

Reliance Facilities Management Limited

**Directors' report and financial
statements**

**Registered number 1878843
5 April 2013**

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Reliance Facilities Management Limited

Directors P Crilly (resigned 2 April 2012)
N Roberts (resigned 11 Jan 2013)
D King (resigned 02 April 2012)
D Green (appointed 05 April 2012)
P Saville-King (appointed 05 April 2012)
R Lee (appointed 05 April 2012)

Secretary J Simon (resigned 05 April 2012)
D Cash (appointed 05 April 2012)

Registered Office City Bridge House
57 Southwark Street
London
SE1 1RU

Auditor KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Directors' report

The directors present their report and financial statements for the financial period ended 5 April 2013

Principal activity

At the balance sheet date the Company was a wholly owned subsidiary of Norland Managed Services Limited. During the period the Company focused on the provision of integrated facility management services to a wide range of customers.

Business review

As described in the Company's profit and loss account on page 5, the Company's turnover was £21,961,000 (2012 £22,763,000).

On 31 August 2012 the investment in Monteray Limited, an associated undertaking of the Company, was sold generating profit on disposal of the shares of £37,000. Monteray generated dividend income for the Company during the period of £2,541,000 (2012 £1,764,000).

Business transfer agreement

During the period, the directors made the commercial decision to cease trading through the Company on 31 March 2013, and the entire trade, assets and liabilities were transferred to Norland Managed Services Limited at this date. A business transfer agreement was signed to document the transfer. The consideration was the book value of the assets at completion less the book value of the liabilities at completion which was left outstanding as an intercompany loan. The transfer of the business met the conditions of a "hive-up" for tax purposes and so the tax losses in the Company at 31 March 2013 transferred with the trade to Norland Managed Services Limited.

All future trade will be operated through Norland Managed Services Limited and the Company will no longer carry on as a trading entity. All commitments have now transferred to Norland Managed Services Limited.

Results

The trading results for the period and the Company's financial position at the end of the period are shown in the report and the accounts on pages 5 to 16.

No dividends were paid in respect of the financial period (2012 £nil).

The Company made charitable donations during the year of £30 (2012 £nil).

Directors

The directors who held office during the period were as follows:

P Crilly (resigned 02 April 2012)
N Roberts (resigned 11 Jan 2013)
D King (resigned 02 April 2012)
D Green (appointed 05 April 2012)
P Saville-King (appointed 05 April 2012)
R Lee (appointed 05 April 2012)

Directors' report *(continued)*

Auditor

Deloitte LLP resigned on 22 March 2013, KPMG LLP was appointed on 7 May 2013 Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be appointed and therefore continue in office

Each of the persons who are a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

By Order of the Board



Duncan Green
Financial Director

City Bridge House
57 Southwark Street
London
SE1 1RU

27 June 2013

Registered number 1878843

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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. (As explained in note 1 (Business Transfer Agreement) the trade and assets of the Company have been transferred to its immediate parent company. As at the period end the directors do not believe that the Company is a trading going concern on the basis that there is expected to be no future trading activity within the Company)

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Reliance Facilities Management Limited

We have audited the financial statements of Reliance Facilities Management Limited for the 53 week period ended 5 April 2013 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 5 April 2013 and of its profit for the period 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.

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.



Martin Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

27 June 2013

Profit and loss account
For the 53 weeks ended 5 April 2013

		Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
	<i>Note</i>		
Turnover	<i>1</i>	21,961	22,763
Cost of sales		(19,599)	(20,309)
Gross profit		2,362	2,454
Administrative expenses		(3,163)	(3,722)
Loss on ordinary activities before finance and other income	<i>2</i>	(801)	(1,268)
Exceptional restructuring costs	<i>5</i>	(1,261)	-
Profit on sale of investment	<i>10</i>	37	-
Income from participating interests	<i>6</i>	2,541	1,764
Interest receivable and similar income	<i>7</i>	194	-
Profit on ordinary activities before taxation		710	496
Tax credit on profit on ordinary activities	<i>8</i>	51	136
Profit for the period	<i>17</i>	761	632

