

Registered number 06182287

**Keepmoat Property Services Limited
(formerly Milnerbuild Limited)
Annual Report and financial statements
for the year ended 31 March 2014**

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Keepmoat Property Services Limited

Annual Report and financial statements for the year ended 31 March 2014

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Keepmoat Property Services Limited

Directors and advisers

Directors

J Thomson

D Sheridan

Registered office

The Waterfront

Lakeside Boulevard

Doncaster

South Yorkshire

DN4 5PL

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 East Parade

Sheffield

S1 2ET

Bankers

HSBC Bank plc

Market Place

Dewsbury

West Yorkshire

WF13 3DH

Bank of Scotland

Level Three

New Uberior House

11 Grey Street

Edinburgh

EH3 9BN

Keepmoat Property Services Limited

Strategic report for the year ended 31 March 2014

Principal activities

The Company's principal activity during the year was that of maintenance, improvement, refurbishment and management of homes.

Business model and overview

Keepmoat Property Services Limited is an expert in delivering responsive maintenance solutions for housing providers and Local Authority clients across the UK. The Company is well placed to respond to the demands of the changing market place.

The Company's market share in responsive maintenance is expected to increase through its strong relationships and extensive offering. Additionally, increased levels of institutional lending in relation to housing demand is expected to fuel the need for outsourced property services solutions.

The Company is a wholly owned subsidiary of the Keepmoat Regeneration Limited Group, a Group specialising in sustainable community regeneration and planned and responsive repairs to the UK housing stock and representing the Regeneration division of the wider Keepmoat Limited Group.

Markets and trends

The Regeneration market is being driven by a number of factors across its different value streams. Stable market volumes and additional Government funding initiatives are expected to drive moderate growth in property services.

Review of business and future developments

Turnover increased by 4.7% in the year to £18.2m (2013: £17.4m), with an operating profit before exceptional items of £29,000 (2013: £340,000). In 2013 and 2014 operating profit has been adversely impacted by increases in management costs as the business prepares for anticipated growth following the reorganisation of the Keepmoat Regeneration division, of which the Company is a Group member, during the year and the merger of the Keepmoat and Apollo Groups in 2012. This growth began in 2013 with the Company taking on the management of the Responsive Maintenance business in the Apollo Group and continued in 2014. The business is now in a strong position to continue to build on the growth to date and consolidate the brand on a national basis.

In order to measure the financial impact of the Company's strategy, we use a variety of key performance indicators (KPIs) to monitor its performance.

	Movements	2014	2013
Turnover (£m)	+ 4.7 %	18.2	17.4
Adjusted EBITDA* (£m)	(83.5)%	0.1	0.4

* Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items.

Keepmoat Property Services Limited

Strategic report

for the year ended 31 March 2014 (continued)

Principal risks and uncertainties

This section sets out a description of the principal risks and uncertainties that could have a material impact on the Keepmoat Property Services Limited strategy, performance, results, financial condition and reputation.

Context	Possible impact	Mitigation
Commercial risk		
Failure to adequately control contract management.	Failure to provide quality assurance and the safe execution and delivery of contracts. Failure to meet cost budgets. Failure to meet client expectations.	Clear and robust contract review and authorisation procedures. Routine and structured contract performance reports. Routine reviews of project management plans. Key issues highlighted as part of management reporting. Monthly and quarterly reviews of key performance indicators.
Failure to maintain adequate material supply could lead to service delivery delays. Failure to maintain adequate sub-contract services could impact delivery of repairs and maintenances services.	Service delivery delays and pressure on margins due to lack of material and labour supply. Reduced ability to compete effectively.	Strategic supply contracts established with key suppliers, manufacturers and sub-contractors.
Failure to adequately protect employees and the public could result in death or personal injury with consequential financial loss.	Inadequate health and safety procedures leading to operational failure and possible significant compensation payments.	Comprehensive safety strategy implemented. Internal safety audits. Certification of management systems to OHSAS/ISO standards.
Key staff reliance and depth of management		
The Company relies on its experienced and well-qualified staff to maintain key client relationships and deliver high quality construction services to its clients.	Loss of management control as a result of temporary or permanent loss of key directors, executives and managers. Reduced ability to compete effectively. Increased recruitment costs.	Company leadership succession plan commenced. Company-wide leadership development programme established to nurture and develop junior and senior management talent. Monitoring of management development plans built into annual appraisal process.

