

Registered number: 03471086

KWP INTERIORS LTD

Annual Report

For the Year Ended 31 December 2016

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Contents

Company information	3
Strategic report	4
Directors' report	5 - 6
Independent Auditors' report to the members of KWP Interiors Ltd	7 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 27

Company information

Directors	M A Hegdal E A Prescott J A Wassberg
Company Secretary	A J Lord
Registered Number	03471086
Registered Office	Paula Rosa Manhattan Blenheim Road Lancing Business Park Lancing West Sussex BN15 8UH
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Portland Building 25 High Street Crawley, West Sussex RH10 1BG
Bankers	Nordea Bank Finland PLC 8th Floor, City Place House 55 Basinghall Street London EC2V 5NB
Solicitors	Bennett Griffin LLP 11 Sea Lane Ferring West Sussex BN12 5DR

Strategic report

For the Year Ended 31 December 2016

The directors present their Strategic report for KWP Interiors Ltd (the "company") for the year ended 31 December 2016.

Business review

The assets and resources of the trading business were transferred to Dennis & Robinson Limited at the end of 2015 and the employee pension liabilities were transferred in 2016. The remaining asset is the land and building at Water Lane, in Storrington, West Sussex, which has been sold to BDW Trading Limited. The transaction legally completed on 7 February, 2017.

Net liabilities at 31 December 2016 is £1,748,000 (2015: net liabilities: £919,000).

The results for the financial year show an operating profit of £99,000 (2015: operating loss £255,000).

Future developments

The company has redeemed outstanding loans and completed the novation of pension assets and liabilities to Dennis & Robinson Limited following the sale of land and property February 2017.

The company sold the land and property in February 2017 realising a profit on disposal of £4,200,000. There are no further trading activities expected following these transactions.

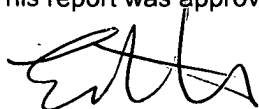
Principal risks and uncertainties

Following the company's cessation of trade in 2015, transfer of pension liability in 2016 and sale of land and property and subsequent redemption of outstanding loans, the principal remaining risk is the valuation of intercompany debt. The company is dependent on the support of Ballingslöv International AB to meet any future obligations and hence risk and uncertainty is constrained to the solidity and intentions of the parent company.

Financial key performance indicators

The company no longer trades and so the directors do not believe a disclosure of key performance indicators is necessary.

This report was approved by the board on 1st June, 2017 and signed on its behalf by:



E A Prescott
Director

Directors' report

For the Year Ended 31 December 2016

The directors present their annual report and the audited financial statements for KWP Interiors Ltd (the "company") for the year ended 31 December 2016.

Principal activity

The principal activity of the company in the year under review was to hold property. A contract with BDW Trading Limited to purchase the entire freehold land and property was completed in February 2017.

Results and dividends

The result for the financial year amounted to nil (2015: loss £647,000).

No dividends will be distributed for the year ended 31 December 2016 (2015 : £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

I J Flitcroft (resigned 23rd February, 2017)
M A Hegdal
E A Prescott
J A Wassberg

Employees

All former employees of the company were transferred to Dennis & Robinson Limited in 2015.

Going concern

The company's financial statements have been prepared on a going concern basis. The company was not trading as a kitchen manufacturer during the year. The company's parent, Ballingslöv International AB, has indicated its willingness to provide any necessary financial support to the company in order that it can meet its liabilities as they fall due and realise the value of its assets.

Post balance sheet events

The company completed the sale of Freehold Land and Property on 7 February, 2017. Net proceeds were £7,100,000.

