

CHG-MERIDIAN Capital Limited
Registered No: 03338998

Annual Report and Financial Statements

31 December 2016

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COMPANIES HOUSE

Directors

P A Millard (Resigned 30/12/2016)
W D Fowkes
D McGlone (Appointed 11/01/2017)

Auditor

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Registered office

Barons Court
22 The Avenue
Egham
Surrey
TW20 9AB

Directors' report

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

Principal activity

The principal activity of the company in the year under review was that of arranging finance facilities and leasing agreements for business concerns principally in the UK.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

No dividend is proposed (2015: £nil).

Business review

The directors are satisfied with the performance of the company in the year and anticipate that it will continue to develop.

There have been no events since the balance sheet date which materially affect the position of the company

Political donations

The company made no political donations in 2016 (2015: £nil).

Directors

The directors of the company during the year are as listed on page 2.


Disclosure of information to auditor

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

Auditor

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

By order of the board



D McGlone
Director

Barons Court
22 The Avenue
Egham
Surrey
TW20 9AB

4/8/17

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHG-MERIDIAN CAPITAL LIMITED

We have audited the financial statements of CHG-MERIDIAN Capital Limited for the year ended 31 December 2016 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 the information given in the Directors' Report for the financial year is consistent with the financial statements.

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

- we have not identified material misstatements in that report: and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHG-MERIDIAN CAPITAL LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



Robert Fitzpatrick (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

16 August 2017

Profit and loss account and retained earnings for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Turnover	2	210	828
Cost of sales		(10)	(159)
Gross profit		<u>200</u>	<u>669</u>
Operating expenses		-	(604)
Operating profit		<u>200</u>	<u>65</u>
Interest receivable and similar income	6	69	80
Profit on ordinary activities before taxation	5	<u>269</u>	<u>145</u>
Tax charge on profit on ordinary activities	7	(53)	-
Profit for the financial year	10	<u>216</u>	<u>145</u>
Retained earnings at 1 January		2,473	2,328
Profit for the year		216	145
Retained earnings at 31 December		<u>2,689</u>	<u>2,473</u>

There were no other comprehensive income for either period other than the profit for the year, the whole of which has been derived from continuing activities.


The notes on pages 9 to 14 form part of these financial statements.

Balance sheet

at 31 December 2016

	Notes	2016 £000	2015 £000
Current assets			
Debtors – amounts falling due within one year	8	2,684	2,520
Total debtors		<u>2,684</u>	<u>2,520</u>
Cash at bank and in hand		172	88
Total assets		<u>2,856</u>	<u>2,608</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	2,689	2,473
Equity shareholder's funds	10	<u>2,689</u>	<u>2,473</u>
Creditors			
Creditors – amounts falling due within one year	11	167	135
Total liabilities		<u>2,856</u>	<u>2,608</u>

These financial statements were approved on behalf of the board of directors on *August 4th 2017* and were signed on its behalf by:


D McGlone
Director

The notes on pages 9 to 14 form part of these financial statements.

Notes to the financial statements at 31 December 2016

1. Accounting policies

Accounting convention

CHG-MERIDIAN Capital UK Limited is a company limited by shares and incorporated and domiciled in the UK.

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

The Company's ultimate parent undertaking, CHG-MERIDIAN AG includes the Company in its consolidated financial statements. The consolidated financial statements of CHG-MERIDIAN AG are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Franz-Beer-Strasse 111, 88250 Weingarten, Germany. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes
- Reconciliation of the number of shares outstanding from the beginning to the end of the period
- Key Management Personnel compensation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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

Going concern statement

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review in the Directors Report on page 3.

The financial position of the company remains strong with access to adequate funding as part of the wider CHG-MERIDIAN group. As a consequence, the directors believe that the company is well placed to manage its business risks successfully and remain profitable despite the current uncertain economic outlook.

Based on the above, the directors have a reasonable expectation that the company has adequate resources 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.

Notes to the financial statements at 31 December 2016

Accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis.

Turnover

Turnover represents commissions, documentation and insurance fees, end of lease titles and secondary rentals to external customers at invoiced amounts less value added tax.

Turnover is recognised when the risks and rewards of owning the goods have passed to the funder or customer, which is generally on activation of the deal (i.e. when CHG-MERIDIAN Capital Limited receives the remittance advice from the funder to confirm that payment will be made).

Where the cost of lease assets is invoiced to the company but substantially all of the risks and rewards of the asset are transferred directly from the supplier to the funder or end lessee, the company accounts for their commission on these transactions in turnover net as they are acting as an agent.