Keepmoat Property Services Limited

Strategic report

for the year ended 31 March 2014 (continued)

Principal risks and uncertainties (continued)

Context	Possible impact	Mitigation
The ability to provide adequate security to customers		
The Company relies on surety companies to provide performance bonds.	Unable to enter into contracts due to lack of bond availability. Reduced ability to compete effectively.	Surety market engagement strategy established with a range of surety providers to reduce reliance on any single provider. The use of a broker to maximise access to the market. Regular review and monthly reporting of bond position and access to bonding lines. Indemnity management process in place to monitor and forecast potential breach of bond indemnity conditions.
Financial irregularity risk and liquidity risk		
The Company could suffer loss either through misappropriation of assets or the misrepresentation of financial results.	Loss of confidence from customers and suppliers. Negative publicity affecting the Company's reputation.	The Company has financial and management controls in place to ensure that the Group's assets are protected from major financial risks.
The inability to satisfy short-term financial liabilities as a result of failure to manage liquidity.	Unable to meet contractual debt repayment schedules leading to funding being withdrawn. Possible adverse supply issues if creditor terms exceeded.	The Company maintains strong financial disciplines. Cash generation is controlled by robust budgeting, forecasting and cash management disciplines.
The wider Keepmoat Group and therefore the Company fails to meet agreed bank covenants.	Funding withdrawn due to non-compliance with bank covenants.	Bank covenants are controlled by forecasting and stress testing and are routinely reported through monthly Board reports.

Approved by and signed on behalf of the Board



J Thomson
Director
17 October 2014

Keepmoat Property Services Limited

Directors' report for the year ended 31 March 2014

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

Company name change

On 15 April 2013 the Company changed its name from Milnerbuild Limited to Keepmoat Property Services Limited.

Principal activities

The Company's principal activity during the year was that of maintenance, improvement, refurbishment and management of homes.

Results and dividends

The profit and loss account for the year is set out on page 10. The Company did not pay a dividend during the year (2013: £nil).

Business review and future developments

A review of the results, performance and future developments for the Company is presented in the Strategic report.

Post balance sheet events

On 9 September 2014, TDR Capital LLP and Sun Capital Partners Limited signed an agreement to acquire Lakeside 1 Limited, the ultimate parent company of the Company. Completion is expected to occur by the end of November 2014 and is subject to regulatory clearance.

It is anticipated that upon completion of the transaction, the Company's ultimate parent company will become Keystone Holding Sarl, a company incorporated in Luxembourg, whilst it is anticipated that the Company's ultimate controlling party will be investment funds managed by TDR Capital LLP.

Financial risk management

The directors of Lakeside 1 Limited, the ultimate owner, manage the Group's financial risks at a Group level. For this reason, the Company's directors believe that discussion of the Group's financial risks for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The financial risk management of the Group, which include those of the Company, and the development, performance and position of the Company, are discussed in the Annual Report of the ultimate owner, Lakeside 1 Limited, which does not form part of this report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

D Sheridan

J Thompson

G Chung (resigned 30 November 2013)

Keepmoat Property Services Limited

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

Directors' indemnities

The Group maintains liability insurance for its directors and officers. The Group has also provided an indemnity for its directors which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Employees

The Company believes that its success depends upon its employees and their development. Employees are kept as fully informed as is practicable about the performance and prospects of the company. The methods of communication and consultation include both regular informal contact as well as periodic formal meetings, the two regional Employee Forums have been an excellent success, which meet at least four times per year.

It is the Company's policy to provide equal opportunities to people of all sexes, colours and races. The Company actively encourages the employment of disabled people and they share the same opportunities as all other employees. The Company places special emphasis on occupational health and safety matters with both policies and practices kept under constant review.

It is also the Company's policy to actively plan, encourage and assist in the training, retraining and career development of all its employees. Annual training programmes have been implemented by the Company to develop the necessary managerial, technical and craft skills needed to achieve success in the Company's business.

The Company has an ongoing action plan to continually improve the equality of opportunities, supported by the Race Relations Employment Advisory Service. The Company's commitment to this issue has been recognised by the achievement of the Kickstart Equality Award.

