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A.A. Clark Limited
Annual report
for the year ended 31 December 2016

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A.A. Clark Limited

Annual report for the year ended 31 December 2016

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A.A. Clark Limited

Directors and advisers for the year ended 31 December 2016

Directors

P Newton

P A Smith

B P Newton

Company secretary

P A Smith

Registered office

Goswell House

Shirley Avenue

Windsor

Berkshire

SL4 5LH

Independent auditors

Haines Watts Farnborough LLP

30 Camp Road

Farnborough

Hampshire

GU14 6EW

Solicitors

Bruce Lance & Co

87 Easton Street

High Wycombe

Buckinghamshire

HP11 1NF

Bankers

National Westminster Bank

12 High Street

Windsor

Berkshire

SL4 1LQ

The Royal Bank of Scotland

280 Bishopsgate

London

EC2M 4RB

A.A. Clark Limited

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016. This report has taken the small companies exemption to not prepare a strategic report in accordance with Section 414B of the Companies Act 2006 and has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the company during the financial year was that of property rental and the support to its subsidiary company in its development of its vehicle leasing business.

Review of the business

All properties were let during the year and all rental income due has been received.

The loss on ordinary activities before taxation is £ 53,460 (2015: loss £54,770).

In all wholesale and retail markets circumstances can change and both buying and selling opportunities arise, this is increasingly so in the motor vehicle industry and there are now a number of channels from which stock can be purchased. Our experience is that to optimise the opportunities that arise, instant decisions have to be made to secure single or packages of vehicles, to do this it is important that the company retains a high level of working capital in order to fund any purchases.

Principal risks and uncertainties

The directors have assessed the major risks facing the business. The principal risks of the business are:

Principal Risk	Mitigating Factors
Property Rental Income	All properties are currently leased out to third parties.
Liquidity	Funding for the business is provided by shareholder loans and an overdraft facility of £ 100,000 guaranteed by a shareholder. The overdraft was not called upon in 2016. These are considered sufficient for the future business needs.
Debts	Third party debtors are those relating to our property portfolio. Rental payments are monitored closely to ensure arrears are avoided.

Key performance indicators

The company uses both financial and other ratios to measure performance. Rental income for the year includes back rent to the review dates in 2015 and underlying annual rental income remains unchanged at 6.3% of property values. During the financial year operating profit (excluding property sales) decreased 3.3% to 63.1% of turnover. There were no property sales in 2016.

Future developments

Rent reviews on two properties were completed with 2016 and all properties are now let on leases with the earliest option to determine being in 2020.

Directors' report for the year ended 31 December 2016 (continued)

Results and dividends

The directors have not recommended the payment of a final dividend.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

P Newton

P A Smith

B P Newton

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosures exemptions, if any, of FRS 102 used in the preparation of financial statements;
- 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.

Disclosure of information to auditors

The directors are also required to provide the company's auditors with all relevant audit information to enable them to complete their audit. So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report for the year ended 31 December 2016 (continued)

Independent auditors

The auditors, Haines Watts Farnborough LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'P Newton', written in a cursive style.

P Newton 27 September 2017
Director

Independent auditors' report to the members of A.A. Clark Limited

Report on the financial statements

We have audited the financial statements of A.A. Clark Limited for the year ended 31 December 2016 set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period 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 matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report have been prepared in accordance with applicable legal requirements.

A.A. Clark Limited

Independent auditors' report to the members of A.A. Clark Limited (continued)

Report on the financial statements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



**Catriona Seddon (Senior Statutory Auditor)
for and on behalf of Haines Watts Farnborough LLP**

**Chartered Accountants
Statutory Auditor**

30 Camp Road
Farnborough
Hampshire
GU14 6EW

A.A. Clark Limited

Independent auditors' report to the members of A.A. Clark Limited (continued)

Report on the financial statements

Profit and loss account for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	5	280,189	246,719
Cost of sales		-	-
Gross profit		280,189	246,719
Administrative expenses		(229,129)	(259,891)
Other operating income	6	125,700	177,000
Operating profit	8	176,760	163,828
Interest receivable and similar income	7	167	236
Interest payable and similar charges	7	(230,387)	(218,834)
Net interest expense	7	(230,220)	(218,598)
Fair value gains on investment properties		474,788	-
Profit/(loss) on ordinary activities before taxation		421,328	(54,770)
Tax on profit/(loss) on ordinary activities	10	(40,689)	11,989
Profit/(loss) for the financial year		380,639	(42,781)

Statement of comprehensive income for the year ended 31 December 2016

	2016 £	2015 £
Profit/(loss) for the financial year	380,639	(42,781)
Other comprehensive income:		
Other comprehensive income	-	-
Total tax on components of other comprehensive income	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(expense) for the year	380,639	(42,781)

All items dealt with in arriving at operating profit above relate to continuing operations.