Directors' report

For the Year Ended 31 December 2016

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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 auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1st June, 2017 and signed on its behalf by:



E A Prescott
Director

Independent Auditors' Report to the Members of KWP Interiors Ltd

Report on the financial statements

Our opinion

In our opinion, KWP Interiors Ltd's financial statements (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 result 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of KWP Interiors Ltd (continued)

Responsibilities for the financial statements and the audit

As explained more fully in the Directors' responsibilities statement set out on page 6, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

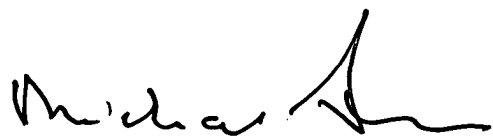
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Michael Jones (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

1 June 2017

Registered number: 03471086

Statement of comprehensive income
for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Administrative expenses		(76)	(255)
Other operating income		175	-
Operating profit/(loss)	5	99	(255)
Interest payable and similar charges	9	(99)	(266)
Result/(loss) on ordinary activities before taxation		-	(521)
Tax on result/(loss) on ordinary activities	10	-	(126)
Result/(loss) for the financial year		-	(647)
Other comprehensive income for the financial year			
Actuarial (loss)/gain on defined benefit pension scheme		(1,000)	66
Movement of deferred tax relating to movement on pension deficit		170	(13)
Other comprehensive (loss)/income for the financial year		(830)	53
Total comprehensive loss for the financial year		(830)	(594)

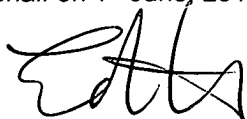
The notes on pages 12 to 27 form part of these financial statements.

Registered number: 03471086

Statement of financial position
As at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible fixed assets	11	3,319	3,395
		<u>3,319</u>	<u>3,395</u>
Current assets			
Debtors	13	-	4,580
		<u>-</u>	<u>4,580</u>
Creditors: amounts falling due within one year	14	(5,068)	-
		<u>(5,068)</u>	<u>-</u>
Net current (liabilities)/assets		(5,068)	4,580
Total assets less current liabilities		(1,749)	7,975
Creditors: amounts falling due after more than one year	15	-	(5,068)
Pension liability	22	-	(3,826)
		<u>-</u>	<u>(3,826)</u>
Net liabilities		(1,749)	(919)
Called up share capital	18	9,533	9,533
Share premium account	19	4,000	4,000
Other reserves	19	4,500	4,500
Profit and loss account	19	(19,782)	(18,952)
		<u>(1,749)</u>	<u>(919)</u>
Total shareholders' deficit		(1,749)	(919)

The financial statements on pages 9 to 27 were approved by the Board of Directors and were signed on its behalf on 1st June, 2017;



E A Prescott
Director

**Statement of changes in equity
for the year ended 31 December 2016**

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total shareholders' deficit £000
At 1 January 2016	9,533	4,000	4,500	(18,952)	(919)
Result for the financial year	-	-	-	-	-
Other comprehensive expense: Actuarial losses on pension scheme, net of deferred tax				(830)	(830)
Total comprehensive loss for the financial year	-	-	-	(830)	(830)
At 31 December 2016	9,533	4,000	4,500	(19,782)	(1749)

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total shareholders' deficit £000
At 1 January 2015	9,533	4,000	4,500	(18,358)	(325)
Loss for the financial year	-	-	-	(647)	(647)
Change in pension liability net of deferred tax				53	53
Total comprehensive expense for the financial year	-	-	-	(594)	(594)
At 31 December 2015	9,533	4,000	4,500	(18,952)	(919)

The notes on pages 12 to 27 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 December 2016

1. General information

KWP Interiors Ltd ("The company") is a private company limited by shares and is incorporated in England. The address of the company's registered office is Paula Rosa Manhattan, Blenheim Road, Lancing Business Park, Lancing, West Sussex BN15 8UH.

The principal activities of the company during the year was holding a property and being the principal employer of a defined pension scheme. In previous years the company's principal activities also included the manufacturing and installation of kitchens and bathrooms for the new housing market. This business was transferred to a fellow group company, Dennis & Robinson LTD, on 1 January 2015.

2. Statement of compliance

These financial statements have been prepared in accordance United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company's functional and presentation currency is pounds sterling. In the financial statements monetary amounts are rounded to thousands unless otherwise indicated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 17.

3.2 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the 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 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7 with respect to key management compensation.

