

Sweett Group Limited

Directors' report and financial statements

For the year ended 31 December 2017

Registered number: 3452251



Sweett Group Limited

Company information

Registered office	40 Holborn Viaduct London EC1N 2PB United Kingdom
Directors	W Allan A Manuel
Secretary	S Hogg
Registered number	3452251
Independent Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

Sweett Group Limited

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Sweett Group Limited

Strategic report

The directors present their strategic report for Sweett Group Limited (the "Company") for the year ended 31 December 2017.

Principal activities

Sweett Group Limited is an intermediate holding company under the Currie & Brown Holdings Limited group of companies and is registered in the UK.

Principal developments and review of operations

Following the acquisition of the company by Currie & Brown Holdings Limited, the operational activity has been substantially reduced and the company will continue as an intermediate holding company.

Sweett Group Limited previously produced consolidated financial statements but these are no longer required as the company's results are included in the consolidated financial statements of Currie & Brown Holdings Limited.

Strategy

The Company will continue as an intermediate holding company under the Currie & Brown Holdings Limited group of companies.

Further details of the ongoing strategy of the combined group business are incorporated in the annual report of Currie & Brown Holdings Limited.

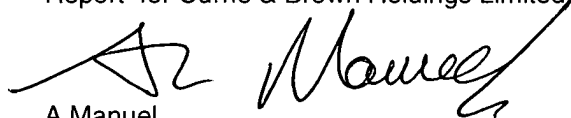
Financial performance

During the current year and in line with the strategy outlined above, the Company had significantly reduced operational activity. The Company reported a profit before tax of £0.2m (9 months to 31 December 2016: loss of 3.1m).

The results reflect the impact of the liquidation of Sweett Group plc's 50% interest in the share capital of VVA Sweett Inc. Following an "Agreement and Plan of Dissolution of VVA Sweett Inc" with the other 50% shareholder, dated August 2017 the Company has recognised net proceeds from the planned dissolution, net of legal fees and sundry expenses, amounting to £179,204. VVA Sweett Inc is expected to be formally dissolved during 2018 with no further material impact on the Company's financial statements.

Principal risks and uncertainties

The Company considers its principal risks and uncertainties and its management and control procedures in respect of these to be similar to Currie & Brown Holdings Limited (CBH), as the carrying value of investments (held as part of the CBH Group) is affected by their financial performance. Details of these policies can be found in the Directors' Report in the 2017 Annual Report for Currie & Brown Holdings Limited.



A Manuel
Director
6 June 2018

Sweett Group Limited

Directors' report

The directors present their report with the financial statements of Sweett Group Limited for the year ended 31 December 2017. The comparative amounts are for the nine month period ended 31 December 2016.

Directors

The directors who held office during the period and up to the date of signing the financial statements were as follows:

W Allan
A Manuel

Dividends

The Company paid no dividend during the year. On 22 December 2016, the Company paid a dividend in specie of 53.858333 pence per share, amounting to £27,759,475 in respect of the period ended 31 December 2016.

During the course of preparing the financial statements for the period ended 31 December 2016 it became apparent that the company did not have sufficient distributable reserves at that time to distribute the full amount of the dividend in specie referred to above and therefore on 21 December 2017 £15,300,000 of the above dividend in specie was revoked and by virtue of a deed of assignment of the same date, the amount remains as an intra-group loan between the company and Currie & Brown Holdings Limited.

Going concern

In preparing these financial statements on the going concern basis, the directors note that the company has access to the financial resources of its intermediate parent undertaking, Currie & Brown Holdings Limited ("CBH"). CBH has confirmed in writing its ongoing financial support for a period of at least twelve months from the date of approval of the financial statements. Based on this undertaking, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of the financial statements.

Post balance sheet events

There have been no significant post balance sheet events.

Directors' and officers' liability insurance

The Currie & Brown Holdings group has purchased insurance for the directors and officers of the Company against liability arising from wrongful acts in relation to the Company, subject to the conditions set out in s234 of the Companies Act 2006. This insurance, including the third party indemnity, was in place during the financial year and also at the date of approval of the financial statements.