A.A. Clark Limited

Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	4,406,313	3,957,526
Investments	12	3,000,000	3,000,000
		7,406,313	6,957,526
Current assets			
Debtors (including £2,716,904 (2015: £2,716,904) amounts falling due after more than one year)	13	2,807,552	2,790,573
Cash at bank and in hand		502,163	418,337
		3,309,715	3,208,910
Creditors : amounts falling due within one year	14	(567,782)	(398,829)
Net current assets		2,741,933	2,810,081
Total assets less current liabilities		10,148,246	9,767,607
Creditors : amounts falling due after more than one year	15	(4,708,605)	(4,708,605)
Net assets		5,439,641	5,059,002
Capital and reserves			
Called up share capital	18	3,003,550	3,003,550
Non distributable reserve	11	2,921,065	2,496,124
Accumulated losses		(484,974)	(440,672)
Total equity		5,439,641	5,059,002

The notes on pages 10 to 28 are an integral part of these financial statements.

The financial statements on pages 7 to 28 were approved by the board of directors on 27 September 2017 and were signed on its behalf by:



P Newton

Director 27 September 2017

Registered number: 00117238

A.A. Clark Limited

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

	Called - up share capital £	Non distributable reserve £	Accumulated losses £	Total equity £
Balance as at 1 January 2015	3,003,550	2,496,124	(397,891)	5,101,783
Loss for the year	-	-	(42,781)	(42,781)
Total comprehensive expense for the year	-	-	(42,781)	(42,781)
Balance as at 31 December 2015	3,003,550	2,496,124	(440,672)	5,059,002
Balance at 1 January 2016	3,003,550	2,496,124	(440,672)	5,059,002
Profit for the year	-	-	380,639	380,639
Total comprehensive income	3,003,550	2,496,124	(60,033)	5,439,641
Transfer	-	424,941	(424,941)	-
Balance as at 31 December 2016	3,003,550	2,921,065	(484,974)	5,439,641

A.A. Clark Limited

Notes to the financial statements for the year ended 31 December 2016

1. General information

A.A. Clark Limited ("the company") principal activity is that of property rental and the support to its subsidiary company in its development of its vehicle leasing business in UK.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its register office is Goswell House, Shirley Avenue, Windsor, Berkshire, SL4 5LH.

2. Statement of compliance

The individual financial statements of A.A. Clark Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in United Kingdom and the Republic of Ireland" ("FRS102") 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. The company has adopted FRS102 in these financial statements.

(a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets. The preparation of financial statements in conformity with FRS102 requires to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimated are significant to the financial statements are disclosed in note 4.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows and disclosure of transactions with related parties and remuneration of key management personnel, on the basis that it is a qualifying entity and its ultimate parent company, Aureole Windsor Limited, includes the relevant information in its own consolidated financial statements.

(b) Consolidated financial statements

The company is a wholly owned subsidiary of Aureole Windsor Limited. It is included in the consolidated financial statements of Aureole Windsor Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

A.A. Clark Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

3. Summary of significant accounting policies (continued)

(c) Revenue recognition

(i) Turnover

Turnover represents the invoiced value, net of value added tax, of rental income receivable, spread over the life of the lease period accounting for rent free periods where appropriate.

(ii) Other Operating Income

Other operating income is comprised of management charges. Management charges are recognised at point of invoice.

(iii) Interest income

Interest income is recognised using the effective interest rate method.

(d) Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in the period in which the service is received.

(ii) Pension contributions

The company participates in one defined contribution pension scheme operated on a group basis covering the majority of the permanent employees. The pension costs charged in the financial statements represent amounts payable by the company during the financial year.

(e) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current and deferred taxation assets and liabilities are not discounted.