Disclosure of information to auditors

All directors, at the date this report is approved, confirm that, as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and have been deemed to be reappointed for the next financial year.

Approved by and signed on behalf of the Board



J Thomson
Director

17 October 2014

Keepmoat Property Services Limited

Statement of directors' responsibilities

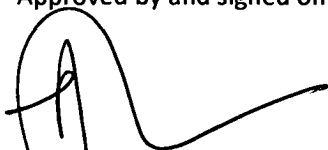
The directors are responsible for preparing the Directors' report, Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by and signed on behalf of the board



J Thomson
Director

17 October 2014

Keepmoat Property Services Limited

Independent auditors' report to the members of Keepmoat Property Services Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its profit 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Keepmoat Property Services Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended;
- the statement of total recognised gains and losses for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

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

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

What an audit of financial statements involves

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

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Keepmoat Property Services Limited

Independent auditors' report to the members of Keepmoat Property Services Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

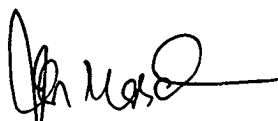
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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



Ian Marsden (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Sheffield

17 October 2014

Keepmoat Property Services Limited

Profit and loss account for the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Turnover	1	18,248	17,433
Cost of sales		(17,111)	(13,832)
Gross profit		1,137	3,601
Administrative expenses		(1,160)	(3,375)
Operating profit before exceptional items		29	340
Exceptional items	5	(52)	(114)
Operating (loss)/profit	4	(23)	226
Interest receivable and similar income	6	10	-
(Loss)/profit on ordinary activities before taxation		(13)	226
Tax on (loss)/profit on ordinary activities	7	51	(85)
Profit for the financial year	15	38	141

All items dealt with in arriving at operating profit above relate to continuing operations.

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

Keepmoat Property Services Limited

Statement of total recognised gains and losses for the year ended 31 March 2014

	2014 £'000	2013 £'000
Profit for the financial year	38	141
Actuarial loss on pension scheme	(32)	-
Movement on deferred tax relating to pension liability	7	-
Total recognised gains in the financial year	13	141

Keepmoat Property Services Limited

Reconciliation of movement in shareholders' funds for the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Profit for the financial year	15	38	141
Actuarial loss on pension scheme		(32)	-
Movement on deferred tax relating to pension liability		7	-
Net addition to shareholders' funds		13	141
Opening shareholders' funds		2,167	2,026
Closing shareholders' funds		2,180	2,167

Keepmoat Property Services Limited

Balance sheet as at 31 March 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	8	146	58
Current assets			
Stocks	9	160	275
Debtors: amounts falling due within one year	10	6,262	5,126
Debtors: amounts falling due after more than one year	10	46	-
Cash at bank and in hand		406	710
		6,874	6,111
Creditors: amounts falling due within one year	11	(4,794)	(3,748)
Net current assets		2,080	2,363
Total assets less current liabilities		2,226	2,421
Provision for liabilities	12	(20)	(254)
Net assets before pension liability		2,206	2,167
Provision for pension liability		(26)	-
Net assets		2,180	2,167
Capital and reserves			
Called up share capital	14	-	0
Share premium account	15	125	125
Profit and loss account	15	2,055	2,042
Total shareholders' funds		2,180	2,167

The financial statements on pages 10 to 29 were approved by the board of directors on 17 October 2014 and were signed on its behalf by:


J Thomson
Director

Registered number 06182287

Keepmoat Property Services Limited

Statement of accounting policies

Basis of accounting

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

Going concern

The directors have considered the adequacy of the Company's financial resources through a review of the financial projections for the business, taking into account both the banking facilities available to the wider Keepmoat Group at the date of signing these financial statements, together with a prospective refinancing of the Group on completion of the transaction described in note 19 of these financial statements. The directors have also considered the covenants attaching to both the existing and prospective new facilities and the likely level of headroom available. After careful consideration the directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future being at least twelve months from the date of signing the financial statements. For this reason the directors continue to apply the going concern basis in preparing the financial statements.

Turnover

Turnover and profit on short term contracts are recognised when the contracts have been completed. Turnover on long-term contracts represents the value of work done, and excludes value added tax and trade discounts. For long term contracts, attributable profits are calculated based on the directors' estimate of total forecast value less total forecast costs and are recognised based on the proportion of cost incurred to date compared to total costs expected to be incurred.

