

Registered number: 07029846

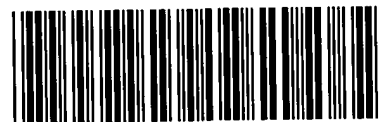
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**SYNCREON UK HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

TUESDAY



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COMPANIES HOUSE

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**SYNCREON UK HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr P Enright Ms C Van Landschoot
<b>Company secretary</b>	Kenneth Pocius
<b>Registered number</b>	07029846
<b>Registered office</b>	Unit 5 Logix Road R D Park Hinckley Leicestershire LE10 3BQ
<b>Trading Address</b>	Unit 5 Logix Road R D Park Hinckley Leicestershire LE10 3BQ
<b>Independent auditors</b>	Deloitte LLP Statutory Auditor Four Brindley Place Birmingham United Kingdom B1 2HZ
<b>Bankers</b>	KBC Group NV 111 Old Broad Street London United Kingdom EC2N 1BR
<b>Solicitors</b>	Knights plc The Brampton Newcastle Under Lyme Staffordshire United Kingdom ST5 0QW

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**SYNCREON UK HOLDINGS LIMITED**

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**CONTENTS**

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	Page
<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Independent auditors' report</b>	<b>4 - 6</b>
<b>Statement of comprehensive income</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 20</b>

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**SYNCREON UK HOLDINGS LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**INTRODUCTION**

The Directors present their Strategic Report on the company for the year ended 31 December 2017. The following have been disclosed in the Strategic Report and are included in the Director's Report by way of cross reference; Financial risk management.

**BUSINESS REVIEW**

The Company is an investment holding company within the Syncreon Group. The Syncreon Group provides end-to-end logistics and supply chain solutions based on leading edge technology, innovative thinking and designed to deliver cost savings and competitive advantage to its customers. The group has operations in Ireland, UK, the Netherlands, Germany, Hungary, Belgium, United States, Canada, Brazil and other various countries.

The Company generated no turnover during the year ended 31 December 2017 or the previous year.

The Directors consider the net liabilities of £30,325,477 (2016: £14,493,912) as indicated on the Balance Sheet to be satisfactory. The decrease in net liabilities is the result of the decrease in amounts owed to Group undertakings and impairment on investments in subsidiaries.

**FINANCIAL RISK MANAGEMENT**

The financial risk of the Company is primarily managed by the Syncreon Group European Headquarters finance department. The Company's principle financial instruments comprise cash and short-term deposits and loans from Group undertakings. The Company has various other financial instruments such as trade debtors and trade creditors, which arise from its operations. The Company does not enter into derivative transactions. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The cash flow of Syncreon UK Holdings Limited is monitored along with the other European Syncreon companies and cash shortfalls can be offset by surpluses elsewhere in the European group and globally as applicable. This helps to ensure the stability of cash outflows and hence manage interest rate risk. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The finance department is controlled by strict guidelines set by the global parent company.

**FINANCIAL KEY PERFORMANCE INDICATORS**

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Company as a whole, these being turnover, gross profit, operating profit and profit on ordinary activities before taxation as set out in the profit and loss account.

Trading for the year was in line with Directors expectations.

This report was approved by the board on 14 December 2018 and signed on its behalf.



**Mr P Enright**  
**Director**

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## **SYNCREON UK HOLDINGS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Directors present their report and the audited financial statements for the year ended 31 December 2017. The following have been disclosed in the Strategic Report and are included in the Director's Report by way of cross reference: Financial risk management.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Annual Report audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited 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), including FRS 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the audited 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 to enable them to ensure that the audited 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.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £15,831,565 (*2016: profit £6,767,353*).

A dividend of £14,185,348 (*2016: £12,000,000*) was received in the year and used to pay down interest owed. No dividend has been paid in 2017 (*2016: £Nil*) and no dividend is proposed.

#### **DIRECTORS**

The Directors who served during the year and to the date of this report were:

Mr P Enright  
Ms C Van Landschoot

#### **POLITICAL CONTRIBUTIONS**

No political donations were paid in the year (*2016: £Nil*).