All of the activities of the Company are discontinuing within this Company as the trade has transferred to Norland Managed Services Limited (see note 1)

The Company has no recognised gains or losses other than the results for the period as set out above and, therefore, no statement of total recognised gains and losses has been presented

The notes on pages 7 to 16 form part of the financial statements

Balance Sheet

At 5 April 2013

	Note	5 April 2013 £000's	31 March 2012 £000
Fixed assets			
Tangible assets	9	-	253
Investments	10	-	0
		<hr/>	<hr/>
		-	253
Current assets			
Stocks	11	-	5
Debtors amounts due within one year	12	5,943	9,383
Debtors amounts due after more than one year	12	-	122
Cash at bank and in hand		-	1,574
		<hr/>	<hr/>
		5,943	11,084
Creditors: amounts falling due within one year	13	-	(6,155)
		<hr/>	<hr/>
Net current assets		5,943	4,929
		<hr/>	<hr/>
Net assets		5,943	5,182
		<hr/>	<hr/>
Capital and reserves			
Called up equity share capital	16	3,006	3,006
Profit and loss account	17	2,937	2,176
		<hr/>	<hr/>
Shareholders' Funds	17	5,943	5,182
		<hr/>	<hr/>

The notes on pages 7 to 16 form part of the financial statements

The financial statements were approved by the board of directors on 27 June 2013 and were signed on its behalf by

DT Green

Duncan Green
 Financial Director

Registered number 1878843

Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's accounts

Basis of preparation

The financial statements have been prepared under the historical cost accounting convention and in accordance with applicable accounting standards in the United Kingdom and Ireland. The financial statements present the term contract revenue and associated costs for the 12 month period. Due to the nature of the Group's small works and projects trade and accounting processes, the financial statements for each entity in the Group are prepared to a Friday either coterminous with or immediately preceding 5 April each year. Accordingly, these financial statements present the term contract revenue for the 12 month period and small works and project results of the Company for the 53 weeks ended 5 April 2013 (*2012 11 months ended 30 March 2012*) and its balance sheet as at that date.

Business transfer agreement

The Company ceased trading on 31 March 2013 and the entire trade, assets and liabilities were transferred to Norland Managed Services Limited. The transfer of the business met the conditions of a "hive-up" for tax purposes and so the tax losses in the Company at 31 March 2013 transferred with the trade to Norland Managed Services Limited.

All future trade will be operated through Norland Managed Services Limited and the Company will become dormant in respect of trading. All commitments and any potential future liabilities have now transferred to the immediate parent company, Norland Managed Services Limited.

Cash flow statement

The directors have taken advantage of the exemption in FRS1 (cash flow statements) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its intermediate parent company, Norland Managed Services Limited publishes a consolidated cash flow statement.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of Value Added Tax.

The turnover and profit before tax are attributable to the one principal activity of the Company. All turnover is derived from within the United Kingdom.

Pensions

The cost of the Company's defined contribution pension arrangements is charged to the profit and loss account as incurred.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated using the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is calculated on a non-discounted basis.

Notes (continued)

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write-off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Leasehold Property	Term of lease
Furniture, fixtures and fittings	10-20% per annum
Motor vehicles	20-25% per annum
Other equipment	20-33% per annum

Where an asset is purchased specifically to fulfil the requirements of a particular contract, its carrying value is written down to residual value at the earlier of the end of the asset's useful life (as set out above) and the end date of the relevant contract. For this purpose, potential extensions to the relevant contract are ignored.

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Stocks

Stocks, long-term contract balances and short-term work-in-progress are stated at the lower of cost and net realisable value.

Investment income

Investment income comprises dividends and is accounted for on a receivable basis.

Exceptional costs

Exceptional costs are disclosed separately on the face of the profit and loss account when they meet the criteria set out in FRS 3. Exceptional items in the period ended 5 April 2013 relate to restructuring and legal costs primarily associated with the company's acquisition by Norland Managed Services Limited and transfer of trade from Reliance Facilities Management Limited and other non-recurring operational reorganisation costs.

