

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2016
for
Interserve Finance (Switzerland)
Holdings Limited

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Contents of the Financial Statements
for the Year Ended 31 December 2016

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Independent Auditor's Report	5
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Interserve Finance (Switzerland)
Holdings Limited

Company Information
for the Year Ended 31 December 2016

DIRECTORS:

A K Smythe
J T Fell
T Bradbury

SECRETARY:

T Bradbury

REGISTERED OFFICE:

Interserve House
Ruscombe Park
Twyford, Reading
Berkshire
RG10 9JU

REGISTERED NUMBER:

08772005 (England and Wales)

AUDITOR:

Grant Thornton UK LLP
Chartered Accountants and
Statutory Auditor
London
United Kingdom

Strategic Report
for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company. The subsidiary undertakings affecting the profits or net assets of the Company in the period are listed in the notes to the financial statements.

The directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the next financial year.

REVIEW OF BUSINESS

The directors consider that the Company's key performance indicator is profit before taxation.

The Company's profit from ordinary activities before taxation was £6,850,000 (2015: £11,200,000). The results of the Company are set out in the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has exposure to a variety of risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance and net assets. The directors have policies for managing each of these risks and they are summarised below.

The principal risk that the Company faces is that the carrying value of its investment declines. The directors carry out a review of the Company's operating subsidiary on an annual basis to determine if an impairment has occurred.

The directors are satisfied that, given the nature of this Company, there are no other principal risks and uncertainties to consider. Group risks are discussed in the Annual Report and Financial Statements of Interserve Plc for the year ended 31 December 2016, which does not form part of this Strategic Report.

GOING CONCERN BASIS

After making enquiries and reviewing forecasts which cover at least 12 months from the date of this report, the directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

ON BEHALF OF THE BOARD:



T Bradbury - Director

Date: 6 June 2017

Interserve Finance (Switzerland)
Holdings Limited (Registered number: 08772005)

Report of the Directors
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the Company for the year ended 31 December 2016.

DIVIDENDS

An interim dividend of £6,850,000 (2015: £8,000,000) was paid during the year under review. The directors do not recommend payment of a final dividend.

FUTURE DEVELOPMENTS

The Company will continue to be an investment holding company.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

A K Smythe
J T Fell
T Bradbury

AUDITOR

Grant Thornton UK LLP have been appointed as the Company's auditors and have expressed their willingness to continue in office.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable accounting standards have been followed; 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 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.

Interserve Finance (Switzerland)
Holdings Limited (Registered number: 08772005)

Report of the Directors
for the Year Ended 31 December 2016

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



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T Bradbury - Director

Date: 6 June 2017

Independent Auditor's Report to the Members of
Interserve Finance (Switzerland)
Holdings Limited

We have audited the financial statements of Interserve Finance (Switzerland) Holdings Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. 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 101 Reduced Disclosure Framework.

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 auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

Independent Auditor's Report to the Members of
Interserve Finance (Switzerland)
Holdings 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.

Grant Thornton UK LLP

Gary Jones (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants and
Statutory Auditor
London
United Kingdom

Date: 8/6/17

Interserve Finance (Switzerland)
Holdings Limited (Registered number: 08772005)

Statement of Comprehensive Income
for the Year Ended 31 December 2016

	Notes	2016 £'000	2015 £'000
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT		-	-
Income from shares in group undertakings		<u>6,850</u>	<u>11,200</u>
PROFIT BEFORE TAXATION	4	6,850	11,200
Tax on profit	5	<u>(323)</u>	<u>(119)</u>
PROFIT FOR THE FINANCIAL YEAR		6,527	11,081
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>6,527</u></u>	<u><u>11,081</u></u>

The notes form part of these financial statements

Interserve Finance (Switzerland)
Holdings Limited (Registered number: 08772005)

Balance Sheet
31 December 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Investments	7	133,963	133,963
CURRENT ASSETS			
Debtors	8	3,200	3,508
CREDITORS			
Amounts falling due within one year	9	<u>(775)</u>	<u>(760)</u>
NET CURRENT ASSETS		<u>2,425</u>	<u>2,748</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>136,388</u>	<u>136,711</u>
CAPITAL AND RESERVES			
Called up share capital	10	50	50
Share premium	11	133,913	133,913
Retained earnings	11	<u>2,425</u>	<u>2,748</u>
SHAREHOLDERS' FUNDS		<u>136,388</u>	<u>136,711</u>

The financial statements were approved by the Board of Directors on 6 JUNE 2017 and were signed on its behalf by:

A. Smythe

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A K Smythe - Director

Interserve Finance (Switzerland)
Holdings Limited (Registered number: 08772005)

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2015	50	(333)	133,913	133,630
Changes in equity				
Dividends	-	(8,000)	-	(8,000)
Total comprehensive income	-	11,081	-	11,081
Balance at 31 December 2015	<u>50</u>	<u>2,748</u>	<u>133,913</u>	<u>136,711</u>
Changes in equity				
Dividends	-	(6,850)	-	(6,850)
Total comprehensive income	-	6,527	-	6,527
Balance at 31 December 2016	<u>50</u>	<u>2,425</u>	<u>133,913</u>	<u>136,388</u>

The notes form part of these financial statements

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

1. **STATUTORY INFORMATION**

Interserve Finance (Switzerland) Holdings Limited is a private company, limited by shares, registered in England and Wales and bound by the Companies Act 2006. The Company's registered number and registered office address can be found on the Company Information page. The Group accounts can be obtained from the same address.

