

Sterling International Group Limited

**Directors' Report and Financial
Statements**

Registered number 03910490

31 December 2016

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Directors' report

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

Principal activities

The company's principal activity is that of being an intermediate parent company, holding investments in subsidiary undertakings incorporated in the United Kingdom, France, Singapore, India, Switzerland, and USA and this is expected to continue in the future.

The company also holds the lease of the group offices in Northolt. One of the subsidiary companies, Sterling Relocation Ltd, occupies these offices and pays the rent on behalf of the company.

Proposed dividend

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

Directors

The directors who held office during the year were as follows:

ROH Morley (resigned 1 March 2017)
JG Powers (resigned 28 April 2017)
LB Stottlemire

In addition, JO Denyer and JR Mills were appointed as the director of the company on 1 March 2017.

Going concern

The company's parent undertaking has issued a letter of support to the company confirming its support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approving the financial statements for the year ended 31 December 2016.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and accounts.

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 each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and will therefore continue in office.

Small Companies exemption

The directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.



On behalf of the board
JO Denyer
Director

22 SEP 2017

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 period. 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).

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 Sterling International Group Limited

We have audited the financial statements of Sterling International Group Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Sterling International Group Limited

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.
- ▶ the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take the advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemptions in preparing the Directors' Report.

Ernst & Young LLP

~~Farzin Radfar (Senior statutory auditor)~~

For and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date: *22 September 2017*

Income Statement

for the year ended 31 December 2016

		For the year ended December 2016 £	For the 18 months ended December 2015 £
	<i>Note</i>		
Other Operating Income	2	1,108,500	1,540,960
Administrative expenses		(1,108,500)	(1,569,394)
Operating Exceptional Item	3	-	(76,148)
		<hr/>	<hr/>
Operating profit/(loss)	3	-	(104,582)
		<hr/>	<hr/>
Profit/(Loss) on ordinary activities before taxation		-	(104,582)
Tax on profit/(loss) on ordinary activities		-	-
		<hr/>	<hr/>
Profit/(Loss) for the period		-	(104,582)
		<hr/>	<hr/>

All amounts relate to continuing activities.

Statement of Other Comprehensive Income
For the year ended 31 December 2016

	For the year ended 31 December 2016 £	For the 18 months ended 31 December 2015 £
Profit/ (loss) for the financial period	-	(104,582)
Other comprehensive income	-	-
Total comprehensive income for the financial period	<u>-</u>	<u>(104,582)</u>

Statement of Financial Position
As at 31 December 2016

	<i>Note</i>	31 December 2016 £	31 December 2015 £
Fixed assets			
Investments	6	1,048,068	1,048,068
Current assets			
Debtors	7	1,377,557	1,377,557
Total assets less current liabilities		2,425,625	2,425,625
Net assets		2,425,625	2,425,625
Capital and reserves			
Called up share capital	8	119,810	119,810
Share premium account	9	131,925	131,925
Capital redemption reserve	9	6,262	6,262
Profit and loss account		2,167,628	2,167,628
Shareholders' funds		2,425,625	2,425,625

These financial statements were approved by the board of directors on behalf by:

22 SEP 2017 and were signed on its



JO Denyer

Director

Company registered number: 3910490

Statement of Changes in Equity
For the year ended 31 December 2016

	Share capital £	Share Premium £	Capital Redemption Reserve £	Profit and loss account £	Total share- holders' funds £
At 1 July 2014	119,810	131,925	6,262	2,272,210	2,530,207
Total comprehensive income for the financial period	-	-	-	(104,582)	(104,582)
At 31 December 2015	119,810	131,925	6,262	2,167,628	2,425,625
Total comprehensive income for the financial year	-	-	-	-	-
At 31 December 2016	119,810	131,925	6,262	2,167,628	2,425,625

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Notes forming part of the financial statements

For year ended 31 December 2016

1 Accounting policies

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

Basis of preparation and Statement of Compliance

Sterling International Group Limited is a limited liability company incorporated in the United Kingdom. The registered office of the company is: Hallmark House, Rowdell Road, Northolt, UB5 6AG.

The company's financial statement have been prepared in compliance with FRS 102 as it applies to the financial statement of the company for the year ended 31 December 2016.

This is the first year in which the financial statements have been prepared under FRS 102. Details of transition to FRS102 are included in note 13.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not of the group.

The financial statements are presented in Sterling (£), which is the company's functional currency.

Exemptions for qualifying entities

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of UniGroup, Inc.

As a qualifying entity, the company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from disclosing the company's key management personnel compensation, as required by FRS 102 paragraph 33.7;
- from disclosing related party transactions with entities that are part of the UniGroup, Inc. group on the basis that it is a qualifying entity and the group financial statements of UniGroup, Inc. , which are publicly available, contain related party disclosures.
- from disclosing the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

Going Concern

The company's parent undertaking has issued a letter of support to the company confirming its support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approving the financial statements for the period ended 31 December 2016.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and accounts.

Notes forming part of the financial statements

For year ended 31 December 2016 (continued)

Significant judgements and estimations

Preparation of the financial statements requires management to make significant judgements and estimates that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. No significant judgements were made in preparing the financial statements. The following are the company's key sources of estimation.

Investments

Investments in subsidiary undertakings are stated at cost less provision of any impairment.

Debtors

Short term trade debtors are measured at the transaction price. Any losses arising from impairment are recognised in the Income Statement in administrative expenses.

Leases

Operating lease rentals are charged to the Income Statement on a straight line basis over the period of the lease.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Any losses arising from impairment are recognised in the Income Statement account in administrative expenses.

