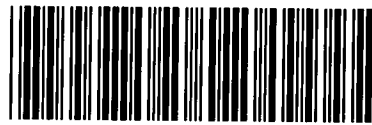


# **LPM Acquisitions Limited**

## **Report and Financial Statements for the year ended**

31 March 2018

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COMPANIES HOUSE

# LPM Acquisitions Limited

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Registered No: 05995125

## **Directors**

J Levine

S Giles

## **Company secretary**

S Giles

## **Bankers**

Lloyds Bank Plc

24 Broad Street

Reading

Berkshire, RG1 2BT

## **Registered office**

Ground Floor Suite

River House

Maidstone Road

Sidcup

Kent DA14 5RH

## Directors' report

The directors present their report and the financial statements for the year ended 31 March 2018.

### Principal activity

The principal activity of the company is that of a holding company.

### Results and dividends

The loss for the year after taxation amounted to £2,399,000 (year ended 31 March 2017: loss of £560,000). The directors do not recommend the payment of a dividend (year ended 31 March 2017: £nil).

As part of a continuing restructure to simplify the Axis Group structure, the Group struck off ten of its dormant companies. These were in the process of being dissolved at year end and on 26 June 2018 these were dissolved at Companies House.

The effect of the dissolution was an exceptional items write off of £2,399,000 in LPM Acquisitions Limited. £2,099,000 of this related to inter-company balances between the dormant companies and the company. £300,000 of the exceptional write off relates to the investment impairment in these dormant companies.

### Directors and company secretary

The directors who served the company during the year and to the date of these financial statements were as follows:

J Levine  
S Giles

### 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 undertook a refinancing deal with PNC Bank in 2016. 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.

### Statement of directors' responsibilities

The directors are responsible for preparing the 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 comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Directors' report (continued)

### Statement of directors' responsibilities (continued)

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' 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 remains in force as at the date of approving the directors' report.

### Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. Under this provision, the company is exempt from preparing a Strategic Report.

On behalf of the Board



S Giles  
Director

Date: 12 SEPTEMBER 2018

Registered No: 05995125

**Statement of comprehensive income**

for the year ended 31 March 2018

		Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Administrative expenses		(2,399)	(517)
<b>Operating loss</b>	5	(2,399)	(517)
Interest payable and similar charges	7	-	(43)
<b>Loss on ordinary activities before taxation</b>		(2,399)	(560)
Taxation	8	-	-
<b>Loss for the year and total comprehensive income</b>	13	(2,399)	(560)

**Balance sheet**

As at 31 March 2018

	Notes	31 March 2018 £'000	31 March 2017 £'000
<b>Fixed assets</b>			
Investments	9	7,544	7,844
<b>Current assets</b>			
Debtors	10	-	2,309
Cash at bank and in hand		-	-
<b>Creditors: amounts falling due within one year</b>	11	(15,770)	(15,980)
<b>Net current liabilities</b>		(15,770)	(13,671)
<b>Total assets less current liabilities</b>		<b>(8,226)</b>	<b>(5,827)</b>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Retained earnings	13	(8,226)	(5,827)
<b>Total shareholders' deficit</b>	14	<b>(8,226)</b>	<b>(5,827)</b>

For the financial year ending 31<sup>st</sup> March 2018 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year ended 31<sup>st</sup> March 2018 in accordance with section 476 of the Companies Act 2006.

The director's acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 7 to 13 are an integral part of these financial statements. The financial statements of LPM Acquisitions Limited on pages 4 to 13 were authorised for issue by the Board of Directors and were signed on its behalf by:



S Giles  
Director

Date: 12 September 2018

Registered No: 05995125

**Statement of changes in equity**

For the year ended 31 March 2018

	Note	Called up share capital £'000	Accumulated losses £'000	Total equity £'000
At 1 April 2016	13	-	(5,767)	(5,767)
Loss for the financial year	13	-	(560)	(560)
<hr/>				
Total comprehensive loss for the financial year		-	(6,327)	(6,327)
Investors loan notes released	13	-	500	500
<hr/>				
At 31 March 2017	14	-	(5,827)	(5,827)
<hr/> <hr/>				

	Note	Called up share capital £'000	Accumulated losses £'000	Total equity £'000
At 1 April 2017	13	-	(5,827)	(5,827)
Loss for the financial year	13	-	(2,399)	(2,399)
<hr/>				
Total comprehensive loss for the financial year		-	(8,226)	(8,226)
<hr/>				
At 31 March 2018	14	-	(8,226)	(8,226)
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## Notes to the financial statements

At 31 March 2018

### 1. General information

LPM Acquisitions Limited is a holding company. It is a private company limited by shares and is incorporated in England.