A.A. Clark Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

3. Summary of significant accounting policies (continued)

(e) Taxation (continued)

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

(f) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets other than investment properties carried at fair value at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Leasehold properties	over the remaining terms of the lease
Plant and Machinery	25% straight line

Investment property is property held to earn rent, and/or for capital appreciation. Investment properties are initially recognised at cost. Investment property whose fair value can be measured reliably without undue cost or effort are subsequently carried at fair value. Changes in fair values are recognised in profit or loss. All other investment property is accounted for as plant and machinery using the cost model and are stated at historical cost less accumulated depreciation.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3. Summary of significant accounting policies (continued)

(g) Lease assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

(h) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued in use. These cash flow are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit and loss.

If an impairment loss is subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

(i) Investments

Investment in subsidiary company is held at cost less accumulated impairment losses.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3. Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

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 are shown within borrowing in current liabilities.

(k) Provisions and contingencies.

(i) Provisions

Provisions are recognised when the company has a parent legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(ii) Provision is not made for future operating losses.

Provisions are measured at the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(iii) Contingencies

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.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3. Summary of significant accounting policies (continued)

(l) Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

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

(ii) Financial Liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements for the year ended 31 December 2016 (continued)

3. Summary of significant accounting policies (continued)

(n) Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

(o) Related party transactions

The company has taken the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The company has taken the exemption as provided by paragraph 1.12(e), 33.7 of FRS102 and does not disclose key management personnel compensation.

(p) Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes to the EU-directives and UK Companies Regulations. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015. Entities have to adopt and comply with all amendments if they elect to early adopt the Amendments to FRS 102 (issued in July 2015). The company has not elected to early adopt these amendments.

Notes to the financial statements for the year ended 31 December 2016 (continued)

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Critical judgments in applying the entity's accounting policies.

Property valuation – reliance upon the independent professional consultants valuations carried out on 30 January 2017 and the directors' belief that those valuations are consistent with their values in 2016.

(b) Critical accounting estimates and assumptions.

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.

All properties are let on long term leases. None of the properties have a break clause that has or will be invoked in 2016.

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Turnover

Analysis of turnover by geography:

The company's turnover is derived from its principal activities wholly undertaken in the United Kingdom.

Analysis of turnover by category:

	2016	2015
	£	£
Rental income – property	280,189	246,719

6 Other operating income

	2016	2015
	£	£
Management charges	125,700	177,000

7 Net interest expense

(a) Interest receivable and similar income

	2016	2015
	£	£
Bank interest receivable	167	236

(b) Interest payable and similar charges

	2016	2015
	£	£
Other interest payable	230,387	218,834

A.A. Clark Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8 Operating profit

Operating profit is stated after charging:

	2016 £	2015 £
Wages and salaries	113,402	172,584
Social security costs	15,134	22,964
Other pension costs (Note 20)	17,340	17,864
Staff costs	145,876	213,412
Depreciation of tangible assets (Note 11)		
-plant and machinery	-	402
-investment property	26,001	26,000
Operating lease charges		
-land and buildings	9,250	9,250
Auditors' remuneration		
- fees payable for the audit	4,500	11,600
- fees payable for other services	31,734	3,600

**Notes to the financial statements for the year ended 31 December 2016
(continued)**

9 Employees and directors

Employees

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

By activity	2016 Number	2015 Number
Office and management	3	4

Directors

The directors' emoluments were as follows:

	2016 £	2015 £
Wages and salaries	94,049	103,261
Amounts paid to money purchase pension schemes	5,823	4,212
Aggregate emoluments	99,872	107,473
Emoluments for qualifying service	9,450	9,531

The number of directors to whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2015:1).