Attributable profits are not recognised until the point at which the outcome of the contract can be assessed with reasonable certainty. Provision is made for losses on all long-term contracts as soon as such losses become apparent.

Claims on customers or third parties for variations to the original contract are recognised in the profit and loss account once entitlement to the claim has been established. Claims by customers or third parties in respect of work carried out are recognised in the profit and loss account once the obligation to transfer economic benefit has become probable.

Stocks

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	10% - 25% on cost
Fixtures and fittings	25% - 33% on cost

Keepmoat Property Services Limited

Statement of accounting policies (continued)

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The Company participates in a Keepmoat Group defined contribution pension scheme for its directors and senior employees which are funded by the payment of contributions to separately administered funds. The assets of the schemes are held separately from those of the Company in independently administered funds. Contributions are charged to the profit and loss account as they become payable.

The Company also participates in a multi-employer scheme namely West Yorkshire Local Government Pension Scheme ("West Yorkshire LGPS"). The assets of the scheme are held in independently administered funds and the scheme has been accounted for as a defined benefit obligation. The Company is responsible for funding the pension benefits for its employees only.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in net interest. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of related deferred tax.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account over the lease term on a straight line basis.

Cash flow statement

A cash flow statement has not been prepared as the Company is a wholly owned subsidiary of Keepmoat Limited, which presents a consolidated cash flow statement in its financial statements in accordance with FRS 1 (revised 1996).

Related party transactions

As the Company is a wholly owned subsidiary of the Lakeside 1 Limited Group, a company incorporated in England, it has not disclosed details of transactions with other Lakeside 1 Limited Group companies by virtue of the exemption contained in paragraph 3 of FRS 8.

Keepmoat Property Services Limited

Statement of accounting policies

Provisions

Provisions for vacant property obligations, restructuring and other costs are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Restructuring provisions comprise employee termination payments.

Exceptional items

Exceptional items are material items which fall within the ordinary activities of the Company and which need to be disclosed by virtue of their size or incidence. Such items are included within operating profit unless they represent profits or losses on the sale or termination of an operation; costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the company's operations; profits or losses on the disposal of fixed assets; or provisions in respect of such items. In these cases, separate disclosure is provided on the face of the profit and loss account after operating profit.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014

1 Turnover

The Company's turnover and operating profit relate entirely to its principal activity and arise in the United Kingdom.

2 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2014	2013
	Number	Number
Production	170	187
Administration, selling and distribution	103	84
	273	271

Staff costs	2014	2013
	£'000	£'000
Wages and salaries	7,239	7,080
Social security costs	710	665
Other pension costs	107	61
	8,056	7,806

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

3 Directors' emoluments

	2014	2013
	£'000	£'000
Aggregate emoluments	88	338
Compensation for loss of office	23	-
Company pension contributions to money purchase scheme	3	4

The emoluments of D Sheridan and J Thomson were paid by an intermediate parent company, Keepmoat Limited, and are included within the directors' emolument disclosures in the financial statements of that company.

Their emoluments for the services to Keepmoat Property Services Limited are recharged to the Company as part of a management charge although the amount is not separately identified within that charge.

Highest paid director	2014	2013
	£'000	£'000
Aggregate emoluments	-	338
Company pension contributions to money purchase scheme	-	4

4 Operating (loss)/profit

	2014	2013
	£'000	£'000
Operating (loss)/profit is stated after charging:		
Depreciation - owned tangible fixed assets	38	68
Loss on disposal of fixed assets	1	-
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's financial statements	10	10

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

5 Exceptional items

	2014	2013
	£'000	£'000
Dilapidations	-	67
Restructuring and associated costs	52	47
	52	114

Restructuring and associated costs

These costs comprised redundancies and associated restructuring costs.

Dilapidations provision

As a result of the restructuring of the Company, dilapidation provisions relating to prior years and covering all of the leased estate, have been put in place in order to pro-rate the dilapidations cost on a straight line basis.