Notes (continued)

2. Operating loss

Operating loss is stated after charging

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Depreciation of owned fixed assets	99	113
Auditor's remuneration		
- for the audit of the annual report and financial statements	6	16
Operating lease rentals of land and buildings	48	39
Operating lease rentals for other items	145	128
	<u>145</u>	<u>128</u>

3. Particulars of employees

The average number of staff (including directors) employed by the Company during the financial period was

	Period ended 5 April 2013	Period ended 31 March 2012
Facilities management and other operational staff	541	636
Office staff and management	25	34
	<u>566</u>	<u>670</u>

The aggregate payroll costs (including directors) of the above were

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Wages and salaries	8,510	9,680
Social security costs	689	852
Other pension costs	221	259
	<u>9,420</u>	<u>10,791</u>

Notes (continued)

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Emoluments receivable	285	400
Value of Company pension contributions to money purchase schemes	16	22
Compensation for loss of office	46	-
	<u>347</u>	<u>422</u>

Emoluments of highest paid director:

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Total emoluments (excluding pension contributions)	193	178
Value of Company pension contributions to money purchase schemes	15	12
	<u>208</u>	<u>190</u>

The number of directors who accrued benefits under Company pension schemes was as follows

	2012 Number	2012 Number
Money purchase schemes	<u>2</u>	<u>2</u>

5. Exceptional costs

Exceptional items in the period of £1,261,000 (2012 £nil) relate to restructuring and legal costs primarily associated with the acquisition of the company by Norland Managed Services Limited and transfer of trade from Reliance Facilities Management Limited and other non-recurring operational reorganisation costs

	2013 £000's
Staff costs	518
Office closure costs	461
Other investment costs	282
Total exceptional costs	<u>1,261</u>

Notes *(continued)*

6 Income from participating interests

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Dividends from investments	<u>2,541</u>	<u>1,764</u>

7. Interest receivable and similar income

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Other interest receivable	<u>194</u>	<u>-</u>

8. Taxation on ordinary activities

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Current period tax	-	211
Adjustments in respect of prior periods	<u>173</u>	<u>-</u>
	<u>173</u>	<u>211</u>
Deferred tax:		
Current period deferred tax – origination and reversal of timing differences	(122)	(77)
Adjustments in respect of prior periods	<u>-</u>	<u>2</u>
	<u>(122)</u>	<u>(75)</u>
Tax credit on profit on ordinary activities	<u>51</u>	<u>136</u>

Notes *(continued)*

8. Taxation on ordinary activities *(continued)*

Factors affecting current tax credit

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax are as follows

	Period ended 5 April 2013 £000's	Period ended 31 March 2012 £000's
Profit on ordinary activities before taxation	711	496
Tax on profit on ordinary activities at standard UK rate of 24% (2012 26%)	(171)	(129)
Group relief surrendered	(605)	-
Expenses not deductible for tax purposes	(3)	(2)
United Kingdom dividend income	610	459
Deferred capital allowances	159	59
Other timing differences	1	(176)
Non-taxable income	9	-
Prior period items	173	-
Current tax credit for the period	173	211

9. Tangible fixed assets

	Leasehold improvements £000's	Equipment, furniture, fixtures and fittings £000's	Total £000's
Cost			
At 31 March 2012	72	978	1,050
Additions	-	-	-
Disposals	(72)	(978)	(1,050)
At 5 April 2013	-	-	-
Accumulated depreciation			
At 31 March 2012	34	763	797
Charge for the period	25	74	99
Eliminated on disposals	(59)	(837)	(896)
At 5 April 2013	-	-	-
Net book value			
At 5 April 2013	-	-	-
At 31 March 2012	38	215	253

Notes (continued)

10. Investments

	Shares in investment £
Cost at 31 March 2012	49
Disposals	(49)
	<hr/>
As at 5 April 2013	-
	<hr/>

