

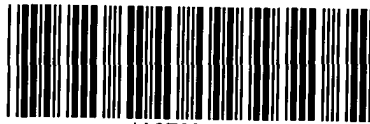
Registered No 1888801

Axis Cleaning & Support Services Limited

Report and Financial Statements for the year ended

31 March 2014

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COMPANIES HOUSE

Axis Cleaning & Support Services Limited

Registered No: 1888801

Directors

J Levine

M Saunders

S Buswell (Appointed 27th July 2013)

S Dudley

J Read (Resigned: 10th January 2014)

Z Hewertson (Resigned 27th July 2013)

Secretary

M Saunders

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

The Portland Building

25 High Street

Crawley

West Sussex, RH10 1BG

Bankers

Clydesdale Bank

2nd Floor, 35 Regent Street

London, SW1Y 4ND

Registered office

Ground Floor Suite

River House

Maidstone Road

Sidcup

Kent DA14 5RH

Directors' report for the year ended 31 March 2014

The directors present their report, the strategic report and the audited financial statements for the year ended 31 March 2014.

Results and dividends

The EBITDA (earnings before interest, tax, depreciation, amortisation and exceptional items) amounted to £566,000 (year ended 31 March 2013: £767,000), with a, pre-exceptional items, operating loss of £79,000 for the year (pre-goodwill impairment and exceptional items an operating profit for year ended 31 March 2013: £104,000). The directors do not recommend the payment of a dividend (year ended 31 March 2013: £nil).

Directors and company secretary

The directors who served the company during the year were as follows:

J Levine
M Saunders
S Buswell (Appointed 27th July 2013)
S Dudley
J Read (Resigned: 10th January 2014)
Z Hewertson (Resigned 27th July 2013)

Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remained in force during the year and at the date of approving the directors' report.

Disabled employees

We consider all disabled people applying for employment on the basis of their aptitudes and abilities. Our employment policy provides that existing employees who become disabled will have the opportunity to retrain where necessary and to continue in employment.

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements 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.

Directors' report for the year ended 31 March 2014 (continued)

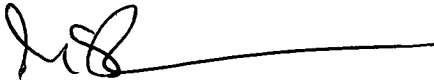
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



M Saunders
Director

Date: 9/1/15

Strategic report for the year ended 31 March 2014

Review of the business and future developments

Axis Cleaning & Support Services Limited has a national presence and is focused on providing a best in class offer to its customers.

In the year ended 31 March 2014, the company delivered an EBITDA of £566,000 (year ended 31 March 2013: £767,000), a fall since last year due to tough economic conditions, and posted a, pre-exceptional items, operating loss of £79,000 (pre-goodwill impairment and exceptional items an operating profit for year ended 31 March 2013: £104,000). With the continued restructuring of the business during the year, exceptional one off costs of £81,000 were incurred (year ended 31 March 2013: £118,000). The company had a fall in its revenue of 8% in the year as it rebalanced its portfolio.

The financial performance of the company for the year ended 31 March 2014 is set out on page 8. The directors are optimistic about the long term prospects for growth.

The company measures its success through monitoring key performance indicators, these include: sales growth, gross profit margin and EBITDA %.

	Year ended 31/3/2014	Year ended 31/3/2013	Comment
Sales growth	(8)%	(6)%	Decrease in 2014 mainly due to a reduction in the portfolio and as the management restructure bedded down.
Gross profit %	21.8%	20.4%	Gross profit margin increase of 1.4% due to strong cost control improvements in direct costs.
EBITDA %	2.4%	3.0%	Although strong controls have reduced overheads helping to maintain EBITDA margin to an extent, price pressures reducing revenue have led to the overall fall in margin.
Debtor Days	33	40	A significant reduction in the debtor days due to improved debt collection practices.

This report has been prepared in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006 and does not disclose non-financial key performance indicators.

Principal risks and uncertainties

Economic risk

The economic downturn has a greater impact on certain market sectors, affecting some of our clients more than others; our major costs are variable and we are able to respond and adapt to meet our clients' needs.

Financial risk management objective and policies

The company's activities expose it to a limited number of financial risks. The company aims to manage these risks on a day to day basis.

Strategic report for the year ended 31 March 2014 (continued)

Financial risk management objective and policies (continued)

Liquidity risk

The company manages its cash and borrowing requirements in order to minimize interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business. Regular cash flow forecasts are prepared to monitor and forecast working capital, an invoice discounting facility is in place with the bank and funds are transferred between group companies to assist in managing this risk.