6 Interest receivable and similar income

	2014	2013
	£'000	£'000
Bank interest receivable	9	-
Net return on pension scheme assets (note 18)	1	-
	10	-

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

7 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current tax		
UK corporation tax on profits for the year at a rate of 23% (2013: 24%)	(11)	98
Adjustments in respect of prior years	(42)	0
Total current tax (credit)/charge	(53)	98
Deferred tax		
Current year	(4)	(15)
Changes in tax rates	6	2
Total deferred tax (note 13)	2	(13)
Tax on profit on ordinary activities	(51)	85

The current tax charge assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £'000	2013 £'000
(Loss)/profit on ordinary activities before taxation	(13)	226
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 23% (2013: 24%)	(3)	54
Effects of:		
Expenses not deductible/income not taxable for tax purposes	(12)	29
Accelerated capital allowances and other timing differences	4	15
Adjustments in respect of prior years	(42)	-
Current tax (credit)/charge	(53)	98

Factors affecting current and future tax charges

Changes to the corporation tax rates were subsequently enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred taxes at the balance sheet date have been measured using these enacted tax rate and reflected in these financial statements.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

8 Tangible assets

	Fixtures and fittings £'000	Plant & Machinery £'000	Total £'000
Cost or valuation			
At 1 April 2013	330	41	371
Additions	127	-	127
Disposals	-	(1)	(1)
At 31 March 2014	457	40	497
Accumulated depreciation			
At 1 April 2013	286	27	313
Charge for the year	26	12	38
At 31 March 2014	312	39	351
Net book amount			
At 31 March 2014	145	1	146
At 31 March 2013	44	14	58

9 Stocks

	2014 £'000	2013 £'000
Consumables	160	275

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

10 Debtors

	2014	2013
	£'000	£'000
Debtors: amounts falling due within one year		
Trade debtors	1,631	3,249
Amounts recoverable on contracts	1,775	1,574
Amounts owed by Group undertakings	2,685	(0)
Other debtors	115	59
Deferred tax (note 13)	-	48
Prepayments and accrued income	56	196
	6,262	5,126
Debtors: amounts falling due after more than one year		
Deferred tax (note 13)	46	-
	46	-

Amounts owed by Group undertakings are unsecured, interest free and payable on demand.

11 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	1,639	877
Amounts owed to Group undertakings	1,669	1,382
Taxation and social security	1,141	601
Other creditors	160	142
Accruals and deferred income	185	746
	4,794	3,748

Amounts owed to Group undertakings are unsecured, interest free and payable on demand.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

12 Provisions for liabilities

	Other £'000	Dilapidations £'000	Total £'000
At 1 April 2013	32	222	254
Released to the profit and loss account	-	(202)	(202)
Utilised during the year	(32)	-	(32)
At 31 March 2014	-	20	20

Other

At the year end the Company provided in full for unpaid invoices owed by the public relating to securing properties following police call outs. The Company also incurred a liability for vehicle damages and has provided the full estimated cost at the year end.

Dilapidations

The dilapidations provision covers all of the Company's leased estate. A full provision up to the end of each lease was established by an independent external valuer, with the element up to the date of the financial statements being recognised in the accounts on a pro-rated straight line basis.

13 Deferred tax

Deferred tax asset	2014 £'000	2013 £'000
Tax effect of timing differences:		
Accelerated capital allowances	46	48
Total deferred tax asset	46	48
 At 1 April	 48	 35
(Debited)/credited to the profit and loss account in the year (note 7)	(2)	13
At 31 March (note 10)	46	48

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

14 Called up share capital

	2014 £'000	2013 £'000
Alloted, called up and fully paid		
101 (2013: 101) ordinary shares of £1 each	-	-

15 Reserves

	Share Premium account £'000	Profit and Loss account £'000
At 1 April 2013	125	2,042
Profit for the financial year	-	38
Actuarial loss on pension scheme	-	(32)
Movement on deferred tax relating to pension liability	-	7
At 31 March 2014	125	2,055

16 Contingent liabilities

The Company has given guarantees in respect of the bank borrowings of other Group companies in addition to performance and other guarantees. At 31 March 2014 borrowings covered by these guarantees amounted to £310,924,000 (2013: £303,375,000) whilst performance and other guarantees amounted to £28,141,000 (2013: £20,530,000).

The Company is part of the Lakeside 1 Group banking arrangement whereby the Group has a revolving credit facility with a maximum facility of £95,100,000 (2013: £125,000,000) of which the overdraft is capped at £20,000,000 (2013: £20,000,000). At 31 March 2014 and 31 March 2013 the Group was in a net cash position.

