

Registered number: 06333333

**ACS (GB) LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **ACS (GB) LTD**

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**ACS (GB) LTD**

**COMPANY INFORMATION**

<b>Directors</b>	C Heathcote A Stables
<b>Company secretary</b>	T Swift
<b>Registered number</b>	06333333
<b>Registered office</b>	Market Harborough Road Clifton-Upon-Dunsmore Rugby Warwickshire CV23 0AN
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT

## **ACS (GB) LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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

#### **Principal activities, business review and future developments**

The principal activities of ACS (GB) LTD (the "company"), registered number 06333333, during the year was that of a property holding company.

Turnover for the year ended 31 December 2016 was £1,192,000 (2015: £1,192,000) giving a profit before taxation of £939,378 (2015: £830,118).

The company's profitability during the year was in line with forecast expectations. It is anticipated that the company will remain profitable in 2017.

The tax on profit for the year was £189,124 (2015: £171,004) and a reconciliation of the total tax charge to the standard rate of corporation tax is set out in note 10 to these financial statements.

#### **Strategic Report**

The company has taken the exemption from preparing a strategic report as it is entitled to prepare financial statements in accordance with the section 414b of the Companies Act 2006.

#### **Principal risks and uncertainties**

There is a possible risk of further long term diminution in market value of the property held, however this is unlikely given it's location in the UK and intentions to develop the site within the next few years.

#### **Going concern**

The balance sheet shows the company has net current liabilities of £7,306,451 (2015: £8,062,764) which includes loans repayable to a related group undertaking, PERI GmbH, of £7,165,820 (2015: £7,955,820). PERI GmbH has confirmed its intention not to call for repayment of this loan balance, for a period of 12 months following the date of approval of these financial statements, if such repayment would prejudice the ability of the company to repay its other liabilities as they fall due. Accordingly the directors have prepared the financial statements on a going concern basis, and do not consider there is any significant uncertainty in this regard.

#### **Dividends**

The directors do not recommend the payment of a dividend (2015: £Nil).

#### **Directors**

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

C Heathcote  
A Stables

#### **Directors' liability**

The company has arranged adequate Directors and Officers' liability insurance, for one or more of its directors and officers. Such insurance was in force during the financial year and also at the date of approving the directors' report.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent auditors**

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

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17th May 2017 and signed by order of the board by:



**T Swift**  
Secretary

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACS (GB) LTD

### Report on the financial statements

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#### Our opinion

In our opinion, ACS (GB) Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its 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.

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#### What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

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#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

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#### Other matters on which we are required to report by exception

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##### Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACS (GB) LTD

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### Directors' remuneration

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

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### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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### What an audit of financial statements involves

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

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

**ACS (GB) LTD**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACS (GB) LTD**

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

*Matt Palmer*

Matt Palmer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

Date: 17 MAY 2017



**ACS (GB) LTD**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
Turnover	4	<b>1,192,000</b>	1,192,000
<b>Gross profit</b>		<b>1,192,000</b>	1,192,000
Administrative expenses		<b>(14,518)</b>	(21,683)
<b>Operating profit</b>	5	<b>1,177,482</b>	1,170,317
Interest receivable and similar income	8	<b>4</b>	2,340
Interest payable and similar expenses	9	<b>(238,108)</b>	(342,539)
<b>Profit before taxation</b>		<b>939,378</b>	830,118
Tax on profit	10	<b>(189,124)</b>	(171,004)
<b>Profit for the financial year</b>		<b>750,254</b>	659,114
<b>Total comprehensive income for the year</b>		<b>750,254</b>	659,114

The notes on pages 10 to 19 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	5,482,006	5,488,065
		<u>5,482,006</u>	<u>5,488,065</u>
<b>Current assets</b>			
Debtors	12	3,177	4,034
Cash at bank and in hand	13	8,190	23,204
		<u>11,367</u>	<u>27,238</u>
Creditors: amounts falling due within one year	14	(7,317,818)	(8,090,002)
<b>Net current liabilities</b>		<u>(7,306,451)</u>	<u>(8,062,764)</u>
<b>Total assets less current liabilities</b>		<u>(1,824,445)</u>	<u>(2,574,699)</u>
<b>Net liabilities</b>		<u>(1,824,445)</u>	<u>(2,574,699)</u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Profit and loss account	18	(1,824,446)	(2,574,700)
<b>Total shareholders' deficit</b>		<u>(1,824,445)</u>	<u>(2,574,699)</u>

The financial statements on pages 7 to 19 were approved and authorised for issue by the board and were signed on its behalf on 17th May 2017



**A Stables**  
Director

The notes on pages 10 to 19 form part of these financial statements.

**ACS (GB) LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' deficit</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2016	1	(2,574,700)	(2,574,699)
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	750,254	750,254
<b>Total comprehensive income for the year</b>	-	750,254	750,254
<b>At 31 December 2016</b>	<b>1</b>	<b>(1,824,446)</b>	<b>(1,824,445)</b>

**FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' deficit</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2015	1	(3,233,814)	(3,233,813)
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	659,114	659,114
<b>Total comprehensive income for the year</b>	-	659,114	659,114
<b>At 31 December 2015</b>	<b>1</b>	<b>(2,574,700)</b>	<b>(2,574,699)</b>

The notes on pages 10 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. General information**

ACS (GB) Ltd (the "company") is a property holding company.