Sweett Group Limited

Directors' report (continued)

Disclosure of information to auditors

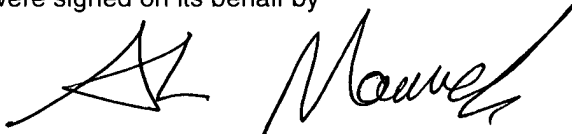
The Directors who were members of the board at the time of approving the Directors' Report are listed above. Having made enquiries of fellow Directors and the Company's auditors, each of these Directors confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

In accordance with s.465 of the Companies Act 2006 a resolution is to be proposed to reappoint Ernst & Young LLP as auditors of the company.

The financial statements were authorised for issue by the board of directors on 6 June 2018 and were signed on its behalf by

A handwritten signature in black ink, appearing to read 'A. Manuel', written over a horizontal line.

A Manuel
Director
6 June 2018

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 prepared financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Laws) including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the directors must not approve the financial statements until 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 year. 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 including FRS 101 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 auditors' report to the members of Sweett Group Limited

Opinion

We have audited the financial statements of Sweett Group Limited for the year ended 31 December 2017 which comprise the income statement, the statement of financial position, the statement of changes in equity, and the related notes 1 to 22 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Sweett Group Limited

Independent auditors' report to the members of Sweett Group Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Independent auditors' report to the members of Sweett Group Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

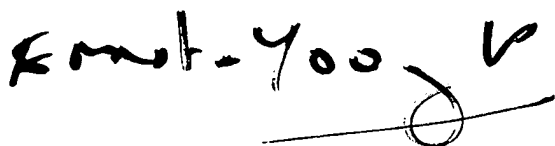
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

A handwritten signature in black ink, appearing to read 'Ernst & Young' with a stylized flourish at the end. The signature is written over a horizontal line.

Adrian Mulea
Senior Statutory Auditor
for and on behalf of Ernst & Young LLP
Chartered Accountants and Statutory Auditors
London

8 June 2018

Sweett Group Limited

Registered number: 3452251

Income statement for the year ended 31 December 2017

	Note	12 months to 31 December 2017 £	9 months to 31 December 2016 £
Administrative expenses	5	16,513	(2,071,050)
Exceptional administrative expenses – investment and goodwill impairment	5	-	(43,009,743)
Administrative expenses including exceptional administrative expenses		16,513	(45,080,793)
Operating profit/(loss)	5	16,513	(45,080,793)
Income from participating interests	3	179,204	42,128,286
Interest payable and similar charges	4	-	(157,543)
Profit/(loss) on ordinary activities before taxation		195,717	(3,110,050)
Tax on profit/(loss) on ordinary activities	7	700,000	(722,353)
Profit/(loss) for the financial year/period		895,717	(3,832,403)

All operations are continuing in the current accounting period.

Sweett Group Limited

Registered number: 3452251

Statement of comprehensive income for the year ended 31 December 2017

	Note	12 months to 31 December 2017 £	9 months to 31 December 2016 £
Profit/(loss) for the year/period		895,717	(3,832,403)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Gain on pension scheme transfer to fellow group undertaking	18	-	3,306,000
Deferred tax on gain on defined benefit pension scheme transferred to fellow group undertaking	13	-	(595,000)
Actuarial gain/(loss) on defined benefit pension scheme	18	-	(1,869,973)
Deferred tax relating to defined benefit scheme	13	-	290,460
Current tax relating to defined benefit scheme		-	24,200
		<hr/>	<hr/>
		-	1,155,687
Total other comprehensive income		<hr/>	<hr/>
		-	1,155,687
Total comprehensive profit/(loss) attributable to owners of the parent		<hr/> 895,717	<hr/> (2,676,716)