This information is included in the consolidated financial statements of Stena AB as at 31 December 2016 and these financial statements may be obtained from Box 7123, 402 33 Gothenburg, Sweden.

Notes to the Financial Statements
For the Year Ended 31 December 2016

3. Summary of significant accounting policies (continued)

3.3 Consolidated financial statements

The company has taken advantage of the exemptions under section 400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of a parent which prepares group financial statements, and as such these financial statements present financial information about the company as an individual undertaking.

3.4 Going concern

The company's financial statements have been prepared on a going concern basis. The company's parent, Ballingslöv International AB, has indicated its willingness to provide any necessary financial support to the company in order that it can meet its liabilities as they fall due and realise the value of its assets for at least 12 months from the date of the approval of these financial statements.

3.5 Revenue recognition

Turnover is recognised at the fair value of the consideration receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, and is recognised when goods and services are provided to customers upon delivery or application for payment, depending on the contract for sale. As turnover is recognised a corresponding amount is included within debtors.

3.6 Intangible assets

Intangible fixed assets purchased are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight-line basis at rates sufficient to write off the cost less estimated residual values of individual assets over their estimated useful economic lives and is charged to the Statement of comprehensive income. The principal annual amortisation rate for goodwill and intellectual property is between 3 and 4 years. Amortisation is revised prospectively for any significant change in useful life or residual value.

3.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its estimated useful economic life. The principal annual rates used for this purpose are as follows:

Freehold land & property	-	2% on cost
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Tangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes to the Financial Statements
For the Year Ended 31 December 2016

3. Summary of significant accounting policies (continued)

3.8 Cash

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

3.9 Provisions

Provisions are recognised when the company has a present legal or constructive obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Provision is made for the best estimate of the costs of meeting claims received against product guarantees and claims expected to be received against guarantees issued before the year-end. Estimates are based on past experience of the level of claims and costs incurred.

3.10 Financial instruments

The company has chosen to adopt the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in respect of its financial instruments. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Financial assets

Basic financial assets including trade debtors and other receivables and cash and bank balances, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction in which case the transaction is initially and subsequently measured at the present value of future receipts discounted at a market rate of interest.

A provision for impairment of financial assets is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of comprehensive income for the excess of the carrying value of the asset over the present value of the estimated future cash flows.

(ii) Financial liabilities and equity

Basic financial liabilities, including trade and other payables, and bank loans and overdrafts are initially recognised at transaction price unless the arrangement constitutes a financing transaction in which case the transaction is initially and subsequently measured at the present value of future payments discounted at a market rate of interest.

Derivatives, including 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 to fair value at each reporting date. Fair value gains and losses are recognised in the Statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Notes to the Financial Statements
For the Year Ended 31 December 2016

3. Summary of significant accounting policies (continued)

3.10 Financial instruments (continued)

(iii) Hedging arrangements

The company does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

(iv) Dividends

Final dividends to the company's shareholders are recognised as liabilities in the period in which the dividends are approved by the shareholders. Interim dividends to the company's shareholders are recognised as liabilities in the period in which the dividends are paid. These amounts are recognised in the Statement of changes in equity.

(v) De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3.11 Contingent liabilities and assets

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

3.12 Related parties

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2016

3. Summary of significant accounting policies (continued)

3.13 Pension costs and other post-retirement benefits

The company operates a number of pension schemes under which retirement benefits for employees are funded by contributions from the company and employees.

Defined contribution scheme:

For the defined contribution scheme the amount charged to the Statement of comprehensive income in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of financial position.

Defined benefit schemes:

For the defined benefit schemes the amount charged to the Statement of comprehensive income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs. Actuarial gains and losses arising from new valuations and from updating valuations to the Statement of financial position date are recognised in the Statement of comprehensive income.

Defined benefit schemes are funded with the assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary are obtained at least every three years and are updated to reflect current conditions at each Statement of financial position date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of financial position only to the extent that the surplus may be recovered by reduced further contributions or to the extent that the trustees have agreed a refund from the scheme at the Statement of financial position date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

3.14 Provisions

Provisions are recognised when the company has a present legal or constructive obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within 'interest payable and similar charges' in the Statement of comprehensive income.

