

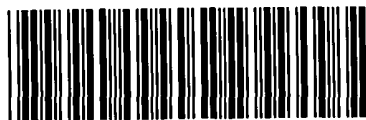
**Selecta Holding Limited**

**Annual report and financial statements**

**Registered number 06279842**

**30 September 2016**

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## **Contents**

Directors' Report	4
Strategic report	5
Statement of directors' responsibilities in respect of the annual report and the financial statements	6
Independent auditor's report to the members of Selecta Holding Limited	7
Profit and Loss Account and Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes	12

# **Annual Report and Financial Statements 2016**

## **Officers and Professional Advisers**

### **Directors**

JM Vrijlandt  
M Williams

### **Registered office**

1<sup>st</sup> Floor  
Spinnaker House  
Lime Tree Way  
Hampshire International Business Park  
Basingstoke  
Hampshire  
RG24 8GG

### **Bankers**

National Westminster Bank Plc  
City of London Office  
PO Box 12258  
1 Princes Street  
London  
EC2R 8PA

### **Auditor**

KPMG LLP  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

## Directors' report

The directors present their Directors' Report, Strategic Report and the financial statements for the year ended 30 September 2016.

### Results and dividends

The results of the company for the year are shown in the profit and loss account on page 9. The loss for the year after taxation was £167,000 (2015: £18,308,000). During the year the value of investments was reviewed and this resulted in an impairment of £nil (2015: £18,200,000). No dividend has been proposed in the current year (2015: £nil).

### Going concern basis

The company has net assets of £14,540,000 (2015: £14,707,000). The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Additionally on 21st June 2017 the directors received a letter of support from the company's parent, Selecta AG confirming that they will continue to provide financial support in order that the company meets its financial obligations for a minimum of 12 months from the date of signing these accounts. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Directors

The directors who served during the year and to the date of this report, except as noted, were as follows:

D Jones (resigned 1<sup>st</sup> October 2015)  
C Stevenson (resigned 24 August 2016)  
JM Vrijlandt  
M Williams (appointed 24 August 2016)

### Charitable and political donations

The Company made no political contributions or charitable donations during the current or prior year.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

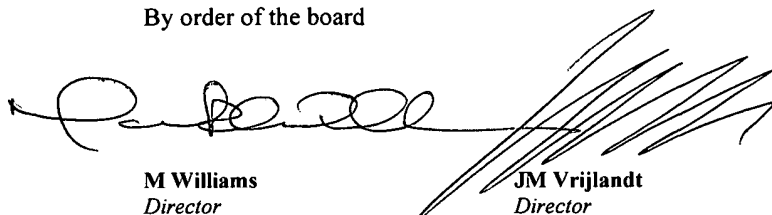
### Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 5.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



M Williams  
Director

JM Vrijlandt  
Director

1<sup>st</sup> Floor  
Spinnaker House  
Lime Tree Way  
Hampshire International Business Park  
Basingstoke  
Hampshire  
RG24 8GG

27 June 2017

## Strategic Report

### Principal activity and review of the business

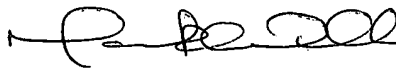
The principal activity during the year was that of a holding company. The result for the year disclosed above includes interest costs on bank loans of £nil (2015: £nil).

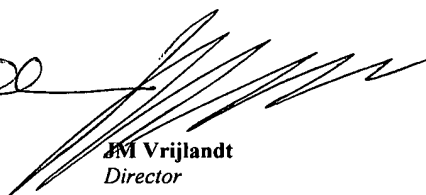
The Directors monitor KPIs regarding revenue progression against its strategic plan, its operating cost base, and full time equivalent headcount level to assess its performance on a monthly basis.

### Future developments

The directors expect the company to continue to operate as a holding company.

By order of the board

  
M Williams  
Director

  
JM Vrijlandt  
Director

1<sup>st</sup> Floor  
Spinnaker House  
Lime Tree Way  
Hampshire International Business Park  
Basingstoke  
Hampshire  
RG24 8GG

27 June 2017

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 estimates that are reasonable and prudent ;*
- *state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.*

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

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## KPMG LLP

Arlington Business Park  
Theale  
Reading  
RG7 4SD

### **Independent auditor's report to the members of Selecta Holding Limited**

We have audited the financial statements of Selecta Holding Limited for the year ended 30 September 2016 set out on pages 9 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

*In our opinion the financial statements:*

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of Selecta Holding Limited** *(continued)*

### **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 by the Company, 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 explanation we require for our audit.