Interest rate risk

The company is exposed to interest rate risk in its borrowing and cash flow interest rate risk on bank overdraft and loans. This is managed through hedging of a proportion of the bank loans.

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verifications procedures. Trade debtors and retentions are reviewed on a regular basis and provision is made for doubtful debts where necessary.

Going concern

The company is part of the wider Axis Group Integrated Services Limited group which meets its day-to-day working capital requirements through close management of group cash flows and an invoice discounting facility.

The group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group, and therefore the company, is able to operate within the level of its current facilities and other sources of finance that are available to them.

The directors, having considered this and the financial position of the company, have a reasonable expectation that the company will continue in operational existence and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Health and safety

Health & safety is a major area of concern for our employees, clients and members of the public. The company has a dedicated health & safety department which reviews and monitors this area of risk.

Staff policies

Employment policies do not discriminate between employees or potential employees on the grounds of disability. The company undertakes to provide employees with information of concern to them that is likely to affect their interests.

Key customers

Whilst the company has a variety of major contracts, none are considered material in respect of revenue. However, since clients are key to continuing growth, there is a strong management structure in place, incorporating key account managers for major contracts.

On behalf of the Board



M Saunders
Director

Date: 9th January 2015

Independent auditors' report to the members of Axis Cleaning & Support Services Limited

Report on the financial statements

Our opinion

In our opinion, Axis Cleaning & Support Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

Axis Cleaning & Support Services Limited's financial statements comprise:

- the Balance Sheet as at 31 March 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Axis Cleaning & Support Services Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

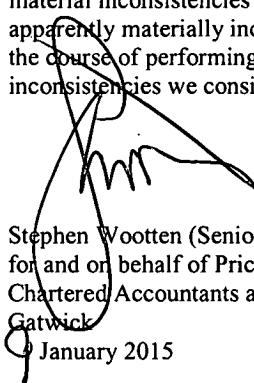
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stephen Wootten (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
9 January 2015

Profit and loss account

for the year ended 31 March 2014

		Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
	Notes		
Turnover	2	23,314	25,452
Cost of sales		(18,242)	(20,263)
Gross profit		5,072	5,189
Administrative expenses		(5,232)	(6,142)
<hr/>			
EBITDA		566	767
Depreciation	3	(245)	(263)
Amortisation of goodwill	8	(400)	(400)
Impairment of goodwill	3	-	(939)
Operating loss before exceptional items		(79)	(835)
Exceptional items		(81)	(118)
<hr/>			
Operating loss	3	(160)	(953)
Interest payable and similar charges	6	(233)	(196)
Loss on ordinary activities before taxation		(393)	(1,149)
Tax on loss on ordinary activities	7	281	29
Loss for the financial year	17	(112)	(1,120)
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All amounts relate to continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

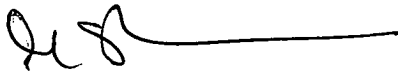
There were no gains or losses other than the loss for the financial years stated above and therefore no statement of total recognised gains and losses has been presented.

Balance sheet

At 31 March 2014

	Notes	31 March 2014 £'000	31 March 2013 £'000
Fixed assets			
Intangible assets	8	5,403	5,803
Tangible assets	9	1,306	541
Investments	10	1,537	1,537
		<u>8,246</u>	<u>7,881</u>
Current assets			
Stocks	11	151	143
Debtors	12	7,386	6,727
Cash at bank and in hand		3	46
		<u>7,540</u>	<u>6,916</u>
Creditors: amounts falling due within one year	13	(14,573)	(14,419)
Net current liabilities		<u>(7,033)</u>	<u>(7,503)</u>
Total assets less current liabilities		<u><u>1,213</u></u>	<u><u>378</u></u>
Creditors: amounts falling due after more than one year	14	947	-
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	17	266	378
Total capital and reserves	18	<u>266</u>	<u>378</u>
Total capital, reserves and long term liabilities		<u><u>1,213</u></u>	<u><u>378</u></u>

The financial statements on pages 8 to 22 were approved by the Board of Directors and signed on their behalf by:



M Saunders

Director

Date:

9/1/15

Registered number: 1888801

Notes to the financial statement

At 31 March 2014

1. Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The company is part of the wider Axis Group Integrated Services Limited group which meets its day-to-day working capital requirements through close management of group cash flows and an invoice discounting facility.