Keepmoat Property Services Limited

Notes to the financial statements

for the year ended 31 March 2014 (continued)

17 Other financial commitments

At 31 March 2014 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Within one year	12	70	-	-
In two to five years	-	-	46	-
	12	70	46	-

18 Pension commitments

Defined contribution scheme

The Company participates in a Keepmoat Group defined contribution pension scheme for its directors and senior employees which is funded by the payment of contributions to a separately administered fund. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost for the year represents contributions payable by the Company to the scheme and amounts to £102,000 (2013: £61,000). Contributions outstanding at the year end are £nil (2013: £nil).

Defined benefit scheme

During the year, the Company achieved admitted body status to the West Yorkshire Local Government Pension Scheme ("West Yorkshire LGPS"), a multi-employer scheme. The assets of the scheme are held in independently administered funds and have been accounted for as defined benefit obligations. The Company is responsible for funding the pension benefits for its employees only.

A full actuarial valuation of the defined benefit scheme was last carried out at 31 March 2013 and this has been updated to 31 March 2014 by a qualified independent actuary. The scheme assets are stated at their market value at 31 March 2014. The major assumptions used by the actuary to calculate the liabilities of pension fund are:

	2014
	%
Discount rate	4.4
Inflation rate	3.4
Salary increase rate	3.9
Increases for pension in payment	2.4

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

18 Pension commitments (continued)

The mortality assumptions used were as follows:

	31 March 2014 Years
Pensioner age at 65:	
- Men	22.5
- Women	25.4
Current member age at 45:	
- Men	24.7
- Women	27.7

The assets in the pension fund and the expected rates of return were:

	Long-term expected rate of return	
	31 March 2014 %	31 March 2014 £'000
Equities	7.6	104
Bonds	3.7	22
Other	7.6	8
Cash	0.9	4
Total market value of assets		138
Present value of scheme liabilities		(171)
Pension scheme deficit		(33)
Related deferred tax asset		7
Net pension liability		(26)

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

18 Pension commitments (continued)

Reconciliation of present value of scheme liabilities

	2014 £'000
At 1 April 2013	-
On inception	152
Current service cost	5
Interest cost	3
Actuarial losses recognised in the year	10
Member contributions	1
At 31 March 2014	171

Reconciliation of fair value of scheme assets

	2014 £'000
At 1 April 2013	-
On inception	129
Expected return on scheme assets	4
Actuarial gains recognised in the year	1
Employer contributions	3
Employee contributions	1
At 31 March 2014	138

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed asset interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long term real rate experienced in respective markets.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

18 Pension commitments (continued)

Analysis of amounts charged to the profit and loss account:

Operating profit	2014
	£'000
Current service cost	5
Other finance expense	2014
	£'000
Expected return on pension scheme assets	4
Interest on pension scheme liabilities	(3)
Net interest income	1
History of experience gains and losses	2014
	£'000
Defined benefit obligation	(171)
Plan assets	138
Deficit	(33)
Experience adjustments on plan assets	1
Total actuarial gains and losses recognised in the statement of recognised gains and losses	(32)

19 Post balance sheet event

On 9 September 2014, TDR Capital LLP and Sun Capital Partners Limited signed an agreement to acquire Lakeside 1 Limited, the ultimate parent company of the Company. Completion is expected to occur by the end of November 2014 and is subject to regulatory clearance.

It is anticipated that upon completion of the transaction, the Company's ultimate parent company will become Keystone Holding Sarl, a company incorporated in Luxembourg, whilst it is anticipated that the Company's ultimate controlling party will be investment funds managed by TDR Capital LLP.

Keepmoat Property Services Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

20 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Keepmoat Regeneration Limited, a company registered in England and Wales.

Lakeside 1 Limited is regarded by the directors of the Company as the Company's ultimate parent undertaking. The smallest group in which the results of the Company are consolidated is Keepmoat Limited. Lakeside 1 is the owner of the largest group in which the results of the Company are consolidated.

The consolidated financial statements of Keepmoat Limited and Lakeside 1 Limited may be obtained from Keepmoat Limited, The Waterfront, Lakeside Boulevard, Doncaster, DN4 5PL.

At 31 March 2014 the directors do not believe there to be one ultimate controlling party.