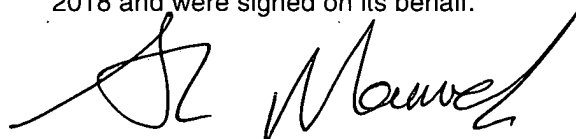
Sweett Group Limited

Registered number: 3452251

Statement of financial position as at 31 December 2017

	Note	31 December 2017 £	31 December 2016 £
Non-current assets			
Goodwill	9	-	-
Investments in subsidiaries	10	402,003	402,003
Investments in associates and joint venture entities	12	-	-
Deferred income tax asset	13	-	-
Total non-current assets		<u>402,003</u>	<u>402,003</u>
Current assets			
Trade and other receivables	14	8,133,703	820,640
Cash and cash equivalents	15	-	1,887,046
Total current assets		<u>8,133,703</u>	<u>2,707,686</u>
Total assets		8,535,706	3,109,689
Current liabilities			
Trade and other payables	17	<u>(2,267,005)</u>	<u>(12,336,705)</u>
Total current liabilities		<u>(2,267,005)</u>	<u>(12,336,705)</u>
Non-current liabilities			
Trade and other payables	17	-	(700,000)
Retirement benefit obligations	18	-	-
Total non-current liabilities		<u>-</u>	<u>(700,000)</u>
Total liabilities		<u>(2,267,005)</u>	<u>(13,036,705)</u>
Net assets/(liabilities)		<u>6,268,701</u>	<u>(9,927,016)</u>
Equity			
Share capital	19	5,154,165	5,154,165
Share premium account	19	-	-
Share option reserve	20	-	-
Retained earnings / (accumulated losses)		<u>1,114,536</u>	<u>(15,081,181)</u>
Total shareholders' equity/(deficit)		<u>6,268,701</u>	<u>(9,927,016)</u>

The financial statements on pages 10 to 29 were approved by the board of directors on 6 June 2018 and were signed on its behalf.



A Manuel
Director

Sweett Group Limited

Registered number: 3452251

Statement of changes in equity for the year ended 31 December 2017

	Share capital	Share premium	Capital contribution	(Accumulated losses) / retained earnings	Total equity
	£	£	£	£	£
At 1 April 2016	6,868,109	13,838,660	740,823	(1,737,824)	19,709,768
Comprehensive expense					
Loss for the financial period	-	-	-	(3,832,403)	(3,832,403)
Other comprehensive income:					
Actuarial loss on pension scheme (Note 18)	-	-	-	(1,869,973)	(1,869,973)
Deferred tax relating to defined benefit pension scheme (Note 13)	-	-	-	290,460	290,460
Current tax relating to defined benefit pension scheme	-	-	-	24,200	24,200
Gain on pension scheme transferred to fellow group undertaking (Note 18)	-	-	-	3,306,000	3,306,000
Deferred tax on gain on pension scheme transferred to fellow group undertaking (Note 13)	-	-	-	(595,000)	(595,000)
Total other comprehensive income	-	-	-	1,155,687	1,155,687
Total comprehensive expense	-	-	-	(2,676,716)	(2,676,716)
Transactions with owners:					
Issue of shares (Note 19)	271,148	523,259	-	-	794,407
Share capital and share premium reduction (Note 19)	(1,985,092)	(14,361,919)	-	16,347,011	-
Dividends (Note 8)	-	-	-	(27,759,475)	(27,759,475)
Employee share option scheme					
- value of services provided (Note 20)	-	-	5,000	-	5,000
- transfer to retained earnings	-	-	(745,823)	745,823	-
Transactions with owners	(1,713,944)	(13,838,660)	(740,823)	(10,666,641)	(26,960,068)
At 31 December 2016	5,154,165	-	-	(15,081,181)	(9,927,016)
Comprehensive income					
Profit for the financial period	-	-	-	895,717	895,717
Other comprehensive income:					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	895,717	895,717

Sweett Group Limited

Registered number: 3452251

Statement of changes in equity for the year ended 31 December 2017 (continued)

	Share capital £	Share premium £	Capital contribution £	Retained earnings £	Total equity £
Transactions with owners:					
Dividend revoked (Note 8)	-		-	15,300,000	15,300,000
Transactions with owners	-	-	-	15,300,000	15,300,000
At 31 December 2017	5,154,165	-	-	1,114,536	6,268,701

Sweett Group Limited

Notes to the financial statements

1. General information

Sweett Group Limited is a private company limited by shares and is a wholly owned subsidiary of Currie & Brown Holdings Limited. Until 7 September 2016 Sweett Group plc was quoted on the Alternative Investment Market of the London Stock Exchange (AIM). The Company was acquired by Currie & Brown Holdings Limited on 9 August 2016 and its admission to trading on AIM was cancelled on 7 September 2016. The Company re-registered from a public company to a private company on 7 December 2016.

The Company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of its registered office is 40 Holborn Viaduct, London, United Kingdom, EC1N 2PB. The principal activity of the Company is that of a holding company. The financial statements of the Company were authorised for issue in accordance with a resolution of the directors on 6 June 2018.