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**SYNCREON UK HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**GOING CONCERN**

The financial statements have been prepared on a going concern basis. The Directors of the Company do not expect any significant changes in the Company's activities and they have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors have considered the current and historical performance of the Company and its financial position. The nature of the Company's activities are linked to the activities and performance of the Syncreon Group (the "Group") undertakings. The Directors have reasonable expectation that the Group will continue to support the operational existence of the Company for the foreseeable future. A letter of support has been made available by the immediate parent company, Syncreon International Group as Syncreon UK Holdings Limited has net liabilities. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**FUTURE DEVELOPMENTS**

It is the intention of the Directors for the Company to continue as an investment holdings company within the Syncreon Group.

**DIRECTOR INDEMNITY**

No director indemnity provisions were made during the year.

**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 auditor is 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 auditor is aware of that information.

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

**AUDITORS**

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

This report was approved by the board on 14 December 2018 and signed on its behalf.



**Mr P Enright  
Director**

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**SYNCREON UK HOLDINGS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNCREON UK HOLDINGS LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

In our opinion the financial statements of Syncreon UK Holdings Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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**SYNCREON UK HOLDINGS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNCREON UK HOLDINGS LIMITED  
(CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS****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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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



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**SYNCREON UK HOLDINGS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNCREON UK HOLDINGS LIMITED  
(CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**Use of our report**

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.



Peter Gallimore (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**  
Statutory Auditor

Birmingham  
United Kingdom  
17 December 2018

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SYNCREON UK HOLDINGS LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Note	2017 £	2016 £
Administrative expenses		(5,663)	(37,135)
Impairment of investments		(24,815,738)	-
Other operating income	4	14,185,348	12,000,000
<b>Operating (loss)/profit</b>	5	<b>(10,636,053)</b>	<b>11,962,865</b>
Interest payable and similar expenses	8	(5,195,512)	(5,195,512)
<b>(Loss)/profit before tax</b>		<b>(15,831,565)</b>	<b>6,767,353</b>
Tax on (loss)/profit	9	-	-
<b>(Loss)/profit for the financial year and total comprehensive (loss)/income</b>		<b>(15,831,565)</b>	<b>6,767,353</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £Nil).

The notes on pages 10 to 20 form part of these financial statements.

**SYNCREON UK HOLDINGS LIMITED**  
**REGISTERED NUMBER:07029846**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	10	<u>34,991,809</u>	<u>59,807,547</u>
		<b>34,991,809</b>	<b>59,807,547</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	<u>250,113</u>	<u>250,113</u>
		<b>250,113</b>	<b>250,113</b>
Creditors: amounts falling due within one year	12	<u>(65,567,399)</u>	<u>(74,551,572)</u>
<b>Net current liabilities</b>		<b>(65,317,286)</b>	<b>(74,301,459)</b>
<b>Total assets less current liabilities</b>		<b>(30,325,477)</b>	<b>(14,493,912)</b>
<b>Net liabilities</b>		<u><b>(30,325,477)</b></u>	<u><b>(14,493,912)</b></u>
<b>Capital and reserves</b>			
Called up share capital	13	<b>2,009</b>	<b>2,009</b>
Share premium account	14	<b>20,038,548</b>	<b>20,038,548</b>
Profit and loss account	14	<u><b>(50,366,034)</b></u>	<u><b>(34,534,469)</b></u>
		<u><b>(30,325,477)</b></u>	<u><b>(14,493,912)</b></u>

The financial statements of Syncreon UK Holdings Limited (registered number: 07029846) were approved and authorised for issue by the board and were signed on its behalf on 14 December 2018.

  
**Mr P Enright**  
**Director**

The notes on pages 10 to 20 form part of these financial statements.

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**SYNCREON UK HOLDINGS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	2,009	20,038,548	(34,534,469)	(14,493,912)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(15,831,565)	(15,831,565)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	(15,831,565)	(15,831,565)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2017</b>	<b>2,009</b>	<b>20,038,548</b>	<b>(50,366,034)</b>	<b>(30,325,477)</b>

The notes on pages 10 to 20 form part of these financial statements.

