

Lorien Engineering Solutions Limited

**Directors' report and financial
statements**

Registered number 1846232

31 January 2015

MONDAY



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Directors' report

The directors present their report and the audited financial statements for the year ended 31 January 2015.

Directors

The directors who held office during the year and after the year end were as follows:

D Sharp

S Greenberg

Donations

The Company made no political donations (2014: £nil).

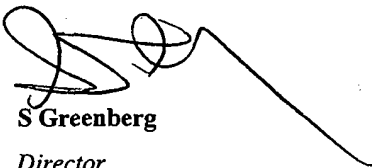
Disclosure of information to auditor

The directors who held office at the date of approval of the directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



S Greenberg

Director

29 October 2015

3rd Floor
1 Ashley Road
Altrincham
WA14 2DT

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 each of the 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 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company to prevent and detect fraud and other irregularities.



KPMG LLP

One St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Lorien Engineering Solutions Limited

We have audited the financial statements of Lorien Engineering Solutions Limited for the year ended 31 January 2015 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

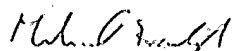
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Lorien Engineering Solutions Limited (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Michael Frankish (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

29 October 2015

Profit and loss account

For the year ended 31 January 2015

	Note	2015 £000	2014 £000
Turnover	2	-	3,009
Cost of sales		-	(2,278)
		<hr/>	<hr/>
Gross profit		-	731
Administrative expenses (including exceptional items of nil 2014: £1,044,000)	3	(80)	(1,601)
		<hr/>	<hr/>
Operating (loss)/profit	3	(80)	(870)
Interest receivable and similar income	6	-	3
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(80)	(867)
Tax credit/(charge) on (loss)/profit on ordinary activities	8	-	188
		<hr/>	<hr/>
(Loss)/profit for the financial year	12	(80)	(679)
		<hr/>	<hr/>

All of the above relates to discontinued operations.

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

There are no recognised gains and losses other than the results stated above.

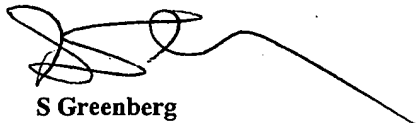
The notes on pages 7 to 11 form an integral part of these financial statements.

Balance sheet
 At 31 January 2015

	Note	2015 £000	2014 £000
Current assets			
Debtors	9	268	348
		<u>268</u>	<u>348</u>
Net current assets		268	348
Net assets		<u>268</u>	<u>348</u>
Capital and reserves			
Called up share capital	10	386	386
Share premium account	11	54	54
Profit and loss account	11	(172)	(92)
		<u>268</u>	<u>348</u>
Shareholder's funds	12	268	348

The notes on pages 7 to 11 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 29 October 2015 and were signed on its behalf by:



S Greenberg
 Director
 Company number: 1846232

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Going concern

The company is now dormant and does not trade. It has no commitments and no liabilities. In addition, the company has received a letter from GP Strategies Corporation informing that it will support the company for the foreseeable future. Accordingly, the directors adopted the going concern assumption.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful economic lives as follows:

Office and computer equipment	-	2 - 4 years
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Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Long term contracts

Turnover on long term contracts is recognised according to the stage reached in the contract by reference to the proportion of the estimated total costs incurred to date. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Notes (continued)

1 Accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax in so far as a liability or asset arose as a result of transactions that had occurred by the balance sheet date and gave rise to an obligation to pay more tax in the future or a right to pay less tax in the future. Assets are not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year from the principal activity of the business.

2 Turnover

The turnover is attributable to the one principal activity of the company. A geographic analysis of turnover is as follows:-

	2015 £000	2014 £000
United Kingdom	-	2,444
Rest of Europe	-	565
	<hr/>	<hr/>
	-	3,009
	<hr/>	<hr/>

3 Operating profit

In the previous year the auditor's remuneration was borne by former group undertaking.

	2015 £000	2014 £000
<i>Operating profit is stated after charging</i>		
Depreciation of owned assets	-	22
Operating leases - land & buildings	-	34
Auditor's remuneration	-	5
Exceptional items	-	1,104
	<hr/>	<hr/>

Exceptional items relate to additional one off management bonuses paid prior to the transfer of business.

Notes (continued)

4 Remuneration of directors

In previous years the emoluments of the directors were borne by a former group undertaking. The current year aggregate remuneration of directors is as follows:

	2015 £000	2014 £000
Service fees	-	8

5 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the year was nil (2014: 22).

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	-	1,973
Social security costs	-	345
Other pension costs	-	134
	-	2,452

6 Interest receivable and similar income

	2015 £000	2014 £000
Bank interest	-	3

7 Dividends

	2015 £000	2014 £000
Dividends paid on shares classified within shareholder's funds	-	550

Notes (continued)

8 Taxation

	2015 £000	2014 £000
<i>Current tax:</i>		
Current UK corporation tax at 21.5% (2014: 23.25%)	-	-
Adjustments relating to prior periods	-	(58)
	<u>-</u>	<u>(58)</u>
<i>Deferred tax:</i>		
Current year	-	(130)
	<u>-</u>	<u>(130)</u>
Total tax charge for the year	<u>-</u>	<u>(188)</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax is as follows:

	2015 £000	2014 £000
(Loss)/profit on ordinary activities before tax	(80)	(867)
	<u>(80)</u>	<u>(867)</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2014: 23.25%)	(17)	(202)
Expenses not deductible for tax purposes	17	4
Fixed asset timing differences	-	3
Losses	-	195
Adjustments relating to prior periods	-	(58)
	<u>17</u>	<u>142</u>
Current tax charge for the year	<u>-</u>	<u>(58)</u>

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

9 Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	268	348
	<u>268</u>	<u>348</u>

Notes (continued)

10 Called up share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 10p each	386	386

11 Reserves

	Share premium account £000	Profit and loss account £000
At the beginning of the year	54	(92)
Loss for the financial year	-	(80)
At the end of the year	54	(172)

12 Reconciliation of shareholder's funds

	2015 £000	2014 £000
Opening shareholder's funds	348	1,577
(Loss)/profit for the financial year	(80)	(679)
Dividends	-	(550)
Closing shareholder's funds	268	348

13 Pensions

The company makes pension payments for the benefit of employees via defined contribution pension schemes. The pension charge represents contributions payable by the company to the schemes and amounted to £nil (2014: £134,000). Contributions amounting to £nil are payable to the fund and are included in creditors.

14 Ultimate parent undertaking

The company is a wholly owned subsidiary of Lorien Engineering Limited. On 12 June 2014, the entire share capital of the Lorien Engineering Limited was acquired by GP Strategies Limited. This company is a subsidiary undertaking of GP Strategies Holding Limited, an undertaking of GP Strategies Corporation incorporated in the U.S., which is the ultimate parent company.

The smallest and largest group in which the results of the company are consolidated is that headed by GP Strategies Corporation. The consolidated accounts of the company are available to the public and may be obtained from 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044.