Provision is made for the best estimate of the costs of meeting claims received against product guarantees and claims expected to be received against guarantees issued before the year-end. Estimates are based on past experience of the level of claims and costs incurred.

3.15 Taxation

The charge for taxation represents the sum of the current tax charge and deferred tax charge. Current tax is based on the taxable profit for the year or prior years. Taxable profit differs from total comprehensive income because it equals taxable income adjusted for amounts determined in accordance with the rules established by the taxation authorities.

Notes to the Financial Statements
For the Year Ended 31 December 2016

3. Summary of significant accounting policies (continued)

3.15 Taxation (continued)

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the average tax rates that are expected to apply to the periods in which the asset is realised or the liability is settled based on tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.

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

Current and deferred tax is charged or credited in the Statement of comprehensive income.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Statement of financial position date and the amounts reported for revenue and expenses during the year. Judgements and estimates are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

However, the nature of estimation means that actual outcomes are likely to differ from those estimates.

The Directors do not consider there to be any significant judgements or estimates which impact the Company at the time of approving the financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2016

5. Operating profit/(loss)

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

	2016	2015
	£000	£000
Administrative costs for pension scheme	-	246
Depreciation of property	76	-
Management charge	(175)	-
	<hr/>	<hr/>

6. Auditors' remuneration

	2016	2015
	£000	£000
Fees payable to the company's auditors in respect of:		
- Audit of the company's financial statements	-	12
- Other services relating to taxation	-	8
	<hr/>	<hr/>

Note: the audit costs for the company are charged to the sister company Dennis & Robinson Limited.

7. Employees

Staff costs:

	2016	2015
	£000	£000
Other pension costs	-	246
	<hr/>	<hr/>
	-	246
	<hr/>	<hr/>

The average monthly number of employees, including the directors, during the year was nil (2015: nil).

8. Directors' remuneration

All Directors' emoluments and contributions to pension schemes are paid by other group companies in the current year (2015: £nil). Their services to the company are of a non-executive nature and their remuneration including pension benefits, is deemed to be wholly attributable to their services to other group companies. Accordingly, none of the directors received any remuneration for their services as a director of the Company during the year (2015: £nil).

Notes to the Financial Statements
For the Year Ended 31 December 2016**9. Interest payable and similar charges**

	2016	2015
	£000	£000
Bank interest payable	99	109
Net interest on net defined benefit liability	-	157
	<hr/>	<hr/>
	99	266
	<hr/>	<hr/>

10. Tax on result/(loss) on ordinary activities

	2016	2015
	£000	£000
Deferred tax		
Effects from changes in tax rates: pension	-	76
Defined benefit pension scheme	-	50
	<hr/>	<hr/>
	-	126
	<hr/>	<hr/>

Notes to the Financial Statements
For the Year Ended 31 December 2016

10. Tax on loss on ordinary activities (continued)

Factors affecting the tax charge for the year

The tax assessed for the year was lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	£000	£000
Result/(loss) on ordinary activities before tax	-	(521)
Result/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	-	(106)
Effects of:		
Unrelieved tax losses carried forward and not recognised	-	156
Effects of changes in tax rates	-	76
Total tax charge for the year	-	126

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this financial year are taxed at an effective rate of 20.0%.

The Finance (No. 2) Act was substantively enacted on 26 October 2015. This Act included provisions reducing the main rate of UK corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. It was announced at the 2016 Budget that the rate of UK corporation tax will reduce to 17% effective from 1 April 2020, instead of the previously enacted rate of 18% effective from that date. This change was enacted in the Finance Act 2016 on 15 September 2016 and so the rate of 17% has been used to measure deferred tax balance in these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2016

11. Tangible fixed assets

	Freehold land & property £000
Cost	
At 1 January 2016	5,492
At 31 December 2016	<u>5,492</u>
Accumulated depreciation	
At 1 January 2016	2,097
Charge for the year	76
At 31 December 2016	<u>2,173</u>
Net Book Value	
At 31 December 2016	<u>3,319</u>
At 31 December 2015	<u>3,395</u>

The freehold land and property were sold in their entirety on 7 February 2017.