The financial information is presented in pounds sterling which is the company's functional and presentational currency.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosures Framework' (FRS 101). The financial statements have also been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to FRS 101.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (b) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 IAS 1;
- (d) the requirements of IAS 7 *Statement of Cash Flows*
- (e) the requirements of paragraphs 30-31 of IAS 8 *Standards issued but not yet effective*;
- (f) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- (g) the requirements of IAS 24, *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided any subsidiary is a party to the transaction is wholly owned by such a member; and
- (h) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) – 134(f) and 135©-135(e) of IAS 36 *Impairment of Assets*.

The Company's results and the relevant equivalent disclosures have been included in the consolidated financial statements of Currie & Brown Holdings Limited. Copies of the consolidated financial statements can be obtained from 12 Dumaresq Street, St Helier, Jersey, JE2 3RL.

Notes to the financial statements (continued)

Going concern

In preparing these financial statements on the going concern basis, the directors note that the company has access to the financial resources of its intermediate parent undertaking, Currie & Brown Holdings Limited ("CBH"). CBH has confirmed in writing its ongoing financial support for a period of at least twelve months from the date of approval of the financial statements. Based on this undertaking, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of the financial statements.

2. Significant accounting policies

The principal accounting policies applied in the preparation of this financial information are set out below. These policies have been consistently applied to the financial statements for the periods ended 31 December 2017 and 31 December 2016.

Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement. The financial information is presented in pounds sterling which is also the company's functional currency.

Finance expense

Interest expense is recognised in the income statement as it accrues.

Income from participating interests

Dividend income is recognised when the right to receive payment is established.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the company's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition. Each acquisition is treated as a separate cash-generating unit.

Goodwill is recognised as an intangible asset and is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Sweett Group Limited

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities as 'at fair value through profit or loss', or other financial liabilities.

Financial liabilities are classified as 'at fair value through profit or loss' where the financial liability is either held for trading or it is designated as 'at fair value through profit or loss'.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and subsequently at amortised cost.

Borrowings

Interest-bearing bank loans and overdrafts are initially recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the financial year in which they arise.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Employee benefits

The company previously operated both a defined benefit and a defined contribution pension plan. Following the acquisition of the company by Currie & Brown Holdings Limited, the defined benefit scheme was transferred to Currie & Brown UK Limited on 23 December 2016.

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years. Contributions are recognised as an expense in the income statement when they are due.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than in a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related tax asset is realised or the tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in the income statement.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Sweett Group Limited

Notes to the financial statements (continued)

Taxation (continued)

Share based payments

The company previously operated executive and employee share schemes. Any share options held by employees under these schemes were either satisfied or lapsed during the prior period.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Exceptional and other items

Exceptional items are those that the directors consider are of such unusual size or nature that they are required to be separately disclosed to allow the user of the financial statements to understand the underlying performance of the company, notwithstanding that such items may be recurring in nature. These are shown on the face of the income statement.

Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the financial year in which the dividends are approved by the company's shareholders.

Critical accounting estimates

The preparation of the financial information requires the company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Consolidated Financial Statements

The Company is exempt from preparing group financial statements under section 400 of the Companies Act 2006 as its financial information is included in the consolidated financial statements of Currie & Brown Holdings Limited, a company having its registered address in Jersey. The consolidated financial statements of Currie & Brown Holdings Limited are available from 12 Dumaresq Street, St Helier, Jersey, JE2 3RL. The financial statements present information about the Company as an individual undertaking, therefore not about its group.

Sweett Group Limited

Notes to the financial statements (continued)

	12 months to 31 December 2017	9 months to 31 December 2016
	£	£
3. Income from participating interests		
Dividend received from subsidiary undertaking	-	42,128,286
Net proceeds in connection with the dissolution of VVA Sweett Inc (Note 12)	179,204	-
	<u>179,204</u>	<u>42,128,286</u>
4. Net finance costs		
	12 months to 31 December 2017	9 months to 31 December 2016
	£	£
Finance costs		
Interest payable to parent company	-	(157,543)
	<u>-</u>	<u>(157,543)</u>
5. Profit/(loss) before taxation		
	12 months to 31 December 2017	9 months to 31 December 2016
	£	£
Profit/(loss) before taxation is stated after charging/(crediting):		
Employee benefit expense (Note 6)	-	1,006,958
Exceptional administrative expenses – investment and goodwill impairment (Notes 9, 10 and 12)	-	43,009,743
Exchange (gain)/loss	(553)	12,497
Auditors' remuneration (see below)	13,500	10,000
	<u>13,500</u>	<u>10,000</u>
Fees for audit services provided by the Company's auditors		
	12 months to 31 December 2017	9 months to 31 December 2016
	£	£
Auditors' remuneration in respect of the statutory audit of the Company	4,200	10,000
Auditors' remuneration in respect of the statutory audit of fellow group companies	9,300	-
	<u>13,500</u>	<u>10,000</u>

There were no fees for non-audit services paid to the auditors (9 months to 31 December 2016: £nil).

