



3 Acorn Business Centre  
Northarbour Road  
Cosham  
Portsmouth  
United Kingdom  
PO6 3TH

**CONTENTS**

---

	<b>Page</b>
Company information	1
Strategic report	2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 22

---

## **A 2 C SERVICES LIMITED**

### **COMPANY INFORMATION**

---

<b>Directors</b>	Mr. R. J. Neale Mrs. S. A. Neale Mr. S Taylor Mr. L. Best Mr. S. De Gruchy
<b>Company number</b>	03434393
<b>Registered office</b>	Unit E Railway Triangle Walton Road Portsmouth Hampshire United Kingdom PO6 1TY
<b>Auditor</b>	tgs taylorcocks 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH
<b>Business address</b>	Unit E Railway Triangle Walton Road Portsmouth Hampshire United Kingdom PO6 1TY

## A 2 C SERVICES LIMITED

### STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present the strategic report for the year ended 30 September 2016.

#### Key performance indicators

	2016	2015	Change	Change
Turnover	16,275,888	13,165,164	3,110,724	23.63%
Gross Profit	3,169,679	3,393,892	-224,213	-6.61%
GP%	19.47%	25.78%		
Pre tax profit	2,221,385	2,524,826	-303,441	-12.02%

#### Review of the business

Another successful trading year with Turnover increased significantly, up 23.63%. GP% did fall, down by 6.31%, last years GP% included a few significant one off deals which were more profitable than our normal trade, in addition with sales of laptops increasing significantly and an increase in higher specification PC, although they return similar gross profit amount, the increased selling price produces a lower gross profit %.

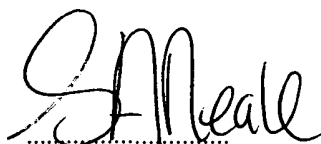
The net profit fell by 12.02%, a result of reduced GP% and increased Administrative costs.

The Group has completed the building of its new Factory in the UAE, completed April 2017. This will enable a significant expansion in the laptop refurbishment program and although 2017 has proven to be a difficult year so far the directors are excited by the new building and continued development of the laptop refurbishment program.

#### Principal risks and uncertainties

Being an international trading company the most obvious risk is the exposure to Foreign Exchange. The company manages this risk by maintaining currency bank accounts in the currencies in which its trades and trying to minimise its exposure wherever possible.

On behalf of the board



Mrs. S. A. Neale

Director

29/6/2017

## **A 2 C SERVICES LIMITED**

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

The directors present their annual report and financial statements for the year ended 30 September 2016.

#### **Principal activities**

The principal activity of the company in the year was the buying and selling of electronic office equipment.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr. R. J. Neale  
Mrs. S. A. Neale  
Mr. S Taylor  
Mr. L. Best  
Mr. S. De Gruchy

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Financial instruments**

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and;
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

The company holds or issues financial instruments in order to achieve three main objectives, being:

#### **Currency risk**

The company manages currency risk by holding bank accounts in the foreign currencies in which it operates.

#### **Credit risk**

The company monitors credit risk closely and considers that its current policies of credit check meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

## A 2 C SERVICES LIMITED

### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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;
- 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.

#### Strategic report

In accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Directors have set out in the company's Strategic Report on page 1, such information as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

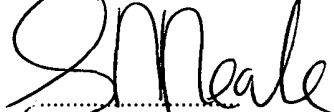
#### Auditor

The auditor, tgs taylorcocks, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mrs. S. A. Neale

Director

29/6/2017

## **A 2 C SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF A 2 C SERVICES LIMITED**

---

We have audited the financial statements of A 2 C Services Limited for the year ended 30 September 2016 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 set out on pages 3 - 4, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 30 September 2016 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.

#### **Opinion on other matters 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 financial statements are prepared is consistent with the financial statements.

**A 2 C SERVICES LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**


**TO THE MEMBERS OF A 2 C SERVICES LIMITED**

---

**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.



**James Blake ACA (Senior Statutory Auditor)**  
for and on behalf of



**Chartered Accountants**  
**Statutory Auditor**

29/6/2017

**Office: Portsmouth**



**A 2 C SERVICES LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover	<b>3</b>	16,275,888	13,165,164
Cost of sales		(13,106,209)	(9,771,272)
<b>Gross profit</b>		<b>3,169,679</b>	<b>3,393,892</b>
Administrative expenses		(941,962)	(869,130)
<b>Operating profit</b>	<b>4</b>	<b>2,227,717</b>	<b>2,524,762</b>
Interest receivable and similar income		34	64
Interest payable and similar charges	<b>7</b>	(6,366)	-
<b>Profit before taxation</b>		<b>2,221,385</b>	<b>2,524,826</b>
Taxation	<b>8</b>	(394,325)	(466,126)
<b>Profit for the financial year</b>		<b>1,827,060</b>	<b>2,058,700</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,827,060</b>	<b>2,058,700</b>