The group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the group, and therefore the company, is able to operate within the level of its current facilities and other sources of finance that are available to them.

The directors, having considered this and the financial position of the company, have a reasonable expectation that the company will continue in operational existence and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and VAT.

The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from cleaning services is recognised by reference to contractual commitments with customers and labour hours incurred.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods.

Turnover not recognised immediately under this policy is classified as deferred income in the balance sheet until the relevant performance criteria have been met. Accrued income is recognised when work has been fully completed by the year end but has yet to be invoiced. Provision is made for any foreseeable losses where appropriate.

Group financial statements

The company is entitled to the exemption under Section 400 of the Companies Act 2006 from the obligation to prepare group financial statements. These financial statements present information about the undertaking as an individual entity only and not about its group.

Statement of cash flows

The financial statements do not include a statement of cash flows because the company is a subsidiary where 100% of the voting rights are controlled within the group and consolidated financial statements, which include the subsidiary undertaking, are made publicly available, and therefore is exempt from the requirement to produce a statement under Financial Reporting Standard 1: Statement of Cash Flows (Revised).

Notes to the financial statement (continued)

At 31 March 2014

1. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The carrying values of tangible fixed assets are reviewed for impairment when changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	–	Straight line over the life of the lease
Plant and machinery	–	25% straight line
Fixtures, fittings and equipment	–	20% straight line
Motor vehicles	–	25% straight line

Goodwill

Goodwill arising on acquisitions represents the excess of the cost of acquisition over the company's interest in the fair value of the identifiable assets and liabilities of the acquired entity. Goodwill is stated at cost, less any accumulated impairment losses. It is classified as an asset on the balance sheet and amortised over its estimated useful life of 20 years. This length of time is presumed to be the maximum useful life of goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable. Following an impairment review last year, goodwill was reduced by £939,000.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or the right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Notes to the financial statement (continued)

At 31 March 2014

1. Accounting policies (continued)

Finance leasing and hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Invoice factoring

The company makes use of an invoice discounting facility from its bankers. An invoice factoring creditor is recognised when funds are withdrawn against the facility on lodging raised sales invoices. The creditor is reduced by cash received on payment of sales invoices by customers. Interest is borne on the value of the invoice discounting facility that is utilised.

Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year to a number of defined contribution schemes in respect of its directors.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity of cleaning services which is wholly undertaken in the UK.

3. Operating loss

Operating loss is stated after charging/(crediting):

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Depreciation on assets held under finance leases	43	13
Depreciation of owned tangible fixed assets	202	250
Amortisation of goodwill	400	400
Impairment of goodwill	-	939
Exceptional items – restructuring costs	81	118
Auditors' remuneration – audit services	18	20
Operating lease rentals – land and buildings	109	149
– other	145	182
(Profit)/loss on disposal of tangible fixed assets	(9)	35
	<u> </u>	<u> </u>

Notes to the financial statement (continued)

At 31 March 2014

4. Directors' remuneration

The following directors' remuneration in respect of qualifying services provided to the company and its subsidiaries was paid during the year:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Remuneration and other emoluments	412	370
Compensation for loss of office	44	-
Contributions to pension schemes	18	25
	<u>474</u>	<u>395</u>

The above includes directors' remuneration of £101,000 (2013: £96,000) which has been paid by fellow group companies for qualifying services performed for this company during the year.

The emoluments of the highest paid director were as follows:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Emoluments and other benefits	196	188
Contribution to pension scheme	18	18
	<u>214</u>	<u>206</u>

5. Staff costs

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Wages and salaries	16,212	17,397
Social security costs	870	986
Other pension costs	86	28
	<u>17,168</u>	<u>18,411</u>

Notes to the financial statement (continued)

At 31 March 2014

5. Staff costs (continued)

The average monthly number of employees of the company during the year were as follows:

	Year ended 31 March 2014 No.	Year ended 31 March 2013 No.
Directors	4	5
Administration	73	79
Cleaning	945	1,030
	<u>1,022</u>	<u>1,114</u>

6. Interest payable and similar charges

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Invoice discounting interest	190	180
Finance lease interest	33	5
Bank interest	10	11
	<u>233</u>	<u>196</u>

Notes to the financial statement (continued)