Tangible fixed assets and depreciation

Depreciation is charged on tangible fixed assets, excluding freehold land, at rates calculated to write off the cost of each asset in equal instalments over its expected useful life as follows:

Fixtures, fittings and equipment	-	33% per annum straight line
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The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements at 31 December 2016

Accounting policies (continued)

Basic financial instruments

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

Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling on the balance sheet date. Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of transaction. Resulting differences are dealt with in the profit and loss account.

2. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

The gross turnover was £209,448 in the year (2015: £827,623).

3. Directors' emoluments

The directors emoluments for 2016 was £nil (2015: £nil). The directors of the Company are directors or employees of subsidiaries of the Company's ultimate parent company and are now remunerated by those companies for their services to the group as a whole.

4. Staff costs

Staff costs for the year was £nil (2015: £nil). No persons were employed by the Company during the year. The Company's business is now conducted by employees of subsidiary companies of the Company's ultimate parent company.

5. Profit on ordinary activities before taxation

The audit fee is paid by a fellow subsidiary of the parent on behalf of the Company.

6. Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable: Group companies	69	80

Notes to the financial statements at 31 December 2016

7. Tax on profit on ordinary activities

(a) Analysis of charge in year:

	2016 £000	2015 £000
<i>Current tax</i>		
UK corporation tax on the profit for the year	53	-
Total tax for year	53	-

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower (2015 – lower) than the standard rate of corporation tax in the UK of 20% (2015 – 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	269	145
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	54	29
<i>Effects of:</i>		
Utilisation of unrecognised deferred tax asset	(1)	(2)
Group relief free of charge	-	(27)
Total tax for the year (note 7(a))	53	-

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on the rate of 18% substantively enacted at the balance sheet date.

(c) Deferred tax

There is an unrecognised deferred tax asset of £23,070 (2015: £23,070) in respect of a capital loss carried forward. This has not been provided in the financial statements as the directors are not sufficiently certain that this amount can be recovered in future years.

There is an unrecognised deferred tax asset of £5,343 (2015: £6,525) relating to depreciation in advance of capital allowances. This has not been recognised in the financial statements due to the extended timescale of the reversal of this asset. This tax asset has been calculated at the corporation tax rate of 18%.

Provided that sufficient group profits are available, it is expected that the amount of the deferred tax asset that can be recognised in 2017 is £1,077.

Notes to the financial statements at 31 December 2016

8. Debtors

Amounts falling due within one year:

	2016 £000	2015 £000
Trade debtors	16	64
Amounts owed by group undertakings	2,548	2,407
Prepayments and accrued income	120	49
	<u>2,684</u>	<u>2,520</u>

9. Share capital

	<i>Allotted, called up and fully paid</i>	
	2016 £000	2015 £000
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

10. Reconciliation of shareholder's funds and movements on reserves

	Share Capital	Profit and Loss Account	Total	Total
	2016 £000	2016 £000	2016 £000	2015 £000
At 1 January	-	2,473	2,473	2,328
Movement in the year	-	216	216	145
At 31 December	<u>-</u>	<u>2,689</u>	<u>2,689</u>	<u>2,473</u>

Notes to the financial statements at 31 December 2016

11. Creditors

	2016 £000	2015 £000
Trade creditors	10	13
Amounts owed to group undertakings	53	50
Other taxes and social security	56	26
Accruals and deferred income	48	46
	<u>167</u>	<u>135</u>

All creditors are due within one year.

12. Parent undertaking, controlling party and related party disclosures

The company's immediate parent undertaking is CHG-MERIDIAN (Holdings) UK Limited which is the parent undertaking of the largest UK group of which the company is a member.

The company's ultimate parent undertaking and controlling party is CHG-MERIDIAN AG, a company incorporated in Germany.

The company has availed itself of the exemption under Financial Reporting Standard No. 102.33 "Related Party Disclosures" from reporting related party transactions with other members of the CHG-MERIDIAN AG group. This is the only group in which the results of CHG-MERIDIAN Capital Limited are consolidated. Copies of the group financial statements are available from Franz-Beer-Strasse 111, 88250 Weingarten, Germany

13. Related party transactions

Transactions during the year and balances outstanding at the end of the year with other companies in which one or more directors or shareholders in the company are also directors or shareholders were as follows:

	Transactions: amount (paid to)/ received from 2016 £000	Balances: amount (due to)/ owed from 2016 £000	Transactions: amount (paid to)/ received from 2015 £000	Balances: amount (due to)/ owed from 2015 £000
<u>JW Property Partnership</u>				
Rent Unit 21 Cottesbrooke Park	-	-	(21)	-
Balance	<u> </u>	<u> </u>	<u> </u>	<u> </u>