---

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**A 2 C SERVICES LIMITED**

**BALANCE SHEET**

**AS AT 30 SEPTEMBER 2016**

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	10	66,670	100,803
<b>Current assets</b>			
Stocks	11	2,128,372	1,407,600
Debtors	12	7,296,999	5,483,855
Cash at bank and in hand		1,061,141	2,084,966
		<u>10,486,512</u>	<u>8,976,421</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(881,512)</u>	<u>(1,225,204)</u>
<b>Net current assets</b>		<u>9,605,000</u>	<u>7,751,217</u>
<b>Total assets less current liabilities</b>		<u>9,671,670</u>	<u>7,852,020</u>
<b>Provisions for liabilities</b>	15	<u>(12,449)</u>	<u>(19,859)</u>
<b>Net assets</b>		<u><u>9,659,221</u></u>	<u><u>7,832,161</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	2	2
Profit and loss reserves		<u>9,659,219</u>	<u>7,832,159</u>
<b>Total equity</b>		<u><u>9,659,221</u></u>	<u><u>7,832,161</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29/06/2017 and are signed on its behalf by:

Mr. R. J. Neale  
Director

Mrs. S. A. Neale  
Director

Company Registration No. 03434393

**A 2 C SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 October 2014	2	5,773,459	5,773,461
Year ended 30 September 2015:			
Profit and total comprehensive income for the year	-	2,058,700	2,058,700
		<hr/>	<hr/>
Balance at 30 September 2015	2	7,832,159	7,832,161
Year ended 30 September 2016:			
Profit and total comprehensive income for the year	-	1,827,060	1,827,060
		<hr/>	<hr/>
Balance at 30 September 2016	2	9,659,219	9,659,221
	<hr/>	<hr/>	<hr/>

## **A 2 C SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

#### **1 Accounting policies**

##### **Company information**

A 2 C Services Limited is a company limited by shares incorporated in England and Wales. The registered office is Unit E Railway Triangle, Walton Road, Portsmouth, Hampshire, United Kingdom, PO6 1TY.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of A 2 C Services Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

There were no adjustments required to the accounts upon the transition to FRS 102.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;

The financial statements of the company are consolidated in the financial statements of ATOC Hol Limited. These consolidated financial statements are available from its registered office, 3 Acorn Business Centre, Northarbour Road, Portsmouth, PO6 3TH.

**A 2 C SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**1 Accounting policies**

**(Continued)**

**1.2 Turnover**

Turnover comprises the invoice value of sales of goods, excluding value added tax, and is recognised on the day the goods are dispatched to the customer.

**1.3 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% straight line
Plant and machinery	25% straight line
Fixtures, fittings & equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.4 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises all directly attributable costs incurred in bringing the stock to its current location and condition. Provision is made for obsolete, slow moving or defective items where appropriate.

**1.5 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

**1.6 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

**Basic financial assets**

Basic financial assets, which include debtors, amounts due from fellow subsidiary undertakings and cash and bank balances, are initially measured at transaction price including transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

1 Accounting policies

(Continued)

**Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows and is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Classification of financial liabilities**

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 company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

**Other financial liabilities**

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**A 2 C SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**1 Accounting policies**

**(Continued)**

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.7 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1.8 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**A 2 C SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**1 Accounting policies**

**(Continued)**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

**1.9 Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**1.10 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**1.11 Research and development**

Expenditure relating to research and development activity is expensed to the profit and loss in the period in which it is incurred.

**1.12 Related party transactions**

As a wholly owned subsidiary of ATOC HOL Limited, the company is exempt from disclosing transactions with other wholly owned members of the group, in accordance with FRS 102 Section 33.1A.



**A 2 C SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Stock Valuation**

The company purchases significant quantities of varying stock in bulk from suppliers as part of a "Deal". As such, the value attributed to the Deal stock purchased is on the basis of the total cost as a whole, for all the units acquired. The Deal stock value is reduced according to the percentage of the block of that stock which is subsequently sold. The directors judge this to be an appropriate basis rather than taking into account the differing costs involved in bringing each individual unit to market.

The consideration of estimated selling price exceeding unit cost is performed on the same basis.

**A 2 C SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2016****3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

**Turnover analysed by geographical market**

	2016 £	2015 £
United Kingdom	2,342,643	3,084,460
Overseas	13,933,245	10,080,704
	<u>16,275,888</u>	<u>13,165,164</u>

**4 Operating profit**

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(397,562)	(177,527)
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	9,000
Depreciation of owned tangible fixed assets	39,866	44,669
Operating lease charges	<u>231,706</u>	<u>287,651</u>

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administration staff	11	10
Production staff	15	14
	<u>26</u>	<u>24</u>

**A 2 C SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**5 Employees (Continued)**

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	723,413	494,107
Social security costs	67,786	39,577
	<u>791,199</u>	<u>533,684</u>

**6 Directors' remuneration**

	2016	2015
	£	£
Remuneration for qualifying services	<u>176,359</u>	<u>164,084</u>

The directors are also considered to be the Key Management Personnel of the company.