At 31 March 2014

7. Tax on loss on ordinary activities
(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Current tax:		
UK corporation tax on the loss for the year (note 7(b))	-	-
Total current tax	-	-
Deferred tax		
- origination and reversal of timing differences	(163)	(49)
- prior year adjustment	(216)	(1)
- effect of tax rate change on opening balance	98	21
Tax on loss on ordinary activities	(281)	(29)

(b) Factors affecting the tax charge for the year

The tax assessed on the loss on ordinary activities for the year is higher (2013: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2014 of 23% (2013: 24%). The differences are explained below:

	31 March 2014 £'000	31 March 2013 £'000
Loss on ordinary activities before taxation	(393)	(1,149)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 23% (2013: 24%)	(90)	(276)
Effects of:		
Expenses not deductible for tax purposes	11	5
Adjustment to losses	(12)	-
Capital allowances in excess of depreciation	118	44
Other short term timing differences	-	7
Utilisation of tax losses and other deductions	(27)	(5)
Goodwill impairment difference	-	225
Current tax charge for year (note 7(a))	-	-

Notes to the financial statement (continued)

At 31 March 2014

7. Tax on loss on ordinary activities (continued)

(c) Deferred tax

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
At beginning of the year	(538)	(509)
Profit and loss account	(281)	(29)
At end of year	<u>(819)</u>	<u>(538)</u>
	31 March 2014 £'000	31 March 2013 £'000
Accelerated capital allowances	(836)	(532)
Other timing differences	(6)	(6)
Tax losses carried forward and other deductions	23	-
	<u>(819)</u>	<u>(538)</u>

Deferred taxation provided in the financial statements is as above.

There are no unrecognised deferred tax assets or liabilities (2013: £nil).

Reductions in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the group's future current tax charge accordingly. The deferred tax asset at 31 March 2014 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

Notes to the financial statement (continued)

At 31 March 2014

8. Intangible fixed assets

	Purchased goodwill £'000
Cost:	
At 1 April 2013 and 31 March 2014	7,999
Accumulated amortisation:	
At 1 April 2013	(2,196)
Charge for year	(400)
At 31 March 2014	(2,596)
Net book value:	
At 31 March 2014	5,403
At 31 March 2013	5,803

9. Tangible fixed assets

	Plant and machinery £'000	Leasehold properties £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost:					
At 1 April 2013	1,605	39	56	45	1,745
Additions	1,227	11	14	-	1,252
Disposals/write-offs	(1,288)	(4)	(46)	(15)	(1,353)
At 31 March 2014	1,544	46	24	30	1,644
Accumulated depreciation:					
At 1 April 2013	1,092	22	48	42	1,204
Charge for the year	228	9	7	1	245
Disposals/write-offs	(1,047)	(4)	(45)	(15)	(1,111)
At 31 March 2014	273	27	10	28	338
Net book value:					
At 31 March 2014	1,271	19	14	2	1,306
At 31 March 2013	513	17	8	3	541

Notes to the financial statement (continued)

At 31 March 2014

9. Tangible fixed assets (continued)

Assets held under finance leases, capitalised in plant and machinery:

	31 March 2014 £'000	31 March 2013 £'000
Cost	-	53
Additions	1,166	-
Disposal	-	(12)
Accumulated depreciation	(43)	(41)
Net book value	<u>1,123</u>	<u>-</u>

10. Investments

	Shares in subsidiary undertakings £'000
Cost: At 1 April 2013 and 31 March 2014	<u>1,537</u>

The company holds investment within the following:

Subsidiaries	Nature of business	Country of incorporation	Class of share capital held	Company %
LPM Dependable Limited	Contract Cleaning	UK	Ordinary	100

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

11. Stocks

	31 March 2014 £'000	31 March 2013 £'000
Finished goods	<u>151</u>	<u>143</u>

Notes to the financial statement (continued)

At 31 March 2014

12. Debtors

	31 March 2014 £'000	31 March 2013 £'000
Trade debtors	2,736	3,208
Amounts owed by group undertakings	3,649	2,772
Other debtors	26	9
Prepayments and accrued income	156	200
Deferred tax asset	819	538
	<u>7,386</u>	<u>6,727</u>

13. Creditors: amounts falling due within one year

	31 March 2014 £'000	31 March 2013 £'000
Trade creditors	650	812
Amounts owed to group undertaking	9,545	9,542
Invoice discounting facility	1,576	2,150
Taxation and social security	702	772
Other creditors	732	515
Finance lease creditor	176	-
Accruals and deferred income	1,192	628
	<u>14,573</u>	<u>14,419</u>