12. Investments**Subsidiary undertakings**

The following is the subsidiary undertaking for the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
KWP Retirement Benefits Scheme Trustees LTD	UK	Ordinary	100%	Registration of trustees for the KWP retirement benefits scheme

The registered address is Paula Rosa Manhattan Blenheim Road, Lancing Business Park, Lancing, West Sussex, BN15 8UH.

Notes to the Financial Statements
For the Year Ended 31 December 2016

13. Debtors

	2016	2015
	£000	£000
Amounts owed by group undertakings	-	3,892
Deferred taxation	-	688
	<u>-</u>	<u>4,580</u>

Note that during the year sister company Dennis & Robinson Limited assumed the pension liabilities of the KWP retirement benefits scheme. The deferred tax asset which was previously accrued against the future contributions to the pension fund has therefore been transferred.

14. Creditors: amounts falling within one year

	2016	2015
	£000	£000
Bank loans and overdrafts	5,068	-
	<u>5,068</u>	<u>-</u>

Secured loans

The bank loan is part of a group facility secured on the assets of Ballingslöv International AB. The interest paid is 1.1% over UK base rate and is repayable 31 January 2017.

15. Creditors: amounts falling due after more than one year

	2016	2015
	£000	£000
Bank loans and overdrafts	-	5,068
	<u>-</u>	<u>5,068</u>

The bank loan was renegotiated during the year and now forms part of a group facility held by Ballingslöv International AB. The interest rate is set at 1.1% over UK base rate.

Notes to the Financial Statements
For the Year Ended 31 December 2016

16. Financial instruments

	2016	2015
	£000	£000
Financial assets		
Financial instruments that are debt instruments measured at amortised cost	-	3,892
	<u>-</u>	<u>3,892</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(5,068)	(5,068)
	<u>(5,068)</u>	<u>(5,068)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings. Financial liabilities measured at amortised cost comprise bank loans and overdrafts.

17. Deferred taxation

	2016	2015
	£000	£000
At 1 January 2016	688	847
Charged to other comprehensive income	170	(13)
Charged to profit and loss	-	(126)
On transfer of pension liability	(858)	-
On transfer of trade and assets	-	(20)
	<u>-</u>	<u>688</u>
At 31 December 2016	-	688

18. Called up share capital

	2016	2015
	£000	£000
Allotted and fully paid		
9,533,000 (2015: 9,533,000) Ordinary shares of £1 each	9,533	9,533
	<u>9,533</u>	<u>9,533</u>

Notes to the Financial Statements
For the Year Ended 31 December 2016

19. Reserves

Share premium account

Share premium account represents the amount subscribed for share capital in excess of the nominal value.

Capital reserve

The capital reserve represents capital equity contributions from the parent company.

Profit and loss account

Profit and loss account represents all net gains and losses and transactions with owners (e.g. dividends) that are not recognised elsewhere.

20. Contingent liabilities

The company can be subject to claims and potential claims from customers and other third parties from time to time. Liabilities for which a cash outflow is considered probable are provided for in the company's financial statements. Liabilities for which a cash outflow is considered possible are disclosed as a contingent liability in the company's financial statements. There are no further matters for which provisions have not been made that require additional disclosure in these financial statements.

21. Capital commitments

There were no capital commitments contracted but not provided at 31 December 2016 (2015: nil).

Notes to the Financial Statements
For the Year Ended 31 December 2016

22. Pension commitments

Defined benefit scheme

The company has operated a group personal pension plan. During the year it was agreed by the Directors of Dennis & Robinson Limited and the Trustees of the KWP Retirements Benefits Scheme to transfer all assets, commitments and liabilities associated with this scheme to Dennis & Robinson Limited on 10th February, 2016. All active employees of the scheme were employees of Dennis & Robinson Limited for the full year.