**Terri Couglan (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

27 June 2017



**Profit and Loss Account**  
*for year ended 30 September 2016*

	<i>Note</i>	<b>2016 £000</b>	<b>2015 £000</b>
Administrative expenses		-	(1)
<b>Operating loss</b>		-	(1)
Net interest payable	4	(167)	(107)
Impairment of investment in subsidiary undertakings	6	-	(18,200)
<b>Loss on ordinary activities before taxation</b>	2,3	(167)	(18,308)
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>		(167)	(18,308)

All the above results have been derived from continuing operations.


**Other Comprehensive Income**  
*for year ended 30 September 2016*

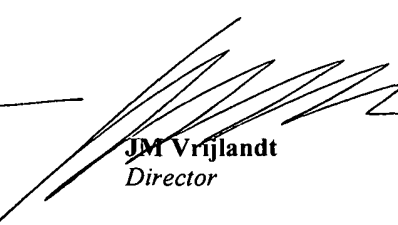
There were no recognised gains or losses other than the loss attributable to the shareholder of the company of £167,000 in the year ended 30 September 2016 (2015: £18,308,000).

**Balance Sheet**  
*at 30 September 2016*

		2016 £000	2015 £000
<b>Fixed assets</b>			
Investments	6	18,311	18,311
		<hr/>	<hr/>
<b>Current assets</b>			
Cash at bank and in hand		3	4
		<hr/>	<hr/>
		3	4
<b>Creditors: amounts falling due within one year</b>	7	(3,774)	(3,608)
<b>Net current liabilities</b>		(3,771)	(3,604)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		14,540	14,707
		<hr/>	<hr/>
<b>Net assets</b>		14,540	14,707
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	1,094	1,094
Share premium account		108,272	108,272
Profit and loss account deficit		(94,826)	(94,659)
		<hr/>	<hr/>
<b>Total shareholders' funds</b>		14,540	14,707
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 27/6/17 and were signed on its behalf by:

  
**M Williams**  
*Director*

  
**JM Vrijlandt**  
*Director*

Company registered number: 06279842

## Statement of Changes in Equity

	<b>Called up Share capital</b>	<b>Share Premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 October 2014	1,094	108,272	(76,351)	33,015
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	(18,308)	(18,308)
Total comprehensive income for the period	-	-	(18,308)	(18,308)
Total contributions by and distributions to owners	-	-	-	-
<b>Balance at 30 September 2015</b>	<b>1,094</b>	<b>108,272</b>	<b>(94,659)</b>	<b>14,707</b>

	<b>Called up Share Capital</b>	<b>Share Premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 October 2015	1,094	108,272	(94,659)	14,707
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	(167)	(167)
Total comprehensive income for the period	-	-	(94,826)	14,540
Total contributions by and distributions to owners	-	-	-	-
<b>Balance at 30 September 2016</b>	<b>1,094</b>	<b>108,272</b>	<b>(94,826)</b>	<b>14,540</b>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Selecta Holding Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 11.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 October 2014 have not been restated.
- Lease incentives – for leases commenced before 1 October 2014 the Company continued to account for lease incentives under previous UK GAAP.

The Company’s parent undertaking, Selecta Group BV includes the Company in its consolidated financial statements. The consolidated financial statements of Selecta Group BV are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Selecta’s website <http://www.selecta.com/investors/>

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Related party transactions entered into between two or more wholly owned members of the group.

As the consolidated financial statements of Selecta Group BV include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### **1.1 Measurement convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Going concern**

Notwithstanding the loss for the year of £167,000 (2015: £18,308,000) the directors have presented the financial statements on the going concern basis. It is their opinion that the company's parent, Selecta AG will continue to provide the funding necessary to support the business going forward. This opinion is based on the continued funding of the company since the balance sheet date and a confirmation of support from Selecta AG for at least 12 months from the signing date of these financial statements. As with any company placing reliance on group entities for financial support, the directors acknowledge that there can be no certainty to this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

#### **1.3 Foreign currency**

Monetary assets and liabilities in foreign currencies are translated into £ at the rate of exchange at the balance sheet date. Other foreign currency transactions have been translated at the actual rate of exchange on the date of the transaction. Differences arising on translation are dealt with in the profit and loss account.

#### **1.4 Basic financial instruments**

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, if required, they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### **1.5 Investments**

Investments held as fixed assets are stated at cost less provision for any impairment.

#### **1.6 Business combinations**

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

At the acquisition date, the company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### 1.8 Group accounts

The company is exempt from the obligation to prepare and deliver consolidated financial statements under s400 of the Companies Act 2006. This is due to the fact that it is included in the consolidated financial statements prepared by Selecta Group BV, the parent company.

#### 1.9 Taxation

Current and deferred taxation provisions are based on the results of the period and include all taxation liabilities accruing to the date of the accounts.