Sweett Group Limited

Notes to the financial statements (continued)

6. Directors and employees

(a) Analysis of employee expense

	12 months to 31 December 2017	9 months to 31 December 2016
	£	£
Staff costs, including directors were as follows:		
Wages and salaries	-	901,228
Social security costs	-	88,430
Other pension costs	-	17,300
Total employee benefit expense	<u>-</u>	<u>1,006,958</u>

(b) Employee numbers

	12 months to 31 December 2017 Number	9 months to 31 December 2016 Number
The monthly average number of employees (including directors) during the period:		
Fee earners	-	-
Administration	-	5
Total staff	<u>-</u>	<u>5</u>

At the year end, the financial statements included unpaid pension contributions of £nil (31 December 2016: £1,061).

On 1 January 2017 all remaining employees were transferred to Currie & Brown UK Limited, a fellow Group undertaking.

(c) Directors' emoluments and key management compensation

	12 months to 31 December 2017	9 months to 31 December 2016
	£	£
Key management is considered to be represented by the directors of the company.		
Directors' emoluments		
Aggregate emoluments	-	768,003
Company contributions to money purchase scheme	-	13,026
	<u>-</u>	<u>781,029</u>
	12 months to 31 December 2017 Number	9 months to 31 December 2016 Number
Number of directors earning pension entitlement through company pension contributions	<u>-</u>	<u>2</u>
Directors exercising share options:		
Number of directors exercising share options	<u>-</u>	<u>1</u>

Sweett Group Limited

Notes to the financial statements (continued)

6. Directors and employees (continued)

(c) Directors' emoluments and key management compensation (continued)

	12 months to 31 December 2017 £	9 months to 31 December 2016 £
Highest paid director:		
Aggregate emoluments	-	411,386
Company contributions to money purchase scheme	-	6,856
	<u>-</u>	<u>418,242</u>

During the previous period the highest paid director exercised no options over shares in the company.

7. Taxation

(a) Analysis of (credit)/charge in the year	12 months to 31 December 2017 £	9 months to 31 December 2016 £
Current taxation:		
Tax charge for the period	-	24,200
Adjustment in respect of previous periods	(700,000)	700,000
Deferred taxation:		
Origination and reversal of timing differences (Note 13)	-	(1,847)
Total Income tax (credit)/charge (Note 7(b))	<u>(700,000)</u>	<u>722,353</u>

Sweett Group Limited

Notes to the financial statements (continued)

7. Taxation (continued)

(b) Factors affecting the total tax (credit)/charge for the year:

The tax on the Company's profit/(loss) before tax is different from the theoretical amount that would arise using the weighted average tax rate applicable to the profit/loss before taxation as follows:

	12 months to 31 December 2017 £	9 months to 31 December 2016 £
Profit/(loss) before taxation	<u>195,717</u>	<u>(3,110,050)</u>
Tax calculated at domestic tax rates applicable to profits in the respective entities at 19.25% (9 months to 31 December 2016: 20%)	37,676	(622,010)
Tax effect of:		
Expenses not deductible for tax purposes	2,752	8,376,777
Income not taxable for tax purposes	(38,063)	(8,425,657)
Temporary timing differences on which no deferred tax asset is recognised	(212)	514,257
Adjustment in respect of previous period	(700,000)	700,000
Utilisation of previously unrecognised tax losses	(3,620)	-
Impact on deferred tax of changes in tax rates	-	54,656
Tax effect of group relief claimed for nil consideration	-	124,330
Change in tax laws and rate	1,467	-
Total tax (credit)/charge	<u>(700,000)</u>	<u>722,353</u>

(c) Factors which may affect future tax charges

The UK corporation tax rate was reduced from 20% to 19% effective 1 April 2017. With effect from 1 April 2020 the rate of corporation tax will decrease by a further 2% to 17%, effective from 1 April 2020.

