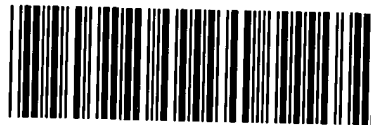

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

WEDNESDAY



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AUTOMOTIVE ENVIRONMENTAL SERVICES LTD
03096708

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	4		674		-
Investments	5		3,967,342		3,759,537
			<u>3,968,016</u>		<u>3,759,537</u>
Current assets					
Debtors	6	1,111,400		1,285,648	
Cash at bank and in hand	7	10,516		19,779	
		<u>1,121,916</u>		<u>1,305,427</u>	
Creditors: amounts falling due within one year	8	(102,546)		(128,699)	
Net current assets			<u>1,019,370</u>		<u>1,176,728</u>
Total assets less current liabilities			<u>4,987,386</u>		<u>4,936,265</u>
Creditors: amounts falling due after more than one year	9		(3,297,006)		(3,329,638)
Provisions for liabilities					
Deferred tax	10		(100,984)		(93,304)
Net assets			<u><u>1,589,396</u></u>		<u><u>1,513,323</u></u>
Capital and reserves					
Called up share capital	11		100		100
Revaluation reserve	12		1,115,545		915,420
Profit and loss account	12		473,751		597,803
			<u><u>1,589,396</u></u>		<u><u>1,513,323</u></u>

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD
03096708

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

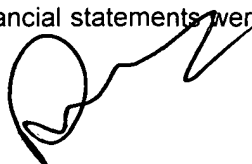
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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 on



21.9.18

P L Wicks
Director

The notes on pages 4 to 12 form part of these financial statements.

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2016	100	959,566	642,016	1,601,682
Comprehensive income for the year				
Profit for the year	-	-	85,641	85,641
Deficit on revaluation of freehold property	-	-	44,146	44,146
Dividends: Equity capital	-	-	(174,000)	(174,000)
Transfer to/from profit and loss account	-	(44,146)	-	(44,146)
At 1 January 2017	100	915,420	597,803	1,513,323
Comprehensive income for the year				
Profit for the year	-	-	220,073	220,073
Surplus on revaluation of freehold property	-	-	(200,125)	(200,125)
Dividends: Equity capital	-	-	(144,000)	(144,000)
Transfer to/from profit and loss account	-	200,125	-	200,125
At 31 December 2017	100	1,115,545	473,751	1,589,396

The notes on pages 4 to 12 form part of these financial statements.

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

1. General information

Automotive Environmental Services Limited ("the Company") is a company limited by shares, incorporated in England and Wales. Its registered office is Leytonstone House, Leytonstone, London, E11 1GA.

The Company's principal activity is that of property investment.

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 Section 1A of 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.

The following principal accounting policies have been applied:

2.2 Going concern

The Company meets its day-to-day working capital requirements through careful management of working capital positions. After making enquiries, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Revenue recognition

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 Company's main source of revenue is rental income from investment properties let to third parties. Sales invoices are raised monthly in advance for services provided. Revenue is recognised in the accounting period in which the services are rendered. Sales are made with credit terms. The element of financing is deemed immaterial and disregarded in the treatment of revenue.

2.4 Interest income

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

2.5 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.

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

2. Accounting policies (continued)

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.7 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.

2.8 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

2. Accounting policies (continued)

2.8 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:

Plant and machinery	-	20%
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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.

2.9 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.10 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.11 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.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

2. Accounting policies (continued)

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.13 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.

2.14 Creditors

Short term creditors are measured at the transaction price.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 the 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

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2016 - 6).

4. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2017	429,105
Additions	749
At 31 December 2017	429,854
Depreciation	
At 1 January 2017	429,105
Charge for the year on owned assets	75
At 31 December 2017	429,180
Net book value	
At 31 December 2017	674
At 31 December 2016	-

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

5. Fixed asset investments

	Unlisted investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2017	317,342	3,442,195	3,759,537
Revaluations	-	207,805	207,805
At 31 December 2017	<u>317,342</u>	<u>3,650,000</u>	<u>3,967,342</u>
Net book value			
At 31 December 2017	<u><u>317,342</u></u>	<u><u>3,650,000</u></u>	<u><u>3,967,342</u></u>
At 31 December 2016	<u><u>317,342</u></u>	<u><u>3,442,195</u></u>	<u><u>3,759,537</u></u>

Investment properties

These are restated annually to their open market value by the Directors of the Company, based on their experience of the property market and comparable evidence. Investment properties were revalued upwards by £207,805 (2016 - £49,158) during the year.

The Company has aggregate rentals receivable in relation to operating leases of £217,444 (2016 - £204,222) on the above investment properties.

The historic cost of investment properties is £2,719,360 (2016 - £2,719,360).

Unlisted investments

Investments include an investment in JAE Property Limited. This constitutes 50% of the share capital of JAE Property Limited. As at 31 December 2017 JAE Property Limited has aggregate share capital and reserves of £670,035 and profits for the year of £31,611.

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

6. Debtors

	2017 £	2016 £
Due after more than one year		
Other debtors	1,016,461	1,145,245
	<u>1,016,461</u>	<u>1,145,245</u>
Due within one year		
Trade debtors	78,704	82,335
Amounts owed by joint ventures and associated undertakings	-	13,759
Other debtors	16,235	44,309
	<u>1,111,400</u>	<u>1,285,648</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	10,516	19,779
	<u>10,516</u>	<u>19,779</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	32,632	31,043
Trade creditors	16	16
Corporation tax	4,167	31,395
Other taxation and social security	3,164	3,678
Other creditors	55,717	55,717
Accruals and deferred income	6,850	6,850
	<u>102,546</u>	<u>128,699</u>

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	465,006	497,638
Other creditors	2,832,000	2,832,000
	<u>3,297,006</u>	<u>3,329,638</u>

Secured loans

Included within creditors is a bank loan amounting to £497,638 (2016 - £528,681). The loan is secured on certain of the Company's investment properties.

10. Deferred taxation

	2017 £
At beginning of year	(93,304)
Charged to revaluation reserve	(7,680)
At end of year	<u>(100,984)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
On revalued investments	(100,984)	(93,304)
	<u>(100,984)</u>	<u>(93,304)</u>

AUTOMOTIVE ENVIRONMENTAL SERVICES LTD

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

11. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
80 Ordinary A shares of £1 each	80	80
20 Ordinary B shares of £1 each	20	20
	100	100

All shares rank pari passu.

12. Reserves

Revaluation reserve

The revaluation reserve arose on the revaluation of investments.

Profit and loss account

The profit and loss account represents cumulative distributable profits and losses net of dividends and other adjustments.