A.A. Clark Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

10 Tax on loss on ordinary activities

(a) Tax expense included in profit and loss

	2016	2015
	£	£
Current tax:		
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	9,158	3,330
Adjustment in respect of unrealised property gains	(49,847)	-
Adjustment in respect of previous periods	-	(14,226)
Effect of changes in tax rates	-	(1,093)
Tax (credit)/charge on loss on ordinary activities	40,689	(11,989)

(b) Reconciliation of tax charge

The tax assessed for the financial year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%). The differences are explained below:

	2016	2015
	£	£
Profit/(loss) on ordinary activities before tax	421,328	(54,770)
Profit/(loss) on ordinary activities multiplied by the standard rate of tax in the UK of 20.00% (2015: 20.25%)	84,266	(11,089)
Effects of:		
Expenses not deductible	1,196	-
Pension creditor	287	-
Group relief/other reliefs	-	14,625
Accelerated capital allowances	(2,070)	-
Gains/rollover relief	-	(207)
Adjustments in respect of unrealised property gains	(45,111)	-
Adjustments from previous periods	(9,158)	(14,226)
Non trade loan relationship deficit	11,279	-
Tax rate changes	-	(1,092)
Tax (credit)/charge for the period	40,689	(11,989)

Notes to the financial statements for the year ended 31 December 2016 (continued)

10 Tax on loss on ordinary activities (continued)

(c) Tax rate changes

The standard rate of corporation tax in UK charged from 21.5% to 20.25% with effect from 1 April 2015. Accordingly the company's profits for this accounting period are taxed at 20.0%.

On 20 October 2015, the UK government substantively enacted finance (No2) Act 2015 which included reductions in the main UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020. At 31 December 2016, the relevant UK deferred tax assets and liabilities included in these financial statements were based on the reduced rates having regard to their reversal profiles.

11 Tangible assets

	Investment properties £	Short leasehold properties £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2016	3,875,212	166,147	1,609	4,042,968
Fair value change	474,788	-	-	474,788
At 31 December 2016	4,350,000	166,147	1,609	4,517,756
Accumulated depreciation				
At 1 January 2016	-	83,833	1,609	85,442
Charge for the year	-	26,001	-	26,001
At 31 December 2016	-	109,834	1,609	111,443
Net book amount				
At 31 December 2016	4,350,000	56,313	-	4,406,313
At 31 December 2015	3,875,212	82,314	-	3,957,526

The fair value of the investment properties has been derived from an independent valuation undertaken by Chartered Surveyors. The valuation was undertaken on 30 January 2017, for the purpose of providing a value at 31 December 2016.

Notes to the financial statements for the year ended 31 December 2016 (continued)

11 Tangible assets (continued)

Cost or valuation at 31 December 2016 is represented by:

	Investment properties £	Short leasehold properties £	Plant & machinery £	Total £
Valuation as at 31 December 2016	4,350,000	166,147	1,609	4,517,756
<hr/>				
	Investment properties £	Short leasehold properties £		
Historical cost				
At 1 January 2016		1,379,088	166,147	
Additions		-	-	
Disposals		-	-	
At 31 December 2016		1,379,088	166,147	
Accumulated depreciation based on cost				
At 1 January 2016		-	83,833	
Charge for the year		-	26,001	
Disposals		-	-	
At 31 December 2016		-	109,834	
Net book value based on historical cost				
At 31 December 2016		1,379,088	56,313	
At 31 December 2015		1,379,088	82,314	

The Non distributable reserve on investment properties at 31 December 2016 amounted to £ 2,921,065 (2015: £2,496,124).

A.A. Clark Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

12 Investments

	Ordinary Shares in group undertakings	
	2016	2015
	£	£
Cost or valuation		
At 1 January and at 31 December	3,000,000	3,000,000

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company holds 98% of the equity of Windsor Vehicle Leasing Limited, a company registered in England and Wales whose activities are those of motor vehicle lessors. P Newton, who the directors consider to be the ultimate controlling party, holds the remaining 2%. Day to day management of the subsidiary company is entirely under the control of A.A. Clark Limited.

The directors believe that the value of fixed asset investments is supported by future profits.

13 Debtors

	2016	2015
	£	£
Trade debtors	23,186	11,737
Amounts owed by group undertakings	2,716,904	2,716,904
Prepayments and accrued income	67,462	61,932
	2,807,552	2,790,573

Amounts falling due after more than one year and included in the debtors above are:

	2016	2015
	£	£
Amounts owed by group undertakings	2,716,904	2,716,904

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Notes to the financial statements for the year ended 31 December 2016 (continued)

14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	70,063	80,504
Amounts owed to group undertakings	368,703	234,018
Taxation and social security	34,164	36,428
Accruals and deferred income	45,005	38,721
Deferred tax liability (Note 16)	49,847	9,158
	567,782	398,829

The company has an overdraft facility of £100,000. The overdraft facility is guaranteed by P Newton, a shareholder in the company's ultimate parent.