8. Dividends

	12 months to 31 December 2017 £	9 months to 31 December 2016 £
Final dividend in specie paid of 53.858333 pence per share in respect of the period ended 31 December 2016	<u>-</u>	<u>27,759,475</u>

During the course of preparing the financial statements for the period ended 31 December 2016 it became apparent that the company did not have sufficient distributable reserves at that time to distribute the full amount of the dividend in specie referred to above and therefore on 21 December 2017 £15,300,000 of the above dividend in specie was revoked and by virtue of a deed of assignment of the same date, the amount remains an intra-group receivable from Currie & Brown Holdings Limited.

Sweett Group Limited

Notes to the financial statements (continued)

9. Goodwill

	Goodwill £'000
Cost	
At 1 April 2016 and at 31 December 2016	<u>2,940,158</u>
Impairment	
At 1 April 2016	237,022
Charge for the period	<u>2,703,136</u>
At 31 December 2016 and 2017	<u>2,940,158</u>
Net book amount	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>2,703,136</u>

There were no acquisitions during the year to 31 December 2017 or the previous period.

The Company's goodwill arose on the acquisitions of Cyril Sweett Limited in 1998. Cyril Sweett Limited subsequently transferred its trading activities and net assets to Sweett (UK) Limited, and became Sweett Group plc. Following the acquisition of the Company by Currie & Brown Holdings Limited during the previous period and the transfer of the business and net assets of Sweett (UK) Limited to Currie & Brown UK Limited, the original goodwill is no longer supported. Accordingly, the goodwill was fully impaired in the previous period.

10. Investments

	Shares in subsidiary undertakings £	Capital contribution £	Total £
Cost			
At 1 April 2016	40,934,133	528,000	41,462,133
Capital contribution relating to share based payments	-	5,000	5,000
At 31 December 2016 and 2017	<u>40,934,133</u>	<u>533,000</u>	<u>41,467,133</u>
Provisions for impairment			
At 1 April 2016	765,000	-	765,000
Charge for the 9 month period to 31 December 2016	<u>39,767,130</u>	<u>533,000</u>	<u>40,300,130</u>
At 31 December 2016 and 2017	<u>40,532,130</u>	<u>533,000</u>	<u>41,065,130</u>
Net book amount			
At 31 December 2017	<u>402,003</u>	<u>-</u>	<u>402,003</u>
At 31 December 2016	<u>402,003</u>	<u>-</u>	<u>402,003</u>

Sweett Group Limited

Notes to the financial statements (continued)

10. Investments (continued)

The directors believe that the carrying value of the investments is supported by their underlying net assets and forecasted growth.

The above net book amount is represented by:

	31 December 2017 £	31 December 2016 £
Sweett International (Holdings) Limited	402,000	402,000
Sweett (UK) Limited	1	1
Currie & Brown (Investments) Limited	1	1
Currie & Brown (Investments D&G) Limited	1	1
	<u>402,003</u>	<u>402,003</u>

11. Subsidiary undertakings

	Company's interest	Class of shares held	Registered office	Principal
Sweett International (Holdings) Limited	100%	Ordinary	40 Holborn Viaduct London. England	Intermediate holding company
Sweett (UK) Limited	100%	Ordinary	40 Holborn Viaduct London. England	Non trading
Currie & Brown (Investments) Limited	100%	Ordinary	40 Holborn Viaduct London. England	Intermediate holding company
Currie & Brown (Investments D&G) Limited	100%	Ordinary	40 Holborn Viaduct London. England	Intermediate holding company

12. Investment in associates and joint venture entities

	£
Cost	
At 1 April 2016 and 31 December 2016	<u>6,475</u>
Impairment	
At 1 April 2016	-
Charge for the 9 month period to 31 December 2016	<u>6,475</u>
At 31 December 2016 and 2017	<u>6,475</u>
Net book amount	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

Sweett Group plc acquired 50% of the share capital of VVA Sweett Inc. a company incorporated in the United States of America in May 2012. The other 50% shareholder is VVA LLC, also incorporated in the United States of America.

Following an "Agreement and Plan of Dissolution of VVA Sweett Inc" dated August 2017 the Company has recognised net proceeds from the planned dissolution, net of legal fees and sundry expenses, amounting to £179,204. VVA Sweett Inc is expected to be formally dissolved during 2018 with no material impact on these financial statements.

