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**LI MAINTENANCE SERVICES LIMITED**

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**UNAUDITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**LI MAINTENANCE SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	R Moore
<b>Registered number</b>	07219469
<b>Registered office</b>	3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX
<b>Accountants</b>	Barnes Roffe LLP Chartered Accountants 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

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**LI MAINTENANCE SERVICES LIMITED**

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**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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The director presents his report and the financial statements for the year ended 31 December 2016.

**Director's responsibilities statement**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that he gives 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 director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**Director**

The director who served during the year was:

R Moore

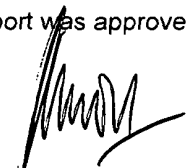
**Small companies note**

In preparing this report, the director have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25-09-2017

and signed on its behalf.

R Moore  
Director

  
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**LI MAINTENANCE SERVICES LIMITED**

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**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE  
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF LI MAINTENANCE SERVICES LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Li Maintenance Services Limited for the year ended 31 December 2016 which comprise the Statement of comprehensive income, the Statement of financial position and the related notes from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the director of Li Maintenance Services Limited in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Li Maintenance Services Limited and state those matters that we have agreed to state to the director of Li Maintenance Services Limited in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Li Maintenance Services Limited and its director for our work or for this report.

It is your duty to ensure that Li Maintenance Services Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Li Maintenance Services Limited. You consider that Li Maintenance Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Li Maintenance Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



**Barnes Roffe LLP**  
Chartered Accountants  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX

Date: *26 September 2017*

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**LI MAINTENANCE SERVICES LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	Note	2016 £	2015 £
Turnover		53,072	44,500
Cost of sales		(51,434)	(42,803)
<b>Gross profit</b>		<b>1,638</b>	<b>1,697</b>
Distribution costs		-	(27,054)
Administrative expenses		(1,704)	(3,196)
<b>Operating loss</b>		<b>(66)</b>	<b>(28,553)</b>
<b>Loss for the year</b>		<b>(66)</b>	<b>(28,553)</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 6 to 16 form part of these financial statements.

**LI MAINTENANCE SERVICES LIMITED**  
**REGISTERED NUMBER: 07219469**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Intangible assets	4	-	-
Tangible assets	5	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Stocks	6	28,779	28,779
Debtors: amounts falling due within one year	7	33,500	321,770
Cash at bank and in hand	8	253	20
		<u>62,532</u>	<u>350,569</u>
Creditors: amounts falling due within one year	9	(838,399)	(1,039,369)
<b>Net current liabilities</b>		<u>(775,867)</u>	<u>(688,800)</u>
<b>Total assets less current liabilities</b>		<u>(775,867)</u>	<u>(688,800)</u>
Creditors: amounts falling due after more than one year	10	(238,162)	(325,163)
<b>Net liabilities</b>		<u><u>(1,014,029)</u></u>	<u><u>(1,013,963)</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	(1,014,129)	(1,014,063)
		<u><u>(1,014,029)</u></u>	<u><u>(1,013,963)</u></u>

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**LI MAINTENANCE SERVICES LIMITED**  
**REGISTERED NUMBER: 07219469**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2016**

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The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

  
R Moore  
Director

25/09/2017

The notes on pages 6 to 16 form part of these financial statements.

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## **LI MAINTENANCE SERVICES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1. General information**

Li Maintenance Services Limited is a company limited by shares, incorporated in England and Wales. The address of the registered office is 3 Brook Business Centre, Cowley Mill Road, Uxbridge, Middlesex UB8 2FX.

The principal activity of the company is that of the provision of human resources and other services to two related parties, A & O IT Services Limited and A & O IT Systems Limited. The service arrangements with these companies are that the services are charged at a low mark-up sufficient to meet all of the company's cost of sales and other overhead costs and to report a small profit.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and on the assumption that the company is a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:



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## LI MAINTENANCE SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.2 Going concern

The accounts have been prepared on the assumption that the company is a going concern despite the fact that the balance sheet records net liabilities of £1,014,029 (2015 - £1,013,963) at the year end.

The company entered into a Company Voluntary Agreement (CVA) with its creditors, which was unanimously approved on 3rd December 2012. This has allowed the company to restructure amounts owed to creditors of £552,863 and to agree to pay reduced balances of £36,000 in the first year and £298,200 between 1 and 5 years.

A&O Shared Services Limited, a company controlled by common directors and which provides human resource services to the Logistics International Group, entered a CVA on 3 December 2012. As a result of additional claims from HMRC, the amount payable under the CVA to its major creditor has reduced with the effect that they contested the original proposal. At the current time, this creditor has agreed to continue with the original payment proposal for the immediate future.

At this stage, the company is continuing to make their contributions on a monthly basis under the original agreed CVA proposal.

The company is dependent on its two principal customers, who are connected to the company in that its customers have common directors and shareholders, for its ability to meet its CVA obligations. The directors meet on a regular basis to review sales opportunities, pipeline conversion and the current forecasts of its related parties to ensure achievement of their financial plan. The directors believe that the related parties have sufficient bank and associated company support to provide the required headroom to finance their and this company over the next 12 months and to enable this company to meet its ongoing obligations under the CVA.

The director therefore considers the preparation of the accounts on a going concern basis to be appropriate.

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**LI MAINTENANCE SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised when goods are sold.