Taxation

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Director's emoluments

Directors of the company are also directors or officers of other companies within the UniGroup, Inc. group. These directors' services to the company do not occupy a significant amount of their time. As such these directors do not consider that they receive any remuneration for their services to the company for the period ended 31 December 2016.

Notes forming part of the financial statements

For year ended 31 December 2016 (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation of short term trading balances are included in the Income Statement.

Other Operating Income

Other Operating Income relates to rental income excluding value added taxation. Rental income is recognised on a straight line basis over the term of the lease.

2 Other operating income

Other Operating Income amounting to £1,108,500 (2015: £1,540,960) relates to rental income received from Sterling Relocation Limited, a 100% subsidiary. The rent expense included within administrative expense relates to the lease disclosed in note 10 and is recharged in full to the subsidiary entity.

3 Operating profit / (loss)

	12 months ended 31 December 2016 £	18 months ended 31 December 2015 £
<i>Operating profit / (loss) is stated after charging:</i>		
Operating lease payments - land and buildings	1,108,500	1,540,960
Impairment of fixed asset investments	-	76,148
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The lease of the group offices in Northolt is held by the company but is paid by the subsidiary entity.

Amounts payable to the Company's auditors for the audit of the Company are borne by another group company, Sterling Relocation Limited.

Notes forming part of the financial statements
For year ended 31 December 2016 (continued)

4 Taxation

<i>Analysis of tax charge/ credit in period</i>	12 months ended 31 December 2016 £	18 months ended 31 December 2015 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior year	-	-
Total current tax credit	-	-
<i>Deferred tax</i>		
Origination of timing differences	-	-
Effect of tax rate change on opening balance	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-
<i>Tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	-	(104,582)
Current tax at 20% (2015: 20.5%)	-	(21,439)
<i>Effects of:</i>		
Expense not deductible for tax purposes	-	21,439
Total tax charge/(credit)	-	-
<i>Factors that may affect future tax charges:</i>		

Finance Act 2016 introduced the legislation to reduce the corporation tax from 20% to 19% from 1 April 2017 and from 19% to 18% from 1 April 2018. A further reduction of the rate from 18% to 17% from 1 April 2020 was substantively enacted. This will reduce the company's future tax charges and has been considered in the calculation of deferred tax balances at 31 December 2016.

5 Deferred Taxation

	12 months ended 31 December 2016 £	18 months ended 31 December 2015 £
Accelerated capital allowances	7,529	7,529

Notes forming part of the financial statements

For year ended 31 December 2016 (continued)

6 Fixed asset investments

	Shares in group undertakings £
Cost:	
At 1 January and 31 December 2016	1,124,216
Impairment loss:	
At 1 January and 31 December 2016	(76,148)
Net book value:	
At 1 January and 31 December 2016	1,048,068

Details of undertakings

Details of the principal investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Current name	Country of incorporation or registration	Proportion of voting rights	Nature of business at 31 December 2016
Sterling Relocation Limited	England	100%	International moving, storage and relocation
Sterling International Holdings Limited	England	100%	Intermediate holding company
Sterling Relocation SA*	France	100%	International moving, storage and relocation
Sterling Relocation Switzerland SA	Switzerland	100%	International moving, storage and relocation
Sterling Relocation Americas Inc	USA	100%	International moving, storage and relocation
Sterling Relocation Singapore PTE Ltd	Singapore	100%	International moving, storage and relocation
Sterling Relocation Private Limited	India	100%	International moving, storage and relocation

For all active undertakings listed above, the principal country of operation is the same as its country of incorporation or registration.

*The Company's interest in the ordinary share capital of this company are held by Sterling International Holdings Limited.

7 Debtors

	31 December 2016 £	31 December 2015 £
Amounts owed by group subsidiary undertakings	1,362,321	1,362,321
Deferred tax assets (note 5)	7,529	7,529
VAT debtor	7,707	7,707
	<u>1,377,557</u>	<u>1,377,557</u>

Notes forming part of the financial statements
For year ended 31 December 2016 (continued)

8 Called up share capital

	31 December 2016 £	31 December 2015 £
<i>Allotted, called up and fully paid</i> Ordinary Shares of £1 each	119,810	119,810

9 Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

10 Commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 December 2016 Land and Buildings £	31 December 2015 Land and Buildings £
Within one year	1,108,500	1,108,500
Within two to five years	4,434,000	4,434,000
Over five years	9,451,101	10,559,601
	14,993,601	16,102,101

11 Related party transactions

As the company is a wholly owned subsidiary, it has taken advantage of the exemptions available under FRS 102 related party disclosures not to disclose details of transactions with other companies that are part of the UniGroup, Inc. group.

Notes forming part of the financial statements

For year ended 31 December 2016 (continued)

12 Ultimate controlling party

The company's immediate parent undertaking is Unigroup Worldwide Moving Limited (formerly Halcyon Relocation Limited), a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party is Unigroup, Inc. The largest and smallest group in which the results of the Company are consolidated is that headed by UniGroup, Inc. incorporated in the United States. The consolidated financial statements are available to the public and may be obtained from One Worldwide Drive, St. Louis, MO 63026, United States of America.

13 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the period ended 31 December 2015. The date of transition to FRS 102 was on 1 July 2014 and there were no material restatements required to be made to the comparative period. There is therefore no change in equity at the transition date of 1 July 2014, equity at the comparative balance sheet date of 31 December 2015 or comprehensive income in the comparative period. Accordingly reconciliations of this financial information under previous UK GAAP to FRS 102 have not been presented.