

Registered number: 02078208

ABM Group UK Limited

Annual report and financial statements

For the year ended 31 October 2021

ABM Group UK Limited

Company Information

Directors	J McPherson C A Stevenson
Company secretary	Oakwood Corporate Secretary Limited
Registered number	02078208
Registered office	George House 75-83 Borough High Street London SE1 1NH
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Second Floor 168 Shoreditch High Street London E1 6RA

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Strategic report

For the year ended 31 October 2021

Introduction

The principal activity of the Company continued to be that of holding of investments.

Business review

There have been no new investments made during the year. The carrying value of investments has been held at the same value as the previous reporting period following a review of current and anticipated future trading.

Principal risks and uncertainties

The management team has produced a register of all the perceived risks that face the business, which is formally reviewed by the board on a regular basis. At the end of this financial year we consider the company to not have any significant risks.

The Company operates in a diverse market place which helps to minimise its exposure to financial risk.

Foreign exchange risk

The Company is not exposed to foreign exchange risk as the Company operates wholly within the United Kingdom.

Credit rate risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company takes an aggressive approach to debtor management and liaises closely with its client base to minimise any risk of non-payment of debts.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding in liquidity risk management requirements.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns to shareholders. The Company defines capital as share capital plus reserves. The Company is not subject to any externally imposed capital requirement.

Financial key performance indicators

The company's principal activity is the holding of investments, there are no key performance indicators.

This report was approved by the board on 28 July 2022 and signed on its behalf.

C A Stevenson

Director

Directors' report

For the year ended 31 October 2021

The directors present their report and the financial statements for the year ended 31 October 2021.

Directors

The directors who served during the year were:

J McPherson
C A Stevenson

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2020 - loss £70,081).

No dividends have been declared during the year (2020: £Nil).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

Future developments

The Director's are considering a restructure of the ABM group. Although no formal decision has yet been taken it is anticipated that the assets and liabilities of the company will be transferred to another group company. As a consequence it is anticipated that this company will be dissolved and the financial statements have therefore been prepared on a break up basis.

Directors' report (continued)

For the year ended 31 October 2021

Engagement with suppliers, customers and others

The company's principal activity is the holding of investments and as such it is only expected to realise income through dividend distributions from its subsidiary undertakings. Due to the absence of a trade the company's supplier arrangements are also minimal and engagement with these suppliers is carried out by other group companies, who use these suppliers on a more regular basis, on the company's behalf.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 July 2022 and signed on its behalf.

C A Stevenson

Director

Independent auditors' report to the members of ABM Group UK Limited

Opinion

We have audited the financial statements of ABM Group UK Limited (the 'Company') for the year ended 31 October 2021, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 2.2 in the financial statements, which explains that the directors are considering a transfer of the assets and liabilities of the company to a fellow group member, ABM Facility Services UK Limited. It is therefore no longer considered appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2.2. Our opinion is not modified in this respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

Capability of the audit in detecting irregularities, including fraud

We considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Michael Cook BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

London

28 July 2022

Statement of income and retained earnings
For the year ended 31 October 2021

	2021 £	2020 £
Administrative expenses	-	(70,081)
Operating profit/(loss)	-	(70,081)
Tax on profit/(loss)	-	-
Profit/(loss) after tax	-	(70,081)
Retained earnings at the beginning of the year	(5,039,478)	(4,969,397)
Loss for the year	-	(70,081)
Retained earnings at the end of the year	(5,039,478)	(5,039,478)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 14 form part of these financial statements.

Balance sheet
As at 31 October 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	5	5,670,813	5,670,813
		<u>5,670,813</u>	<u>5,670,813</u>
Current assets			
Debtors: amounts falling due within one year	6	2,621,869	2,656,357
		<u>2,621,869</u>	<u>2,656,357</u>
Creditors: amounts falling due within one year	7	(11,332,420)	(11,366,908)
		<u>(11,332,420)</u>	<u>(11,366,908)</u>
Net current liabilities		(8,710,551)	(8,710,551)
		<u>(8,710,551)</u>	<u>(8,710,551)</u>
Net liabilities		(3,039,738)	(3,039,738)
		<u>(3,039,738)</u>	<u>(3,039,738)</u>
Capital and reserves			
Called up share capital	8	500,000	500,000
Share premium account	9	1,499,740	1,499,740
Profit and loss account	9	(5,039,478)	(5,039,478)
		<u>(5,039,478)</u>	<u>(5,039,478)</u>
		<u>(3,039,738)</u>	<u>(3,039,738)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2022.

