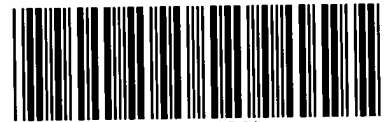


Financial Statements

Acorn Integrated Systems (BMS Maintenance) Limited

For the Year Ended 31 December 2016

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COMPANIES HOUSE

Registered number: 08045579

Acorn Integrated Systems (BMS Maintenance) Limited

Company Information

Directors

J C A Coiley FCA
G Errington
E M Witchell

Company secretary

J C A Coiley FCA

Registered number

08045579

Registered office

Acorn House
20 Wellcroft Road
Slough
Berkshire
SL1 4AQ

Independent auditor

Grant Thornton UK LLP
Statutory Auditor & Chartered Accountants
1020 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

Bankers

HSBC
26 Broad Street
Reading
Berkshire
RG1 2BU

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Directors' Report

For the Year Ended 31 December 2016

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

Results

The loss for the year, after taxation, amounted to £35,591 (2015 - loss £172,466).

Acorn Engineering Group invested in new management for AIS BMS at the end of 2014. A new strategy was then adopted to concentrate the business on Building Energy Management Systems (BEMS) maintenance and energy management solutions. It has taken 18 months to fully adapt to this new service offering and to return the company to generating a consistent monthly profit. In that time, the contracted maintenance base has steadily increased. At the end of 2016 the company achieved the PFM award "Partner in Sustainability" for work with a major client.

Directors

The directors who served during the year were:

J C A Coiley FCA
G Errington
E M Witchell

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report (continued)

For the Year Ended 31 December 2016

Disclosure of information to auditor

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.

Auditor

The auditor, Grant Thornton UK 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 and signed on its behalf.



J C A Coiley FCA
Director

Date: 15/9/2017

Independent Auditor's Report to the Members of Acorn Integrated Systems (BMS Maintenance) Limited

We have audited the financial statements of Acorn Integrated Systems (BMS Maintenance) Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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 Standards 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 loss 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.



Independent Auditor's Report to the Members of Acorn Integrated Systems (BMS Maintenance) Limited (continued)

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

Matters on which we are required to report under the Companies Act 2006

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

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Grant Thornton UK LLP

Steven Cenci (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Reading
Date: 15/11/2017

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	1,571,025	1,396,984
Cost of sales		(1,041,116)	(870,792)
Gross profit		529,909	526,192
Administrative expenses		(563,230)	(696,405)
Operating loss	5	(33,321)	(170,213)
Interest payable and expenses		(2,270)	(2,253)
Loss before taxation		(35,591)	(172,466)
Tax on loss		-	-
Loss for the year		(35,591)	(172,466)
Total comprehensive income for the year		(35,591)	(172,466)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 17 form part of these financial statements.

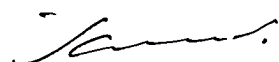
Balance Sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	21,210	25,444
		<u>21,210</u>	<u>25,444</u>
Current assets			
Debtors: amounts falling due within one year	9	445,816	419,887
Cash at bank and in hand	10	12,075	6,358
		<u>457,891</u>	<u>426,245</u>
Creditors: amounts falling due within one year	11	(523,378)	(460,375)
Net current liabilities		<u>(65,487)</u>	<u>(34,130)</u>
Total assets less current liabilities		<u>(44,277)</u>	<u>(8,686)</u>
Provisions for liabilities			
Deferred tax	12	(144)	(144)
		<u>(144)</u>	<u>(144)</u>
Net liabilities		<u>(44,421)</u>	<u>(8,830)</u>
Capital and reserves			
Called up share capital	13	106	106
Capital redemption reserve		6	6
Profit and loss account		(44,533)	(8,942)
		<u>(44,421)</u>	<u>(8,830)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J C A Coiley FCA
Director

Date: 15/9/2017

The notes on pages 8 to 17 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	106	6	(8,942)	(8,830)
Total comprehensive income for the year	-	-	(35,591)	(35,591)
At 31 December 2016	106	6	(44,533)	(44,421)

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	106	6	163,524	163,636
Total comprehensive income for the year	-	-	(172,466)	(172,466)
At 31 December 2015	106	6	(8,942)	(8,830)

The notes on pages 8 to 17 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

Acorn Integrated Systems (BMS Maintenance) Limited is a private company limited by shares registered in England and Wales. Its registered trading address is Acorn House, 20 Wellcroft Road, Slough, Berkshire, SL1 4AQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 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).