	2016	2015
	£000	£000
Composition of plan assets		
Equities	-	14,443
Property	-	825
Bonds	-	4,745
Cash	-	619
	<hr/>	<hr/>
Total plan assets	-	20,632
	<hr/>	<hr/>
Net pension scheme liabilities		
Fair value of plan assets	-	20,632
Present value of plan liabilities	-	(24,458)
	<hr/>	<hr/>
Net liability	-	(3,826)
	<hr/>	<hr/>
Amounts recognised in the profit and loss are as follows:		
Interest on net liability	-	157
Current service cost	-	73
Administration costs	-	173
	<hr/>	<hr/>
Total amounts recognised in the profit and loss	-	403
	<hr/>	<hr/>
Actual return on scheme assets		
Actual return on scheme assets	-	(153)
	<hr/>	<hr/>

Notes to the Financial Statements
For the Year Ended 31 December 2016

22. Pension Commitments (continued)

	2016	2015
	£000	£000
Reconciliation of fair value of pension plans' liabilities:		
Opening defined benefit obligation	(24,458)	(25,172)
Transfer of obligations to Dennis & Robinson Limited	24,458	-
Interest costs	-	(952)
Contributions by scheme participants	-	(31)
Actuarial gains	-	1,014
Administrative expenses	-	(173)
Benefits paid	-	929
	<hr/>	<hr/>
Closing defined benefit obligation	-	(24,458)
	<hr/>	<hr/>
Reconciliation of fair value of pension plans' assets:		
Opening fair value of scheme assets	20,632	21,030
Transfer in plan assets to Dennis & Robinson Limited.	(19,682)	-
Interest income on plan assets	-	795
Contributions by employer	50	653
Contributions by scheme participants	-	31
Actuarial loss	(1,000)	(948)
Benefits paid	-	(929)
	<hr/>	<hr/>
Closing defined benefit assets	-	20,632
	<hr/>	<hr/>
	2016	2015
	%	%
Principle actuarial assumptions at the balance sheet date:		
Discount rate	-	4.00
Future salary increases	-	2.15
Rate of increase in pensions in deferment (CPI max 5%)	-	1.80
Inflation assumption (RPI)	-	3.00
Inflation assumption (CPI)	-	1.80
Future pension increases (RPI to a maximum of 5% p.a.)	-	2.95
Future pension increases (CPI to a maximum of 3% p.a.)	-	1.70
	2016	2015
	Years	Years
Mortality Rates		
- for a male aged 65 now	-	22.2
- at 65 for a male aged 45 now	-	23.1
- for a female aged 65 now	-	23.3
- at 65 for a female aged 45 now	-	25.4

Notes to the Financial Statements
For the Year Ended 31 December 2016

23. Related party transactions

The pension fund liability was assumed by Dennis and Robinson Limited on 10 February, 2016. The net liability at the point of transfer was £4,776,000 and the value transferred reflected this valuation less any cash contributions paid to that date. All benefits have accrued to employees of Dennis & Robinson LTD for the whole year.

To enable the transfer to Dennis & Robinson Limited an employment contract to a director, Iain Flitcroft was agreed for 8 hours work at £7.20 per hour. The contract was terminated after one month and all costs associated were paid by Dennis & Robinson, the beneficial employer.

24. Post balance sheet events

The company completed the sale of Freehold Land and Property on 7 February, 2017. Net proceeds were £7,100,000.

25. Ultimate parent undertakings and controlling party

The company is a wholly owned subsidiary of Ballingslöv International AB incorporated in Sweden, whose principal place of business is Jungmansgatan 12, 211 19 Malmö, Sweden.

Ballingslöv International AB are controlled by Stena AB Incorporated in Sweden, whose principal place of business is Box 7123, 402 33 Gothenburg, Sweden.

Stena AB are the smallest and largest group to consolidate these financial statements. The consolidated financial statements of Stena AB are available to the public and can be obtained from the above address.

The ultimate controlling party is Dan Sten Olsson.