### 2. Statement of compliance

The financial statements of LPM Acquisitions Limited have been prepared in compliance with UK accounting standards, including Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006.

### 3. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of these financial statements has required the use of certain accounting estimates along with management exercising their judgement in the process of applying the company accounting policies.

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act. Under the provisions of section 479A the ultimate parent company Axis Group Integrated Services Limited has guaranteed all of the company's liabilities to which the company is subject at 31 March 2018.

#### **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 meets its day-to-day working capital requirements through close management of cash flows and an invoice discounting facility.

The group has undertaken a new refinancing deal with PNC Financial Services UK Limited effective from 30 August 2016. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group will be able to operate within the level of its new facilities and other sources of finance that are available to them.

The directors, having considered this and the financial position of the group, 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.

#### **Exemptions under FRS 102**

##### *Statement of cash flows*

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying company and its ultimate parent company, Axis Group Integrated Services Limited, includes the company's cash flows in its own consolidated financial statements.

##### *Key management personnel compensation*

Under FRS 102 the company has also taken advantage from the exemption to disclose the company's key management personnel's compensation. The company has met the criteria of being a qualifying company including notification of, and no objection to the use of the exemption by the company's shareholders.

#### **Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value. The carrying value of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.



## Notes to the financial statements

At 31 March 2018

### 3. Summary of significant accounting policies (continued)

#### Consolidated financial statements

The company is a wholly owned subsidiary of Axis Group Integrated Services Limited. It is included in the consolidated financial statements of Axis Group Integrated Services Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

#### Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### Current taxation

Current taxation is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### 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 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.

#### Exceptional items

Exceptional items are significant non-recurring material items which are outside the normal scope of the company's ordinary activities. Such items are disclosed separately within the profit and loss account to provide further understanding of the financial performance of the company.

### 4. Critical accounting judgements and estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### *Deferred tax asset*

The company has used its judgment in recognising unrelieved tax losses and other deferred tax assets on the basis that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes to the financial statements

At 31 March 2018

### 5. Operating loss

This is stated after charging:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Exceptional item – dormant companies' inter-co balances write off	2,099	-
Exceptional item – dormant companies' investment impairment	300	-
Exceptional item - CVL	-	432
Exceptional item – refinancing costs	-	85
	<u>          </u>	<u>          </u>

The CVL exceptional costs write off related to inter-company balances between the Temple sub-group and the company.

The audit fees for the year were paid by a fellow group company. It is not practical to allocate the audit fees between group companies.

### 6. Directors' remuneration

No directors' remuneration was paid during the year in respect of qualifying services provided to the company (2017: £nil).

There are no employees of this company and no staff costs are incurred (2017: none).

### 7. Interest payable and similar charges

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Bank interest payable	-	43
	<u>          </u>	<u>          </u>
	-	43
	<u>          </u>	<u>          </u>

### 8. 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 2018 £'000	Year ended 31 March 2017 £'000
Current tax:		
UK corporation tax	-	-
	<u>          </u>	<u>          </u>
Tax on loss on ordinary activities (note 8(b))	-	-
	<u>          </u>	<u>          </u>

## Notes to the financial statements

At 31 March 2018

### 8. Tax on loss on ordinary activities (continued)

#### (b) Factors affecting current tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher (2017: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%). The differences are explained as follows:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Loss on ordinary activities before taxation	(2,399)	(560)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	(456)	(112)
Effects of: Group relief surrendered	456	112
Total current tax (note 8 (a))	-	-

#### (c) Deferred tax

Deferred tax is not provided in the financial statements. The unprovided deferred tax assets are as follows:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Tax losses	(75)	(99)

#### (d) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted on 1 April 2017. Further changes enacted reduce the rate to 18% from 1 April 2020.

The current tax at 31 March 2018 has been calculated based on the rate of 19%, whilst the deferred tax asset as at 31 March 2018 has been calculated at the rate anticipated to be in place at the date of unwinding of the deferred tax asset.