Deferred taxation is provided using the liability method in respect of all material timing differences to the extent that they are expected to reverse in the future without being replaced, with the exception of pension timing differences which are provided in full, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonable certain. Deferred tax assets and liabilities are not discounted.

### 2 Auditor's remuneration

The audit fees of £2,000 (2015: £2,000) for the year were borne by Selecta UK Limited, one of the company's subsidiary undertakings.

### 3 Information regarding directors and employees

The company has no employees. The amount of remuneration received by the directors for their services as directors to the company is £nil (2015: £nil). The directors are remunerated by other group undertakings. No specific allocation has been made for their services to the company given that the level of service completed by them to the company is minor in relation to their responsibilities at other group undertakings.

### 4 Interest payable

	2016 £000	2015 £000
Bank loan interest	-	-
Intercompany interest payable	167	107
	<hr/>	<hr/>
Total other interest payable and similar charges	167	107
	<hr/>	<hr/>

## Notes (continued)

### 5 Tax on loss on ordinary activities

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £000	£000	2015 £000	£000
<i>Current tax</i>				
Current tax on income for the period		-		-
Total current tax		-		-
<i>Deferred tax</i>				
Origination and reversal of timing differences	-		-	
Change in tax rate	-		-	
Total deferred tax	-		-	
Total tax		-		-

#### Reconciliation of effective tax rate

	2016 £000	2015 £000
Loss for the year	(167)	(18,308)
Total tax expense	-	-
Loss excluding taxation	(167)	(18,308)
Tax using the UK corporation tax rate of 20% (2015: 20%)	(33)	(3,662)
Current year losses for which no deferred tax asset was recognised	33	3,662
Total tax expense included in profit or loss	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is approximately £2,030,000 (2015: £2,300,000).

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. In the budget on 16 March 2016, the Chancellor announced additional planned reductions to 17% by April 2020.

The deferred tax asset which has not been recognised at 30 September 2016 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

## Notes (continued)

### 6 Investments held as fixed assets

	2016 £000	2015 £000
<b>Cost</b>		
As at 1 October 2015	96,772	96,772
As at 30 September 2016	96,772	96,772
<b>Provision for impairment</b>		
Opening as at 1 October 2015	78,461	60,261
Impairment in the year	-	18,200
Closing as at 30 September 2016	78,461	78,461
<b>Net book value</b>		
As at 30 September 2016	18,311	18,311
As at 30 September 2015	18,311	36,511

The following information relates to the principal subsidiary undertaking of the company:

Name of company	Country of incorporation (or incorporation) and operation	Holding	Proportion of voting rights and shares held	Principal activity
Selecta UK Limited	England & Wales	Ordinary shares	100%	Vending

### 7 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts due to subsidiary undertakings	3,109	2,973
Amount due to immediate parent undertaking	665	635
	3,774	3,608

Interest has been charged at an average rate of 4.57% (2015: 3.068%) on intercompany balances.

Other amounts to group undertakings stated above are repayable on demand and are thus payable within one year although it is not expected that the demand would be made or that these amounts will be payable within the next year.



## Notes (continued)

### 8 Capital and reserves

	2016 £000	2015 £000
<i>Issued and fully paid:</i>		
109,365,633 ordinary shares of £0.01 each	1,094	1,094

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 9 Parent undertaking and controlling party

The company is a wholly owned subsidiary of Selecta AG. The company's ultimate parent undertaking, which is regarded as the ultimate and controlling party, KKR Credit Advisors LLC (US), is registered in the United States of America.

The smallest group into which the company was consolidated was Selecta Group BV, a company incorporated in the Netherlands.

### 10 Accounting estimates and judgements

#### *Key sources of estimation uncertainty*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

#### *Impairment calculations*

The company uses future cash flow forecasts to make an estimate of the present value of its investment in subsidiaries. Key assumptions are taken from management's internal forecasting models and are reviewed on a regular basis. The Directors consider the present value of the investment to be in excess of the NBV. Further details on the investment value can be found in note 6.

#### *Critical accounting judgements in applying the Company's accounting policies*

There are no such judgements in either the current or prior year.

### 11 Explanation of transition to FRS 102

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 September 2016, the comparative information presented in these financial statements for the year ended 30 September 2015 and in the preparation of an opening FRS 102 balance sheet at 1 October 2014 (the Company's date of transition).

This transition did not affect the reported financial position as at 1 October 2014 (the transition date) or the financial performance for the year-ended 30 September 2015 as previously reported in accordance with UK GAAP, the company's old basis of accounting. Therefore no adjustments have been made to any comparative figures included in the 2015 published financial statements, and no reconciliation has been presented.