2. **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company's financial statements are included in the Interserve Plc consolidated financial statements for the year ended 31 December 2016. The Company is exempt, under Section 400 of the Companies Act 2006, from the preparation of consolidated financial statements because it is included in the Annual Report and Financial Statements of the Group. These financial statements are separate financial statements.

Adoption of new and revised standards

There have been no changes to the standards or interpretations applied in the current year.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income 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.

Current tax

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income, in which case, the current tax is also recognised in other comprehensive income.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the profit or loss.

Investments in subsidiaries

Investments are stated at cost less provision for any impairment in value.

Going concern

After making enquiries and reviewing forecasts which cover at least 12 months from the date of this report, the directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Dividend income

Dividend income from investments is recognised when received.

Financial Instruments

Debtors

Debtors are initially measured at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss where there is objective evidence that the asset is impaired.

Creditors

Creditors are initially measured at fair value and subsequently measured at amortised cost.

Equity instruments

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using an appropriate rate that takes into account the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Finance instruments (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements, apart from those involving estimates (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires judgement. In making these judgements, net assets of subsidiaries at the balance sheet date and Board-approved budgets for the next three years are taken into consideration. The carrying amount of the investments in subsidiaries and associates at the balance sheet date was £134.0 million (2015: £134.0 million) with £nil (2015: £nil) of impairment losses recognised in 2016.

3. EMPLOYEES AND DIRECTORS

There are no employees other than the directors (2015: nil).

There are no directors to whom retirement benefits are accruing in respect of qualifying service under money purchase schemes or defined benefit schemes.

	2016	2015
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. PROFIT BEFORE TAXATION

The audit fee of £1,000 for the period was borne by the ultimate parent company.

5. TAXATION

Analysis of tax expense

	2016	2015
	£'000	£'000
Current tax:		
Corporation tax	323	(130)
Prior year tax adjustment	<u>-</u>	<u>249</u>
Total tax expense in statement of comprehensive income	<u>323</u>	<u>119</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

5. **TAXATION - continued**

Factors affecting the tax expense

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

	2016 £'000	2015 £'000
Profit before income tax	<u>6,850</u>	<u>11,200</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	1,370	2,268
Effects of:		
Prior year adjustment	26	(84)
Dividends received	(1,370)	(2,268)
Tax payable on controlled foreign company income	<u>297</u>	<u>203</u>
Tax expense	<u>323</u>	<u>119</u>

The Company has been advised that Group tax relief is available and that payment will be made at the standard rate of 20.00% (2015: 20.25%) of the amount of tax losses surrendered.

6. **DIVIDENDS**

	2016 £'000	2015 £'000
Ordinary shares shares of £1 each		
Interim dividend	<u>6,850</u>	<u>8,000</u>

7. **INVESTMENTS**

	Shares in group undertakings £'000
COST	
At 1 January 2016 and 31 December 2016	<u>133,963</u>
NET BOOK VALUE	
At 31 December 2016	<u>133,963</u>
At 31 December 2015	<u>133,963</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

7. **INVESTMENTS - continued**

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

Interserve Finance (Switzerland) Sarl

Registered office: Avenue Jean-Jacques Rousseau 7, Neuchatel 2000, Switzerland

Nature of business: Intra-group financing company

	%
Class of shares:	holding
Ordinary	100.00

In accordance with section 409 of the Companies Act 2006, a full list of the related undertakings of the Company, as at 31 December 2016, is disclosed above. Unless otherwise stated:

- (a) the principal operations of each related undertaking are conducted in its country of incorporation or registration;
- (b) the shareholding of each related undertaking relates to ordinary, common or unclassified share capital and is equivalent to the percentage of voting rights held by the Company; and
- (c) the equity capital of each related undertaking is directly held by the Company.

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£'000	£'000
Intra Group trade balances	3,200	3,200
Corporation tax	-	308
	<u>3,200</u>	<u>3,508</u>

The intra group trade balances due within one year incur no interest and are repayable on demand.

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£'000	£'000
Corporation tax	223	-
Intra group trade balances	<u>552</u>	<u>760</u>
	<u>775</u>	<u>760</u>

The intra group trade balances incur no interest and are payable on demand.

10. **CALLED UP SHARE CAPITAL**

Allotted and issued:			2016	2015
Number:	Class:	Nominal value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

The authorised ordinary share capital is unlimited.

Interserve Finance (Switzerland)
Holdings Limited (Registered number: 08772005)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

11. RESERVES

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 January 2016	2,748	133,913	136,661
Profit for the year	6,527	-	6,527
Dividends	<u>(6,850)</u>	<u>-</u>	<u>(6,850)</u>
At 31 December 2016	<u>2,425</u>	<u>133,913</u>	<u>136,338</u>

The share premium reserve includes proceeds from share issues over and above the nominal value of the £1 ordinary shares.

12. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Interserve Finance Limited, a company registered in England and Wales. The Company's ultimate parent company and controlling party, and parent company of the largest and smallest group which includes the Company and for which group financial statements are prepared, is Interserve Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements of Interserve Plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

13. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption contained in paragraph 8(k) of FRS 101 "Reduced Disclosure Framework" not to report transactions with other wholly-owned Group companies.