Investment	Principal activity	Country of registration	Share held Class	%
Monteray Limited	Facilities management	England and Wales	Ordinary	24.5

Disposal of investment

This investment was disposed of on 31 August 2012

	Disposal of investment £000's
Proceeds of sale	113
Cost of investment	(0)
Legal costs	(76)
	<hr/>
Profit on sale of investment	37
	<hr/>

11. Stocks

	5 April 2013 £000's	31 March 2012 £000's
Consumables	-	5
	<hr/>	<hr/>

There is no material difference between the balance sheet value of stocks and their replacement cost

Notes (continued)

12. Debtors: amounts due within one year

	5 April 2013 £000's	31 March 2012 £000's
Trade debtors	-	4,237
Amount owed by group undertakings	5,943	2,925
Other debtors	-	583
Prepayments and accrued income	-	1,427
Corporation tax recoverable	-	211
Deferred taxation	-	0
	<u>5,943</u>	<u>9,383</u>

The amount owed by group undertakings relates to the consideration for the trade and assets transferred to Norland Managed Services Limited and it is not interest bearing

Debtors: amounts due after more than one year

	5 April 2013 £000's	31 March 2012 £000's
Deferred taxation	-	122

Deferred tax is recognised as follows

	5 April 2013 £000's	31 March 2012 £000's
Amounts due within one year		
- Short-term timing differences	-	0
Amounts due after more than one year		
- Deferred capital allowances	-	122
	<u>-</u>	<u>122</u>

The movement in the deferred taxation account during the period was

	5 April 2013 £000's	31 March 2012 £000's
Balance brought forward	-	197
Current period deferred tax – origination and reversal of timing differences	-	(77)
Adjustments in respect of prior years	-	2
Balance carried forward	<u>-</u>	<u>122</u>

Notes (continued)

13. Creditors: amounts falling due within one year

	5 April 2013 £000's	31 March 2012 £000's
Trade creditors	-	741
Amounts owed to group undertakings	-	55
Other taxation and social security	-	1,160
Other creditors	-	1,400
Accruals and deferred income	-	2,799
	<u>-</u>	<u>6,155</u>

14. Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. At the period end, Company contributions of £nil were outstanding (2012 £6,314).

15. Commitments under operating leases

At 5 April 2013 the Company had no annual commitments under non-cancellable operating leases (2012 £192,000). These had been transferred to Norland Managed Services Limited as part of the transfer of the trade, assets and liabilities.

16. Called up share capital

	5 April 2013 £000's	31 March 2012 £000's
Allotted, called up and fully paid: 3,006,000 Ordinary shares of £1 each	<u>3,006,000</u>	<u>3,006,000</u>

17. Combined statement of movements in shareholders' funds and movements on reserves

	Called up share capital £000's	Profit and loss account £000's	Total 5 April 2013 £000's	Total 31 March 2012 £000's
At start of the period	3,006	2,176	5,182	4,550
Profit for the financial period	-	761	761	632
At end of the period	<u>3,006</u>	<u>2,937</u>	<u>5,943</u>	<u>5,182</u>

18. Related party transactions

The Company has taken advantage of the exemption allowed by FRS8 (related party transactions), not to disclose any transactions with entities that are included in the consolidated financial statements of William Investments Limited. Other than these there are no other related party transactions.

Notes *(continued)*

19. Ultimate parent company and controlling party

At the balance sheet date, Norland Managed Services Limited, incorporated in the United Kingdom and registered in England and Wales, was the Company's immediate parent undertaking. At the same date, William Investments Ltd, a company incorporated in the United Kingdom was the ultimate parent undertaking. The ultimate controlling party, by virtue of his shareholding in William Investments Ltd, is Mr B Kingham.

Copies of the consolidated financial statements of the immediate parent company, Norland Managed Services Limited are available from City Bridge House, 57 Southwark Street, London, SE1 1RU and the ultimate parent company, William Investments Ltd from the registered office at 132 Buckingham Palace Road, London SW1W 9SA, England.