Registered number: 03353521

SKEMTECH LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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SKEMTECH LIMITED

COMPANY INFORMATION

DIRECTORS	JF Carter JP Hartley CM Evenson
COMPANY SECRETARY	DJ Rawlinson
REGISTERED NUMBER	03353521
REGISTERED OFFICE	Sceptre House Sceptre Way Bamber Bridge Preston PR5 6AW
INDEPENDENT AUDITOR	KPMG LLP, Statutory Auditor 1, St Peter's Square Manchester M2 3AE

SKEMTECH LIMITED

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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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year was that of property investment and management.

The directors' report has been prepared in accordance with the provisions applicable to small companies.

BUSINESS REVIEW

The results for the year and financial position of the company are as shown in the financial statements.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £204,625 *(2015 - £249,457)*.

A dividend of £180,000 has been declared and paid for the year ended 31 December 2016 (*2015: £155,000*).

DIRECTORS

The directors who served during the year were:

JF Carter
JP Hartley
CM Evenson

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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

AUDITOR

The auditor, KPMG LLP, Statutory Auditor, will be deemed to be reappointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 20 June 2017 and signed on its behalf by



CM Evenson
Director

Sceptre House
Sceptre Way
Bamber Bridge
Preston
PR5 6AW

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

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 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 and then apply them consistently;
- make judgments and accounting 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKEMTECH LIMITED

We have audited the financial statements of Skemtech Limited for the year ended 31 December 2016, set out on pages 6 to 16. 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 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

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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS 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 SKEMTECH LIMITED

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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Richard Evans (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

1, St Peter's Square
Manchester
M2 3AE
Date: 30 June 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	**188,391**	*170,330*
Gross profit		**188,391**	*170,330*
Administrative expenses		**(2,201)**	*(40,635)*
Gain on revaluation of investment properties	8	**10,000**	*135,000*
Operating profit		**196,190**	*264,695*
Interest receivable and similar income	5	**50**	*56*
Profit before tax		**196,240**	*264,751*
Tax on profit	6	**8,385**	*(15,294)*
Profit for the year		**204,625**	*249,457*
Other comprehensive income for the year		**-**	*-*
Total comprehensive income for the year		**204,625**	*249,457*

The notes on pages 9 to 16 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		*2015 £*
Fixed assets					
Investment property	8		**1,530,000**		*1,520,000*
			1,530,000		*1,520,000*
Current assets					
Debtors: amounts falling due after more than one year	9	**7,444**		*17,368*	
Debtors: amounts falling due within one year	9	**85,887**		*75,862*	
Cash at bank and in hand	10	**27,440**		*33,514*	
		120,771		*126,744*	
Creditors: amounts falling due within one year	11	**(51,431)**		*(63,644)*	
Net current assets			**69,340**		*63,100*
Total assets less current liabilities			**1,599,340**		*1,583,100*
Provisions for liabilities					
Deferred tax	12	**(87,002)**		*(95,387)*	
			(87,002)		*(95,387)*
Net assets			**1,512,338**		*1,487,713*
Capital and reserves					
Called up share capital	13		**100**		*100*
Investment property reserve			**832,230**		*822,230*
Profit and loss account			**680,008**		*665,383*
Shareholders' funds			**1,512,338**		*1,487,713*

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

CM Evenson
Director

30th June 2017

The notes on pages 9 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDING 31 DECEMBER 2016

	Share capital	Investment property reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2016	100	822,230	665,383	1,487,713
Comprehensive income for the year				
Profit for the year	-	-	204,625	204,625
Total comprehensive income for the year	-	-	204,625	204,625
Dividends	-	-	(180,000)	(180,000)
Investment property reserve transfer	-	10,000	(10,000)	-
At 31 December 2016	100	832,230	680,008	1,512,338

STATEMENT OF CHANGES IN EQUITY
YEAR ENDING31 DECEMBER 2015

	Share capital	Investment property reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2015	100	687,230	705,926	1,393,256
Comprehensive income for the year				
Profit for the year	-	-	249,457	249,457
Total comprehensive income for the year	-	-	249,457	249,457
Dividends	-	-	(155,000)	(155,000)
Investment property reserve transfer	-	135,000	(135,000)	-
At 31 December 2015	100	822,230	665,383	1,487,713

The notes on pages 9 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Skemtech Limited is a company limited by shares and incorporated and domiciled in the UK.