The company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is: Market Harborough Road, Clifton Upon Dunsmore, Rugby, Warwickshire, CV23 0AN, where it is domiciled.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently for all years presented:

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 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 paragraph 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**2.3 Turnover**

Turnover relates exclusively to rental income excluding value added tax. Rental revenue is invoiced monthly in advance and is recognised on an accruals basis, over the period of rental. All turnover arises in the and relates to the continuing principal activity.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Investment properties	- 50 years
Plant and machinery	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.7 Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**Financial liabilities**

The company classifies all of its financial liabilities as liabilities at amortised cost.

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

**2.8 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.9 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

When preparing the financial statements, the directors have made a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The most significant judgements are as follows:

**Tangible Fixed Assets**

The remaining useful lives of depreciable assets are estimated at the reporting date. Assets of a technological nature are the least certain in terms of remaining useful life. Depreciation rates are used which are deemed to be appropriate for the class of assets.

**Property Valuation**

The property was professionally valued in 2013 to account for the significant drop in property values since acquisition in 2007. The directors use their judgement to determine when further valuations need to be conducted.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	<u>6,059</u>	<u>13,864</u>

**6. Auditors' remuneration**

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2016 £	2015 £
Fees for the audit of the company	2,324	2,324
Fees for tax compliance services	2,550	2,470
	<u>4,874</u>	<u>4,794</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**7. Employees**

The company has no employees other than the directors, who did not receive any remuneration in respect of their services to the company (2015 - £NIL). The emoluments of the directors are paid by fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of these entities.

**8. Interest receivable and similar income**

	2016 £	2015 £
Other interest receivable	4	2,340

**9. Interest payable and similar expenses**

	2016 £	2015 £
Loans from group undertakings	238,108	342,539

**10. Tax on profit**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	188,267	169,865
<b>Total current tax</b>	188,267	169,865
<b>Deferred tax</b>		
Current year	509	(884)
Adjustments in respect of previous periods	-	1,800
Effect of changes in tax rates	348	223
<b>Total deferred tax</b>	857	1,139
<b>Tax on profit</b>	189,124	171,004

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**10. Tax on profit (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the 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 before taxation	<u>939,378</u>	<u>830,118</u>
Profit multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	187,876	168,070
<b>Effects of:</b>		
Expenses not deductible	-	(1)
Changes to tax rates	348	224
Deferred tax not recognised	900	911
Adjustments to tax charge in respect of prior periods	-	1,800
<b>Total tax charge for the year</b>	<u><u>189,124</u></u>	<u><u>171,004</u></u>

**Factors that may affect future tax charges**

The July 2015 Budget Statement announced changes (which were subsequently enacted) to the UK Corporation Tax regime which will reduce the main rate of Corporation Tax to 19% from 1 April 2017 and 18% from 1 April 2020. A further change was announced in the March 2016 Budget to further reduce the Corporation Tax rate to 17% by 1 April 2020, which has now been substantively enacted.

Accordingly, deferred tax has been calculated using a tax rate of 17%.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

## 11. Tangible assets

	Freehold land £	Investment properties £	Plant and machinery £	Total £
<b>Cost or deemed cost</b>				
At 1 January 2016	11,666,977	500,000	82,826	12,249,803
At 31 December 2016	11,666,977	500,000	82,826	12,249,803
<b>Accumulated Depreciation</b>				
At 1 January 2016	6,369,414	311,059	81,265	6,761,738
Charge for the year	-	4,498	1,561	6,059
At 31 December 2016	6,369,414	315,557	82,826	6,767,797
<b>Net book value</b>				
At 31 December 2016	5,297,563	184,443	-	5,482,006
At 31 December 2015	5,297,563	188,941	1,561	5,488,065

The freehold land and investment property is in a green-belt area totalling approximately 13.3 acres, located near Brentwood. The site has an office building, large warehouse and open storage concreted area. A formal valuation of the site was performed in 2013. The directors review the valuation each year based on their knowledge of the area. At 31 December 2016, the directors consider the fair value of this site to be £6,000,000.

## 12. Debtors

	2016 £	2015 £
Deferred taxation	3,177	4,034

## 13. Cash at bank and in hand

	2016 £	2015 £
Cash at bank and in hand	8,190	23,204

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**
**14. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Amounts owed to group undertakings	7,184,278	7,975,484
Corporation tax	108,267	89,864
Other taxation and social security	19,867	19,790
Accruals and deferred income	5,406	4,864
	<u>7,317,818</u>	<u>8,090,002</u>

Amounts owed to group undertakings are unsecured, interest bearing and repayable on demand.

**15. Financial instruments**

	2016 £	2015 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(7,189,684)	(7,980,348)

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings and accruals.

**16. Deferred taxation**

	2016 £	2015 £
At beginning of year	4,034	5,173
Charged to profit or loss	(857)	(1,139)
<b>At end of year</b>	<u>3,177</u>	<u>4,034</u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Fixed assets	3,177	4,034
	<u>3,177</u>	<u>4,034</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**17. Called up share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1 (2015: 1) ordinary share of £1	<u>1</u>	<u>1</u>

**18. Reserves**

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the company.

**19. Ultimate parent company and controlling party**

The company's immediate parent company is SFT Holding GmbH, a private company, incorporated in and registered at , Registered Number HRB 11663.

The ultimate parent undertaking and controlling party is PERI Werk Artur Schwoerer GmbH & Co.KG, a private company, incorporated in Germany. This is the parent undertaking of the smallest and largest group of undertakings to consolidate the company's financial statements at 31 December 2016. The consolidated financial statements of PERI Werk Artur Schwoerer GmbH & Co. KG are filed at Handelsregister Memmingen, Registered Number HRA 6051.