## Notes to the financial statements

At 31 March 2018

### 9. Investments

	Investment in subsidiary undertakings £'000
Cost:	
At 1 April 2017 and 31 March 2018	10,949
Impairment:	
At 1 April 2017	(3,105)
Impairment in year	(300)
At 31 March 2018	(3,405)
Net book value:	
At 31 March 2018	7,544
At 31 March 2017	7,844

After a review at 31 March 2015, the directors believed that the carrying value of the investment of £9,539,000 held in the Axis Cleaning & Support Services Limited was not supported by the underlying net assets of that investment, and hence an impairment of £3,105,000 was recognised at this date.

A further review during the year of ICG Holdings Limited's carrying value and the carrying value of indirectly held investments shows an impairment of £300,000 which has been recognised in the year. This brings the carrying value of all these companies to £nil. These companies were in the process of being dissolved at Companies House at year end and on 26 June 2018 were dissolved at Companies House.

The company directly holds 20% or more of the share capital of the following companies:

Name of company	Country of incorporation	Nature of business	Class of share capital held	% held by company
Axis Cleaning & Support Services Limited	England	Cleaning	Ordinary	100%
Axis Security Services Limited	England	Security	Ordinary	100%
ICG Holdings Limited	England	Holding Co	Ordinary	85%

The company also holds 20% or more of the share capital of the following companies indirectly through one of its subsidiary undertakings.

Name of company	Nature of business	Country of incorporation	Class of share capital held	% held by company
LPM Dependable Limited	Non trading	England	Ordinary	100
Dependable Services Limited	Non trading	England	Ordinary	100
Intercity Group Limited	Holding co	England	Ordinary	85
LPM Intercity Limited	Non trading	England	Ordinary	85
ICG Personnel Limited	Non trading	England	Ordinary	85
LPM Paragon Limited	Non trading	England	Ordinary	85
Morris Contract Cleaning Limited	Non trading	England	Ordinary	85
Paragon Hygiene Services Limited	Non trading	England	Ordinary	85
ICG Cleaning Ltd	Non trading	England	Ordinary	85

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

## Notes to the financial statements

At 31 March 2018

### 10. Debtors

	31 March 2018 £'000	31 March 2017 £'000
Amounts owed by group undertakings	-	2,309

### 11. Creditors: amounts falling due within one year

	31 March 2018 £'000	31 March 2017 £'000
Bank loans and overdrafts	-	-
Amounts owed to group undertakings	15,768	15,979
Accruals and deferred income	2	1
	<u>15,770</u>	<u>15,980</u>

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

### 12. Called up share capital

	31 March 2018		31 March 2017	
	No.	£'000	No.	£'000
Allotted, called up and fully paid				
Ordinary shares of £1 each	1	-	1	-

### 13. Retained earnings

	31 March 2018 £'000	31 March 2017 £'000
At 1 April	(5,827)	(5,767)
Loss for the financial year	(2,399)	(560)
Investor loan notes released	-	500
At 31 March	<u>(8,226)</u>	<u>(5,827)</u>

### 14. Reconciliation of movement in shareholders' deficit

	31 March 2018 £'000	31 March 2017 £'000
Opening shareholders' deficit	(5,827)	(5,767)
Loss for the financial year	(2,399)	(560)
Investor loan notes released	-	500
Closing shareholders' deficit	<u>(8,226)</u>	<u>(5,827)</u>

## Notes to the financial statements

At 31 March 2018

### 15. Contingent liabilities

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

### 16. Related party transaction

#### Transactions with subsidiaries

All related party transactions in the year have been with wholly owned fellow group companies within the Axis group and hence have not been disclosed.

#### Transactions with key management personnel

See note 6 for disclosure of the directors' remuneration.

### 17. Controlling party

The company's immediate parent company is Seebeck 133 Limited, a company registered in England & Wales.

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 its registered address (Ground Floor Suite, River House, Maidstone Road, Sidcup, Kent, DA14 5RH).

At 31 March 2018, the ultimate controlling parties were Roger Burdett, Jonathan Levine, Simon Giles and David Mundell.

### 18. Post balance sheet events

On 26 June 2018, the non-trading entities shown in note 9 were dissolved at Companies House.