Amounts owing under the invoice factoring creditor are secured by a fixed and floating charge over the trade debtors and attracts interest at 3.5% + bank base rate.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: amounts falling due after more than one year

	31 March 2014 £'000	31 March 2013 £'000
Finance lease creditor	947	-
	<u>947</u>	<u>-</u>

Notes to the financial statement (continued)

At 31 March 2014

15. Obligations under finance leases and hire purchase contracts		31 March 2014 £000	31 March 2013 £000		
Amounts payable:					
Within one year		333	-		
Between two and five years		1,230	-		
		<hr/>	<hr/>		
Total gross payments		1,563	-		
Less finance charges included above		(440)	-		
		<hr/>	<hr/>		
Net finance lease obligations		1,123	-		
		<hr/> <hr/>	<hr/> <hr/>		
16. Called up share capital		31 March 2014		31 March 2013	
	No.	£	No.	£	
Allotted and fully paid					
100 Ordinary shares of £1 each	100	100	100	100	
		<hr/> <hr/>		<hr/> <hr/>	
17. Profit and loss account				Profit and loss account £'000	
At 1 April 2013					378
Loss for the financial year					(112)
					<hr/>
At 31 March 2014					266
					<hr/> <hr/>
18. Reconciliation of movements in shareholders' funds		31 March 2014 £'000	31 March 2013 £'000		
Opening shareholders' funds		378	1,498		
Loss for the financial year		(112)	(1,120)		
		<hr/>	<hr/>		
Closing shareholders' funds		266	378		
		<hr/> <hr/>	<hr/> <hr/>		

Notes to the financial statement (continued)

At 31 March 2014

19. Pensions

The group makes contributions to a number of, but doesn't operate any defined contribution pension schemes in respect of its directors. The pension charge includes contributions due from the company at the year-end amounting to £nil (year ended 31 March 2013: £nil).

20. Other financial commitments

At 31 March 2014 the annual commitments under non-cancellable operating leases are set out below:

	Land and buildings		Other	
	31 March 2014 £'000	31 March 2013 £'000	31 March 2014 £'000	31 March 2013 £'000
Leases expiring within:				
One year	-	50	58	8
Between two and five years	127	19	143	211
Total commitment	127	69	201	219

Operating lease rentals are charged to the profit and loss account on a straight line basis until the end of the lease.

21. Contingent liabilities

The company has entered into cross guarantees with its ultimate parent company, immediate parent company and fellow subsidiaries in respect of obligations relating to bank borrowings and investor loan notes.

Notes to the financial statement (continued)

At 31 March 2014

22. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 'Related Party Disclosures' as it is a wholly owned subsidiary of Axis Group Integrated Services Limited. Therefore the company has not disclosed transactions or balances with wholly owned entities that form part of the group headed by Axis Group Integrated Services Limited.

In the normal course of business, the company undertook transactions with entities that are not wholly owned by Axis Group Integrated Services Limited. The transactions are considered related due to common directors. These transactions primarily relate to the recharging of expenses. Details of these transactions and balances outstanding at the balance sheet date are set out below:

	31 March 2014 £'000	31 March 2013 £'000
Related party transactions with non-wholly owned subsidiaries within the Axis Group – expenses recharged to the company	(329)	(1,905)
Related party transactions with non-wholly owned subsidiaries within the Axis Group – balance payable at balance sheet date	(3,840)	(3,511)
Related party transactions with Sovereign owned companies – trade during the year	125	118
Related party transactions with Sovereign owned companies – balance receivable at balance sheet date	7	20

23. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is LPM Acquisitions Limited, a company registered in England and Wales. At 31 March 2014, the directors did not consider there to be any ultimate controlling party. Funds managed by Sovereign Capital Limited Partnership II LLP, a company incorporated in the United Kingdom, have an effective interest of 88.38% in the equity share capital of Axis Group Integrated Services Limited. The largest and smallest group of undertakings for which group financial statements have been drawn up which includes the results of the company is that headed by Axis Group Integrated Services Limited. Copies of the parent undertaking's financial statements are available from the Group registered address (Ground Floor Suite, River House, Maidstone Road, Sidcup, Kent DA14 5RH).