The financial statements have been prepared under the historical cost convention except for investment properties which are stated at their fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 2).

1.2 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Henmead Limited as at 31st December 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The company is a qualifying entity.

The accounting policies set out below have, unless otherwise stated been applied consistently to all periods presented in these statements.

1.3 Going concern

Management have reviewed the future trading forecasts and cashflow forecast factoring the repayment of bank debt and have assessed the company will have sufficient available funds to meet all liabilities as they fall due. On this basis management continue to adopt the going concern basis in the preparation of the accounts.

1.4 Revenue

Turnover represents rental income derived from the investment property, excluding VAT.

1.5 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 Profit and Loss Account.

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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.

1.8 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

1.9 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.

1.10 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.

1.11 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

1. ACCOUNTING POLICIES (continued)

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change 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 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. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Management have reviewed future trading and cashflow forecasts and consider that the company will have sufficient funds to meet all liabilities as they fall due.

Investment property is carried at fair value determined annually by external valuers.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2016 £	*2015* *£*
Rental Income	**188,391**	*170,330*

All turnover arose within the United Kingdom.

4. EXPENSES AND AUDITOR'S REMUNERATION

The operating profit is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	**1,328**	*1,375*

5. INTEREST RECEIVABLE

	2016 £	2015 £
Bank interest receivable	**50**	*56*

6. TAXATION

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**-**	*1,538*
Total current tax	**-**	*1,538*
Deferred tax		
Origination and reversal of timing differences	**(3,086)**	*21,919*
Changes to tax rates	**(5,299)**	*(8,163)*
Total deferred tax	**(8,385)**	*13,756*
Taxation on profit on ordinary activities	**(8,385)**	*15,294*

6. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2016 £	*2015* *£*
Profit on ordinary activities before tax	**196,240**	*264,751*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**39,248**	*53,612*
Effects of:		
Income not taxable	**(1,070)**	-
Other differences leading to a decrease in the tax charge	**-**	*(20)*
Group relief	**(36,125)**	*(24,651)*
Chargeable losses	**(5,684)**	-
Revaluation gain	**-**	*(2,744)*
Impact of change in deferred tax rates and difference between current and deferred tax rates	**(4,754)**	*(10,903)*
Total tax (credit)/charge for the year	**(8,385)**	*15,294*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated based on these rates.

7. DIVIDENDS

	2016 £	*2015* *£*
Dividends paid	**180,000**	*155,000*

8. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 January 2016	**1,520,000**
Net gain from fair value adjustments	**10,000**
At 31 December 2016	**1,530,000**

The 2016 valuations were made by GVA Grimley, Chartered Surveyors, on an open market value for existing use basis. There is deemed to be no material difference from the valuation date of 31 October 2016 to 31 December 2016.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	*2015 £*
Historical cost	**697,770**	*697,770*

9. DEBTORS

	2016 £	*2015 £*
Due after more than one year		
Other debtors	**7,444**	*17,368*

	2016 £	*2015 £*
Due within one year		
Trade debtors	**20,345**	*25,355*
Other debtors	**65,542**	*50,507*
	85,887	*75,862*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	**27,440**	*33,514*

11. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	**500**	*4,757*
Other creditors	**5,252**	*1,913*
Accruals and deferred income	**45,679**	*56,974*
	51,431	*63,644*

12. DEFERRED TAXATION

	Deferred tax £
At 1 January 2016	**(95,387)**
Credit to the profit or loss	**8,385**
At 31 December 2016	**(87,002)**

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	**(25,424)**	*(26,872)*
Capital gains	**(61,578)**	*(68,515)*
	(87,002)	*(95,387)*

13. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £0.10 each	**100**	*100*

14. CONTROLLING PARTY

The company is a subsidiary of Maple Grove Developments Limited. The ultimate controlling party is the Eric Wright Trust.

The largest group in which the results of the company are consolidated is that headed by the Eric Wright Trust, Sceptre House, Sceptre Way, Bamber Bridge, Preston PR5 6AW. The smallest group in which they are consolidated is that headed by Eric Wright Group Limited, Sceptre House, Sceptre Way, Bamber Bridge, Preston PR5 6AW. The consolidated financial statements of the Eric Wright Trust are available from the Charity Commission www.gov.uk/government/organisations/charity-commission. Consolidated financial statements for the Eric Wright Group Limited are available from Companies House, Crown Way, Cardiff.