**2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. The useful economic life has been assessed as five years.

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## LI MAINTENANCE SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Motor vehicles	- Between 25% and 50% on cost
Fixtures & fittings	- Between 10% and 33% on cost
Office equipment	- Between 10% and 33% on cost

##### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.7 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.

##### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.9 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

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## LI MAINTENANCE SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.9 Financial instruments (continued)

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.10 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.

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## LI MAINTENANCE SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.11 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

##### 2.12 Amounts subject to Company Voluntary Arrangement

As a result of the CVA, the company has reduced amounts owed to creditors due within one year by £325,163 which has been transferred to amounts due under voluntary arrangement after more than one year. Unless future profits exceed the profit levels agreed with the supervisor of the CVA, this amount will only become payable if the company defaults on any monthly payments due to the supervisor.

The company will make payments on a monthly basis to an independent supervisor in accordance with the terms of the CVA. These amounts will be held by the supervisor until the end of the CVA period, when creditors' claims will be agreed by the supervisor and the funds distributed.

The excess amounts subject to the CVA will not be de recognised until the end of the CVA period in December 2017.

#### 3. Employees

Staff costs were as follows:

The average monthly number of employees, including directors, during the year was 1 (2015 - 1).

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LI MAINTENANCE SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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4. Intangible assets

	Transition Costs £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2016	117,597	249,527	367,124
At 31 December 2016	117,597	249,527	367,124
<b>Amortisation</b>			
At 1 January 2016	117,597	249,527	367,124
At 31 December 2016	117,597	249,527	367,124
<b>Net book value</b>			
At 31 December 2016	-	-	-
At 31 December 2015	-	-	-

**LI MAINTENANCE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**5. Tangible fixed assets**

	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2016	69,231	15,035	27,506	111,772
At 31 December 2016	69,231	15,035	27,506	111,772
<b>Depreciation</b>				
At 1 January 2016	69,231	15,035	27,506	111,772
At 31 December 2016	69,231	15,035	27,506	111,772
<b>Net book value</b>				
At 31 December 2016	-	-	-	-
At 31 December 2015	-	-	-	-

**6. Stocks**

	2016 £	2015 £
Field service spares	28,779	28,779
	28,779	28,779

**7. Debtors**

	2016 £	2015 £
Trade debtors	695	289,980
Other debtors	32,805	31,790
	33,500	321,770

**LI MAINTENANCE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	253	20
	<u>253</u>	<u>20</u>

**9. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Amounts subject to voluntary arrangement	87,000	87,000
Amounts owed to group undertakings	658,869	861,559
Other creditors	92,530	88,585
Accruals and deferred income	-	2,225
	<u>838,399</u>	<u>1,039,369</u>

**10. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Amounts subject to voluntary arrangement	238,162	325,163
	<u>238,162</u>	<u>325,163</u>

The company has entered into a Company Voluntary Agreement (CVA) with its creditors, which was approved on 3rd December 2012. The contributions payable under the CVA are payable on a monthly basis as follows:

	£
Year ended 3 December 2013	36,000
Year ended 3 December 2014	43,200
Year ended 3 December 2015	51,000
Year ended 3 December 2016	84,000
Year ended 3 December 2017	120,000
Total	<u>334,200</u>

There is a provision within the CVA that if the company's profits exceed the agreed targets then additional contributions will be payable. As a result, unless future results exceed the profits forecast, included within amounts due after more than one year is £218,663 which will only become payable should the company default on payments to the CVA supervisor. This liability will be de recognised on the successful completion of the CVA in December 2017.



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LI MAINTENANCE SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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11. Share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. Reserves

**Profit & loss account**

Profit and loss account includes all current and prior period retained profits and losses.

13. Related party transactions

Included within amounts owed to group companies at the balance sheet date is an amount of £658,869 (2014 - £861,560) owed to Logistics International Limited (formerly Logistics International PLC), its parent company.

During the year, the company charged A&O IT Services Limited, a company controlled by R R Moore, an amount of £53,072 (2015 - £41,450) for the provision of human resources and other services. At the year end the company owed an amount of £490 (2015 - owed to £29,130) to A&O IT Services Limited.

During the year, the company charged A&O IT Systems Limited, a company controlled by R R Moore, an amount of £Nil (2015 - £3,050) for the provision of human resources and other services. At the year end the company was owed from A&O IT Systems Limited an amount of £205 (2015 - £355,605).

At the year end, the company owed an amount of £77,861 (2015 - £73,916) to Wildfield Limited, a company controlled by R R Moore.

At the year end, the company owed an amount of £14,669 (2015 - £14,669) to A & O Shared Services Limited, a company controlled by R R Moore.

At the year end, the company owed an amount of £Nil (2015 - £5,000) to A & O Corsaire Limited, a company controlled by R R Moore.

14. Post balance sheet events

After the end of the year, the company has negotiated with the administrator of the CVA to make a final installment to clear the balance of the amount owed under the terms of the CVA. This payment has been made and on 19 July 2017, the company was released from the CVA.

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**LI MAINTENANCE SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**15. Controlling party**

The ultimate parent undertaking is Logistics International Limited (formerly Logistics International PLC), a company incorporated in England and Wales, by virtue of its majority shareholding.

The ultimate controlling party is R R Moore by virtue of his majority shareholding in the ordinary share capital of Logistics International Limited.