15 Creditors : amounts falling due after more than one year

	2016	2015
	£	£
Other loans	4,708,605	4,708,605

Other loans amounting to £415,000 (2015: £415,000) are secured by a charge over one of the company's freehold properties. These loans bear interest at commercial rates and are repayable on three months notice. The lender has given an undertaking that they will neither seek nor expect repayment of this loan earlier than 1 September 2018.

Other loans amounting to £43,605 (2015: £43,605) are unsecured. These loans bear interest at commercial rates and are repayable on three months notice. The lenders have given an undertaking that they will neither seek nor expect repayment of this loan earlier than 1 September 2018.

Other loans amounting to £4,250,000 (2015: £4,250,000) from P Newton, a director, are secured by a fixed and floating charge over the company's assets. This loan bears interest at commercial rates and is repayable on three months' notice no earlier than 1 September 2018.

A.A. Clark Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

16 Deferred tax liability

	£
As at 1 January 2016	9,158
Debited to profit and loss account	40,689
As at 31 December 2016	49,847

Deferred tax is provided in the financial statements as follows:

	2016 £	2015 £
Fixed asset timing differences	49,847	9,748
Short term timing differences	-	(590)
	49,847	9,158

Fixed asset timing differences are expected to reverse in greater than one year.

17 Financial instruments

The Company has the following financial instruments

	Note	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	13	23,186	11,737
Amounts owed by group undertakings	13	2,716,904	2,716,904
		2,740,090	2,728,641
Financial liabilities measured at amortised cost:			
Trade creditors	14	70,063	80,504
Amounts owed to group undertakings	14	368,703	234,018
Other loans	15	4,708,605	4,708,605
		5,147,371	5,023,127

Notes to the financial statements for the year ended 31 December 2016 (continued)

18 Called up share capital

	2016	2015
	£	£
Allotted and fully paid		
3,000,050 (2015: 3,000,050) ordinary shares of £1 each (2015 : £1)	3,000,050	3,000,050
7,000 (2015: 7,000) deferred shares of 50p each (2015 : 50p)	3,500	3,500
	3,003,550	3,003,550

In the event of winding up the shareholders of the ordinary shares have a right to repayment of capital in priority to any repayment of capital of the deferred shares. The deferred shares have no voting or dividend rights and do not participate in the distribution of any surplus on winding up.

19 Contingent liabilities

The company is included in group guarantees of the hire purchase loans and vehicle fleet loans of its subsidiary company. At 31 December 2016, the contingent liability in respect of these guarantees was £6,329,571 (2015: £6,632,466).

The company is included in a group registration for VAT purposes with its parent company and fellow subsidiaries. All members of the VAT group are jointly and severally liable for the total amount of VAT due and at 31 December 2016 the contingent liability in respect of this group registration was £135,410 (2015: £121,732).

20 Pension commitments

Defined contribution

	2016	2015
	£	£
Contributions payable by the company for the financial year	17,340	17,864

Pension contributions in amount of £ 4,539 (2015: £ 1,893) was outstanding at 31 December 2016.

Notes to the financial statements for the year ended 31 December 2016 (continued)

21 Parent undertakings and controlling party

The immediate parent company is Aureole Windsor Limited a company incorporated in the United Kingdom.

At 31 December 2016, the ultimate parent company, which is also the parent for the largest and smallest group of undertakings for which the group financial statements are drawn up for and of which the company is a member was Aureole Windsor Limited a company incorporated in the United Kingdom.

Copies of the group financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

22 Events after the end of the reporting period.

There are no events to report on after the reporting period.

23 Related party transactions

Details of the company's ultimate parent are given in note 21.

The company has taken advantage of the exemptions from disclosure of transactions with group companies available to subsidiary undertakings under FRS 102 paragraph 33.1A. Details of other related party transactions are disclosed in the financial statements of Aureole Windsor Limited.

The company has received a loan of £4,250,000 from P Newton, a director. The loan is secured by a fixed and floating charge over the company's assets and is repayable on three months' notice. Interest payable on the loan during the year ended 31 December 2016 amounted to £ 297,500 (2015: £297,500), of which £121,768 (2015: £131,667) has been disbursed to a subsidiary company..