C A Stevenson
Director

The notes on pages 10 to 14 form part of these financial statements.

Notes to the financial statements
For the year ended 31 October 2021

1. General information

The Company is a private limited company, incorporated by shares and domiciled in England. The Company's registered office and principal place of business is George House, 75-83 Borough High Street, London, SE1 1NH and the principal activity of the Company is the holding of investments.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

However, the directors do not consider the going concern basis to be appropriate given that they anticipate that the company will transfer all of its assets and liabilities to a fellow group company. Therefore these financial statements have been prepared on a break-up basis.

The directors have reviewed the fair value of all assets and liabilities of the company accordingly and made adjustment to their carrying value where appropriate.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.4 Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements
For the year ended 31 October 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and judgments underlying assumptions are reviewed on an ongoing basis.

3.1 Critical accounting estimates and assumptions

Impairment of investments

The company has recognised investments with a cost value of £10,491,214. These assets are stated at their cost less provision for impairment. When assessing impairment of investments, the directors consider factors including the current net asset position of the investment and the future earning potential of the investment, calculated with the use of discounted cashflows. The net book value of investments as at 31 October 2021 is £5,670,813.

3.2 Critical judgments in applying the entity's accounting policies

Going concern

In the judgment of the directors it is appropriate to prepare the financial statements on a break up basis of accounting. See note 2.2 for further details.

4. Taxation

	2021 £	2020 £
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>-</u>	<u>(70,081)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	(13,315)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	<u>-</u>	<u>13,315</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Notes to the financial statements
For the year ended 31 October 2021

5. Fixed asset investments

	Investments in subsidiary companies £	Investment in an associate £	Total £
Cost or valuation			
At 1 November 2020	9,831,214	660,000	10,491,214
At 31 October 2021	9,831,214	660,000	10,491,214
Impairment			
At 1 November 2020	4,820,401	-	4,820,401
At 31 October 2021	4,820,401	-	4,820,401
Net book value			
At 31 October 2021	5,010,813	660,000	5,670,813
At 31 October 2020	5,010,813	660,000	5,670,813

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
ABM Facility Services UK Limited	Registered office [1]	Ordinary	100 %
BRBIBR Limited	Registered office [1]	Ordinary	100 %

Registered office [1] : 75-83 Borough High Street, London, SE1 1NH.

Associate

The following was an associate of the Company:

Name	Registered office	Class of shares	Holding
Ethos Farm Limited	Registered office [2]	B Shares	30 %

Registered office [2] : 2 Crossways Business Centre, Bicester Road, Kingswood, Aylesbury, HP18 0RA.

Notes to the financial statements
For the year ended 31 October 2021

6. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	2,621,869	2,656,357
	<u>2,621,869</u>	<u>2,656,357</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	11,332,420	11,366,908
	<u>11,332,420</u>	<u>11,366,908</u>

8. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
500,000 (2020 - 500,000) Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>

9. Reserves

Share premium account

This reserve comprises all current and prior period share premium paid on the issue of the group and company issued ordinary share capital.

Profit & loss account

The reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the group and company's shareholders.

10. Related party transactions

The company being a wholly owned subsidiary has elected to utilise the exemption in Section 33.1A of FRS 102 and has not disclosed any transactions with its parent company and fellow subsidiaries.

Notes to the financial statements
For the year ended 31 October 2021

11. Controlling party

The Company's immediate parent undertaking is ABM International (Holdings) Ltd, registered office 75-83 Borough High Street, London, SE1 1NH.

The company's ultimate parent undertaking and ultimate controlling party is ABM Industries Incorporated, a company incorporated in United States of America.

ABM Industries Incorporated is both the smallest and largest group of undertakings for which consolidated accounts including results of the company are prepared. The consolidated financial statements of ABM Industries Incorporated are available to the public and may be obtained from One Liberty Plaza, 7th Floor, New York, NY 10006.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.