Sweett Group Limited

Notes to the financial statements (continued)

13. Deferred income tax asset

The movement in deferred income tax assets during the year/period, without taking into account the off-setting of balances with the same tax jurisdiction, is as follows:

	31 December 2017 £	31 December 2016 £
Deferred tax assets:		
At 1 April	-	302,693
Credited/(charged) to the income statement	-	1,847
Deferred tax on items taken directly to equity – actuarial gain/(loss) on pension scheme	-	290,460
Transferred to fellow group undertaking on transfer of defined benefit obligation (Note 19)	-	(595,000)
At 31 December	<u>-</u>	<u>-</u>

Deferred tax assets	Retirement benefit obligation £	Other timing differences £	Total £
At 1 April 2016	280,340	22,353	302,693
Credited to the income statement	24,200	(22,353)	1,847
Deferred tax on items taken directly to equity – actuarial gain/loss on pension scheme	290,460	-	290,460
Transferred to fellow group undertaking on transfer of defined benefit obligation (Note 19)	<u>(595,000)</u>	<u>-</u>	<u>(595,000)</u>
At 31 December 2016 and 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>

There are non-trading losses of £3.1m (31 December 2016: £3.2m) at the balance sheet date which can be carried forward indefinitely, against which no deferred tax asset has been recognised.

14. Trade and other receivables

	31 December 2017 £	31 December 2016 £
Amounts due from group undertakings	8,129,983	814,520
Other receivables	3,720	3,138
Prepayments and accrued income	-	2,982
	<u>8,133,703</u>	<u>820,640</u>

The directors consider the carrying value of trade and other receivables approximates to their fair value.

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

Sweett Group Limited

Notes to the financial statements (continued)

15. Cash and cash equivalents	31 December 2017 £	31 December 2016 £
Cash at bank and in hand	-	<u>1,887,046</u>

16. Trade and other payables

Current	31 December 2017 £	31 December 2016 £
Amounts due to group undertakings	1,158,185	10,280,159
Other payables (see below)	700,000	700,000
Accruals and deferred income	408,820	656,546
Current income tax liabilities	-	700,000
	<u>2,267,005</u>	<u>12,336,705</u>
	31 December 2017 £	31 December 2016 £
Other payables		
Penalties payable following the conclusion, in February 2016, of an investigation by the SFO	<u>700,000</u>	<u>700,000</u>

Amounts due to group undertakings are unsecured and repayable on demand. Included in this balance is an amount of £nil (31 December 2016: £9.45m) payable to Currie & Brown Holdings Limited which accrued interest at the rate of 3% plus the Bank of England bank rate. All other balances are interest free.

17. Trade and other payables

Non-current	31 December 2017 £	31 December 2016 £
Penalties payable following the conclusion, in February 2016, of an investigation by the SFO	-	700,000
	<u>-</u>	<u>700,000</u>

The carrying amount of trade and other payables approximates to their fair value.

Sweett Group Limited

Notes to the financial statements (continued)

18. Retirement benefit obligations

Defined benefit pension scheme

	31 December 2017	31 December 2016
	£	£
Retirement benefit obligation		
At 1 April 2016	-	1,556,229
Service cost – administrative cost	-	84,000
Net interest cost on the net defined benefit liability	-	38,334
Actuarial loss	-	1,869,974
Contribution by employer	-	(242,537)
Transfer to fellow group undertaking	-	(3,306,000)
	<u>-</u>	<u>-</u>
At 31 December 2016 and 31 December 2017	<u>-</u>	<u>-</u>

The Company's funded defined benefit pension scheme was closed to new members from 1 January 1999 and with effect from 30 June 2003 the Company stopped making contributions to this scheme for current members in respect of their future service. Contributions that previously would have been paid into this scheme are now being paid into the Sweett Group Personal Pension Scheme, which is a defined contribution pension scheme.

Following the acquisition of the Company by Currie & Brown Holdings Limited and pursuant to a Deed of Substitution, Amendment and Apportionment executed on 23 December 2016, the defined benefit scheme was transferred to Currie & Brown UK Limited, a fellow group undertaking. Further details of the actuarial valuations and related assumptions are disclosed in the financial statements of Currie & Brown UK Limited.

During the year/period the Company contributed £nil (9 months to 31 December 2016: £242,537) to the defined benefit pension scheme.

Money purchase pension schemes

The contribution to the Sweett Group Limited group personal pension scheme for the year to 31 December 2017 was £nil (9 months to 31 December 2016: £19,771).