Information on the impact of first time adoption of FRS 102 is given in note 17.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Acorn Engineering Group Limited as at 31 December 2016 and these financial statements may be obtained from Companies House.

2.3 Going concern

The Acorn Engineering Group has sufficient financial resources, with accumulated reserves and an adequate cash availability. As a consequence, and supported by future trading forecasts for the group, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from approval of these financial statements. The financial resources of the group are available to its subsidiary undertakings and the directors have therefore adopted the going concern basis in preparation of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33% on cost
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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.

2.6 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.

2.7 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)

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Interest expense

Interest expense is 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.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.11 Operating leases: lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 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

2. Accounting policies (continued)

2.14 Invoice Discounting

The company uses an invoice discount facility and retains all significant benefits and risks relating to debts. The gross amount of the debts are included within assets and a corresponding liability in respect of proceeds received from the facility are shown within liabilities. The interest and charges are recognised as they accrue and are included in the profit and loss account with other interest charges.

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

The preparation of these financial statements requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and expectations of future events believed to be reasonable.

The directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

Certain quoted works can have a term greater than one month. An assessment is made of the stage of completion at a period end, requiring an element of judgement.

Estimation of useful life

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives of all assets are determined at the time the asset is required and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

4. Turnover

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

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	10,193	6,090
Auditor's remuneration	5,212	5,358
Auditor's remuneration - taxation services	573	1,572
Pension costs	4,554	5,296

Notes to the Financial Statements

For the Year Ended 31 December 2016

6. Employees

The average monthly number of employees, including the directors, during the year was 17 (2015: 17).

7. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	107,200	100,000

The value of the company's contributions paid to a defined contribution pension scheme in respect of the directors amounted to £Nil (2015 - £Nil).

8. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2016	192,960
Additions	5,959
At 31 December 2016	198,919
Depreciation	
At 1 January 2016	167,516
Charge for the period on owned assets	10,193
At 31 December 2016	177,709
Net book value	
At 31 December 2016	21,210
At 31 December 2015	25,444

Notes to the Financial Statements

For the Year Ended 31 December 2016

9. Debtors

	2016 £	2015 £
Trade debtors	396,345	335,638
Amounts owed by group undertakings	20,811	17,963
Other debtors	936	1,592
Prepayments	27,724	64,694
	<u>445,816</u>	<u>419,887</u>

10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	12,075	6,358
	<u>12,075</u>	<u>6,358</u>

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	71,666	97,761
Amounts owed to group undertakings	210,815	211,055
Corporation tax	-	1,242
Other taxation and social security	95,197	79,257
Proceeds of factored debts	85,064	38,518
Other creditors	60,636	32,542
	<u>523,378</u>	<u>460,375</u>

IGF Invoice Finance Limited hold a deed of priority debenture over the present and future book debts of the group companies.

HSBC hold a fixed and floating charge over the assets of the company.

Notes to the Financial Statements

For the Year Ended 31 December 2016

12. Deferred taxation

	2016 £	2015 £
At 1 January 2016	(144)	(144)
At 31 December 2016	(144)	(144)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(144)	(144)

13. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
106 Ordinary A shares shares of £1 each	106	106

14. Contingent liabilities

HSBC Holdings Plc hold an inter company guarantee between Acorn Engineering Group Limited, Acorn Engineering Limited, Acorn Integrated Systems Limited and the Company in respect of the group overdraft facility. At the year end the group owed HSBC Holdings Plc £Nil (2015: £Nil).

15. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those held in the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,554 (2015: £5,297). Included within creditors are amounts due to the pension fund of £866 (2015: £452).

Notes to the Financial Statements

For the Year Ended 31 December 2016

16. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	83,601	67,008
Later than 1 year and not later than 5 years	91,973	110,339
	<u>175,574</u>	<u>177,347</u>

17. Related party transactions

The company has taken advantage of the exemption available not to disclose transactions with other members of the group headed by Acorn Engineering Group Limited.

18. Controlling party

The ultimate parent company is Acorn Engineering Group Limited, by virtue of their 100% shareholding in the company. Acorn Engineering Group Limited is a company registered in England and Wales.

The largest and smallest of the group of which the company is a member and for which consolidated financial statements are drawn up is headed by Acorn Engineering Group Limited. These are available from its registered office at Acorn House, 20 Wellcroft Road, Slough, Berkshire, SL1 4AQ.

The ultimate controlling party of this company is considered to be G Errington by virtue of his shareholding in Acorn Engineering Group Limited.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.