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

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	2,009	20,038,548	(41,301,822)	(21,261,265)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	6,767,353	6,767,353
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	6,767,353	6,767,353
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2016</b>	<b>2,009</b>	<b>20,038,548</b>	<b>(34,534,469)</b>	<b>(14,493,912)</b>

The notes on pages 10 to 20 form part of these financial statements.

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. GENERAL INFORMATION**

Syncreon UK Holdings Limited, the "Company", is an investment holding company within the Syncreon Group. The Syncreon Group provides end-to-end logistics and supply chain solutions based on leading edge technology, innovative thinking and designed to deliver cost savings and competitive advantage to its customers.

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is provided on the company information page.

The financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Syncreon Global Holdings Limited. The group accounts of Syncreon Global Holdings Limited are available to the public and can be obtained as set out in note 15.

**2. ACCOUNTING POLICIES****Basis of preparation of financial statements**

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by FRC. Accordingly these financial statements were prepared in accordance with Financial Reporting 101 'Reduced Disclosure Framework'.

The financial statements have been prepared 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:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)**

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

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- 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
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where relevant, equivalent disclosures have been given in the Group accounts of Syncreon Global Holdings Limited. The Group accounts of Syncreon Global Holdings Limited are available to the public and can be obtained as set out in note 15.

**2.2 Adoption of new and revised standards**

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The Directors' Report describes the Company's results for the financial year and the financial position of the Company and processes for managing its economic and financial risk.

As stated in the Directors' Report, the nature of the Company's activities is linked to the activities and performance of the Syncreon Group (the "Group") undertakings. Given the current financial position of the Group and there being no plans to change the activities of the Company and the intention of the Group to continue to support the operational existence of the Company into the foreseeable future, the Directors have deemed it appropriate to adopt the going concern basis in preparing the financial statements. A letter of support has been made available by the immediate parent company, Syncreon International Group as Syncreon UK Holdings Limited has net liabilities.

The Directors have a reasonable expectation that the Company has adequate resource to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)**

**2.4 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

At each Balance Sheet date, the Company reviews the carrying amounts of its investment in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**2. ACCOUNTING POLICIES (continued)**

**2.6 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.

**2.7 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.

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)****2.8 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.

**2.9 Dividend income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

**2.10 Taxation**

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. 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 that are never taxable or deductible.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

In the application of the Company accounting policies, which are described in note 2, 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 in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

**Impairment of investments**

The Company conducts impairment reviews of investments in subsidiaries to determine whether their carrying amounts may not be recoverable, on an annual basis. Determining whether an investment is impaired requires an estimation of the recoverable amount, which requires assumptions by the Company to calculate the value of the cash-generating unit.

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**4. OTHER OPERATING INCOME**

	2017 £	2016 £
Dividend Income	14,185,348	12,000,000
	<u>14,185,348</u>	<u>12,000,000</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2017 £	2016 £
Impairment of Investments	24,815,738	-
Administration expenses	5,663	37,135
	<u>24,821,401</u>	<u>37,135</u>

**6. AUDITORS' REMUNERATION**

Audit fees for the Company were borne by Syncreon Technology (UK) Ltd.

	2017 £	2016 £
Fees for the audit of the company	3,571	3,571
	<u>3,571</u>	<u>3,571</u>

There were no fees incurred for non audit services during the year (2016: £Nil).

**7. EMPLOYEES**

The Company has no employees other than the Directors, who did not receive any remuneration (2016: £Nil).

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017 £	2016 £
Loans from group undertakings	5,195,512	5,195,512
	<u>5,195,512</u>	<u>5,195,512</u>

**9. TAXATION**

	2017 £	2016 £
Total current tax	-	-
Deferred tax	-	-
Total deferred tax	-	-
Taxation on profit	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Loss)/profit before tax	(15,831,565)	6,767,353
Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	1,729,146	1,353,470
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	73,969	311,731
Dividends from UK companies	(2,730,194)	(2,400,000)
Amounts not recognised	472,186	-
Group relief	454,893	734,799
Total tax charge for the year	-	-

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**9. TAXATION (continued)****FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

During the accounting period, the UK corporation tax rate was 19%. The UK government has introduced legislation to reduce the corporation tax rate to 17% from 1 April 2020.