19. Share capital and share premium

	31 December 2017	31 December 2016
	£	£
Share capital		
Called up and fully paid:		
Ordinary shares of 10 pence each	<u>5,154,165</u>	<u>5,154,165</u>
	Number	Number
Ordinary shares of 10 pence each	<u>51,541,652</u>	<u>51,541,652</u>
	31 December 2017	31 December 2016
	£	£
Movement in share capital		
At 1 April 2016 and 1 January 2017	5,154,165	6,868,109
Issue of shares	-	271,148
Reduction in share capital	-	(1,985,092)
At 31 December 2016 and 31 December 2017	<u>5,154,165</u>	<u>5,154,165</u>

Sweett Group Limited

Notes to the financial statements (continued)

19. Share capital and share premium

Movement in share capital	31 December 2017 Number	31 December 2016 Number
At 1 April 2016 and 1 January 2017	51,541,652	68,681,091
Issue of shares	-	2,711,481
Reduction in share capital	-	(19,850,920)
At 31 December 2016 and 31 December 2017	<u>51,541,652</u>	<u>51,541,652</u>

Share premium account	31 December 2017 £	31 December 2016 £
At 1 April 2016 and 1 January 2017	-	13,838,660
Issue of shares	-	523,259
Transfer to retained earnings	-	(14,361,919)
At 31 December 2016 and 31 December 2017	<u>-</u>	<u>-</u>

20. Equity settled share based payments

The Company had granted certain unapproved share options together with share options under its Approved Company Share Option Plan (CSOP) and its Enterprise Management Incentive (EMI) scheme to certain employees. These options had a contractual life of 10 years and were exercisable on the third anniversary from the date of grant. There was no legal or constructive obligation to repurchase or settle the options in cash and options lapsed if an option holder ceased to be a full-time employee of the Company.

During the period ended 31 December 2016, Sweett Group plc was acquired by Currie & Brown Holdings Limited and holders of options over shares in Sweett Group plc were provided with the opportunity of exercising their options under a cashless exercise facility. Under this facility the option holder was not required to fund the aggregate exercise price out of personal resources, but rather, undertook to pay the aggregate exercise price and direct that the relevant amount be withheld from the cash proceeds otherwise payable pursuant to the offer by Currie & Brown Holdings Limited.

Pursuant to the above arrangement options were exercised in respect of 2,711,481 shares, for which shares were issued and were satisfied in cash on the acquisition of the company. Additionally, options were exercised in respect of 257,573 shares qualifying under the Performance Share Plan. These options had an exercise price of nil pence and were settled in cash at the option of the Company.

Sweett Group Limited

Notes to the financial statements (continued)

20. Equity settled share based payments (continued)

Further details of the share option plans are as follows:

	Year ended 31 December 2017		Nine month period ended 31 December 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted Average exercise price
Outstanding at the start of the year	-	-	5,749,995	34.6p
Forfeited	-	-	(2,780,941)	43.0p
Exercised	-	-	(2,969,054)	26.8p
Outstanding at the end of the year	-	-	-	-

Capital contribution from parent

	31 December 2017 £	31 December 2016 £
At 1 April 2016 and 1 January 2017	-	740,823
Employee share option scheme		
- value of services provided	-	5,000
- transfer to retained earnings – capital contribution	-	(533,000)
- transfer to retained earnings on exercise	-	(212,823)
At 31 December 2016 and 31 December 2017	-	-

21. Related party transactions

Transactions with fellow subsidiaries

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly-owned subsidiaries of the Dar Al-Handasah Consultants Shair and Partners Holdings Limited Group. There are no transactions with other related parties which require disclosure in the financial statements

22. Immediate and ultimate controlling party

The immediate parent undertaking is Currie & Brown Holdings Limited, a Jersey registered Limited company and a wholly owned subsidiary of Dar Al-Handasah Consultants Shair and Partners Holdings Limited.

The smallest group in which the company's financial statements are consolidated is that headed by Currie & Brown Holdings Limited. The consolidated financial statements of Currie & Brown Holdings Limited are available from 12 Dumaresq Street, St Helier, Jersey, JE2 3RL.

The ultimate parent undertaking and the largest group in which the company's financial statements are consolidated is that headed by Dar Al-Handasah Consultants Shair and Partners Holdings Limited, which is incorporated in Dubai International Financial Centre (DIFC). These consolidated financial statements are not available to the public.