**7 Interest payable and similar charges**

	2016	2015
	£	£
Other interest on financial liabilities	<u>6,366</u>	<u>-</u>

**8 Taxation**

	2016	2015
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>401,735</u>	<u>467,505</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(7,410)</u>	<u>(1,379)</u>
<b>Total tax charge</b>	<u>394,325</u>	<u>466,126</u>

**A 2 C SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2016****8 Taxation****(Continued)**

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Profit before taxation	2,221,385	2,524,826
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.50%)	444,277	517,589
Tax effect of expenses that are not deductible in determining taxable profit	779	783
Effect of change in corporation tax rate	(429)	(1,002)
Group relief	(50,000)	(51,244)
	(302)	-
	<u>          </u>	<u>          </u>
Tax expense for the year	394,325	466,126
	<u>          </u>	<u>          </u>

**9 Intangible fixed assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 October 2015 and 30 September 2016	100,000
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 October 2015 and 30 September 2016	100,000
	<u>          </u>
<b>Carrying amount</b>	
At 30 September 2016	-
	<u>          </u>
At 30 September 2015	-
	<u>          </u>

**A 2 C SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**10 Tangible fixed assets**

	Land & buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2015	48,166	46,814	117,128	212,108
Additions	-	-	5,733	5,733
At 30 September 2016	48,166	46,814	122,861	217,841
<b>Depreciation and impairment</b>				
At 1 October 2015	14,344	25,425	71,536	111,305
Depreciation charged in the year	8,029	9,037	22,800	39,866
At 30 September 2016	22,373	34,462	94,336	151,171
<b>Carrying amount</b>				
At 30 September 2016	25,793	12,352	28,525	66,670
At 30 September 2015	33,822	21,389	45,592	100,803

**11 Stocks**

	2016 £	2015 £
Finished goods and goods for resale	2,128,372	1,407,600

**12 Debtors**

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	413,502	381,444
Amount due from parent and fellow subsidiary undertakings	6,736,949	4,756,594
Other debtors	150	3,560
Director's current accounts	31,636	-
VAT recoverable	57,366	282,140
Prepayments and accrued income	57,396	60,117
	7,296,999	5,483,855

**A 2 C SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**13 Creditors: amounts falling due within one year**

	Notes	2016 £	2015 £
Other borrowings		500,000	500,000
Trade creditors		172,114	212,672
Corporation tax		151,590	467,507
Other taxation and social security		18,490	14,860
Other creditors		9,511	4,485
Accruals and deferred income		29,807	25,680
		<u>881,512</u>	<u>1,225,204</u>

**14 Provisions for liabilities**

		2016 £	2015 £
Deferred tax liabilities	15	12,449	19,859
		<u>12,449</u>	<u>19,859</u>

**15 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Accelerated capital allowances	<u>12,449</u>	<u>19,859</u>
<b>Movements in the year:</b>		2016 £
Liability at 1 October 2015		19,859
Credit to profit and loss		(7,410)
Liability at 30 September 2016		<u>12,449</u>

**A 2 C SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2016****16 Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

**17 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Within one year	175,000	175,000
Between two and five years	350,000	525,000
	<u>525,000</u>	<u>700,000</u>
	<u>525,000</u>	<u>700,000</u>

**18 Financial commitments, guarantees and contingent liabilities**

A 2 C Services Limited has provided a guarantee to the holders of the loan note instruments held within ATOC HOL Limited. At 30th September 2016 the total loan note instruments in issue, owed by ATOC HOL Limited was £11,200,000 (2015 - £11,950,000). No losses are expected to arise to A 2 C Services as a result of this guarantee.

**A 2 C SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**19 Related party transactions**

As a wholly owned subsidiary of ATOC HOL Limited, the company is exempt from disclosing transactions with other wholly owned members of the group, in accordance with FRS 102 Section 33.1A.

Mr R. Neale and Mrs S. Neale are directors of the company and have provided a short-term loan of £500,000 to A 2 C Services Limited, upon which a commercial rate of interest is paid.

Mr L. Best is a director of the company. During the year the company advanced Mr L. Best £15,636. At the year end Mr Best owed the company £15,636.

Mr S. De Gruchy is a director of the company. During the year the company advanced Mr S. De Gruchy £16,000. At the year end Mr De Gruchy owed the company £16,000.

**20 Controlling party**

The parent company of A 2 C Services Limited is A 2 C Holdings Limited, a company registered in England and Wales.

The company was under the control of ATOC HOL Limited, a company incorporated in England and Wales. ATOC HOL Limited is considered to be the largest group for which the company is included in consolidated financial statements. The ultimate controlling party of ATOC HOL Limited is considered to be the families of Mr R. Neale and Mrs S. Neale by virtue of their shareholding. Copies of the consolidated financial statements are available from the company's registered office.