**10. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2017	80,399,124
At 31 December 2017	<u>80,399,124</u>
<b>Impairment</b>	
At 1 January 2017	20,591,577
Charge for the period	24,815,738
At 31 December 2017	<u>45,407,315</u>
<b>Net book value</b>	
At 31 December 2017	<u>34,991,809</u>
At 31 December 2016	<u>59,807,547</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Syncreon Technology (UK) Ltd	Ordinary shares	100 %	Transport and logistics
Syncreon Automotive (UK) Ltd	Ordinary shares	100 %	Transport and logistics
Syncreon Asia Holdings (UK) Limited	Ordinary shares	100 %	Holding Company

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**10. FIXED ASSET INVESTMENTS (continued)**

<b>Name</b>	<b>Registered office</b>
Syncreon Technology (UK) Ltd	Unit 5 Logix Road, R D Park, Watling Street, Hinckley, Leicestershire, LE10 3BQ
Syncreon Automotive (UK) Ltd	Unit 5 Logix Road, R D Park, Watling Street, Hinckley, Leicestershire, LE10 3BQ
Syncreon Asia Holdings (UK) Limited	C/o Syncreon Technology, Unit 5 Logix Road, R D Park, Hinckley, Leicestershire, LE10 3BQ

**11. DEBTORS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<b>250,000</b>	<b>250,000</b>
Other debtors	<b>113</b>	<b>113</b>
	<b>250,113</b>	<b>250,113</b>

Amounts owed by Group undertakings include outstanding intercompany loans receivable from Syncreon Treasury Services Limited of £250,000 (2016: £250,000) which are unsecured, subject to interest at 3.75% (2016: 3.75%) and are repayable on demand.

**12. CREDITORS: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>65,563,828</b>	<b>74,544,430</b>
Other creditors	<b>3,571</b>	<b>7,142</b>
	<b>65,567,399</b>	<b>74,551,572</b>

Amounts owed to Group undertakings include outstanding intercompany loans payable to Syncreon Treasury Services Limited of £65,563,828 (2016: £74,544,430) which are unsecured, subject to interest at 3.75% (2016: 3.75%) and are repayable on demand.

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**SYNCREON UK HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**13. SHARE CAPITAL**

	2017 £	2016 £
<b>Authorised</b>		
2,010,000 Ordinary Shares of £1 each	<u>2,010,000</u>	<u>2,010,000</u>
<b>Allotted, called up and fully paid</b>		
2,009 Ordinary Shares of £1 each	<u>2,009</u>	<u>2,009</u>

**14. RESERVES****Share premium account**

The share premium reserves contains the premium arising on issue of equity shares, net of issue expenses.

**Profit and loss account**

The profit and loss reserve represents cumulative profits or losses.

**15. CONTROLLING PARTY**

The ultimate parent company and controlling party of Syncreon UK Holdings Limited is Syncreon Global Holdings Limited, a company incorporated in the Cayman Islands (registered office: C/o Stuarts Corporate Services Ltd, Cayman Financial Center, George Town, Grand Cayman).

The Company regards Syncreon International Group, a company incorporated in Ireland, as the immediate parent undertaking.

The parent company of the smallest and largest group to consolidate these financial statements is Syncreon Global Holdings Limited, a company incorporated in the Cayman Islands. Copies of these consolidated financial statements can be obtained from Ministry of Justice, 13 rue Erasme, L-2934, Luxembourg.

Syncreon UK Holdings Limited has availed of the following exemption - preparation of consolidated financial statements (E.U 7th Directive).

This exemption is available as 100% of Syncreon Holdings Limited's voting rights are controlled within Syncreon group and the consolidated financial statements of Syncreon Global Holdings Limited (in which Syncreon UK Holdings Limited is included) are publicly available.