

Lesprit Limited

Annual report and financial statements
Registered number 08020588
31 December 2020



COMPANIES HOUSE

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Company Information

| | |
|---------------------|---|
| Directors | C J Seggie P A M Smith (resigned 25 February 2021) D Still (appointed 25 February 2021) |
| Company secretary | C Hawkins |
| Registered number | 08020588 |
| Registered office | Unit 1b Lea Green Business Park Eurolink St Helens WA9 4TR |
| Independent auditor | KPMG LLP 319 St Vincent Street Glasgow G2 5AS |
| Bankers | Bank of Scotland plc 10 Gresham Street London EC2V 7AE |
| Solicitors | Brodies LLP 110 Queen Street Glasgow G1 3BX |

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Strategic Report

The directors present their strategic report for the year ended 31 December 2020.

Principal activities

The company acts as a holding company. Its subsidiaries provide facilities management and related services to major retail businesses.

Business review

The financial statements show a profit after taxation of £1,448,606 (*31 December 2019: loss £1,887,921*) for the year ended 31 December 2020.

Key performance indicators

The company's key financial performance indicators during the period were as follows:

| | 2020 £'000 | 2019 £'000 |
|-------------------------|---------------|---------------|
| Operating profit/(loss) | 1,449 | (1,891) |
| Profit/(loss) after tax | 1,449 | (1,888) |
| Shareholder funds | 33 | 1,416 |

Being a holding Company, Lesprit has no trading turnover and this profit was solely generated from an agreement to waive an Intercompany creditor.

Principal risks and uncertainties

The company recognises that effective risk management is fundamental to delivering a safe and successful service. The company's systems for risk management identify opportunities and anticipate risks in order to improve business performance.

The business activity of one of Lesprit's UK subsidiaries is with a large, blue-chip international retail group based in France through a contract priced in Euros, which presents a potential currency exposure risk. However, all necessary services are subcontracted to the company's French subsidiary which are payable in Euros producing a natural hedge for the majority of the transactional currency risk.

Credit risk

The risk of financial loss from the loss of bank deposits is mitigated by only placing deposits with banks which have received a high credit rating.

The risk of financial loss due to a customer's failure to honour its obligation arises principally in relation to transaction where the company provides its services for a fee. Our policies are aimed at minimising the potential for such losses by granting credit terms only where a customer has demonstrated an appropriate payment history and has satisfied creditworthiness checks.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash flow of its operations and applying cash collection targets on customer accounts. The company has little anticipated need to carry out capital investment, which, if required, would be subject a full investment appraisal process including cash payback assessment.

Future Developments

The company has considered the impact of Brexit and this has had no material impact on its financial performance.

COVID-19 is still a worldwide issue through 2021 but being a holding company with no trading turnover, it is expected to have no material impact on the performance of the business.

Strategic Report *(continued)*

Section 172 Statement

Statement by the Directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The Directors acknowledge and understand their duties and responsibilities, including that of section 172, of the Companies Act 2006. A Director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- 1) the likely consequences of any decision in the long term,
- 2) the need to foster the company's business relationships with suppliers, customers and others,
- 3) the impact of the company's operations on the community and the environment,
- 4) the desirability of the company maintaining a reputation for high standards of business conduct, and
- 5) the need to act fairly as between members of the company

The board recognises that the long term success of the business is dependent on the way we interact with a large number of important stakeholders including our Clients and Shareholders. The Directors have had regard to the interests of our stakeholders while complying with their obligations to promote the ongoing success of the business in line with section 172 of the Companies Act.

Our colleagues are provided information on the group through the use of various mediums such as our website, internal newsletters and our in house information app.

Ahead of all board meetings the Directors are supplied with board papers that highlight relevant stakeholder considerations along with performance metrics and ongoing forecasts. The Directors are also in close contact with the senior management teams in each country that we operate in allowing good communication at a local level.

The board's decision making considers both risk and reward in the pursuit of delivering long term value to our stakeholders and acknowledging and understanding the current and potential risks to the business, both financial and non-financial, are fundamental to how we manage the business.

The Directors, both individually and collectively as a board, consider the decisions taken during the year ended 31st December 2020 were in conformance of their duty under section 172 of the Companies Act.

By order of the board



C Hawkins
Company Secretary

Unit 1b
Lea Green Business Park
Eurolink
St Helens
WA9 4TR

17th September 2021

Directors' Report

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Dividend

An ordinary dividend amounting to £nil (2019: £nil) was paid during the year.

Directors

The directors who held office during the year and to the date of this report were as follows:

C Seggie

P A M Smith (resigned 25 February 2021)

D Still (appointed 25 February 2021)

Political and charitable contributions

The company made no charitable contributions (2019: £nil) during the year ended 31 December 2020. The company also made no political donations during the year, nor did they incur any political expenditure (2019: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

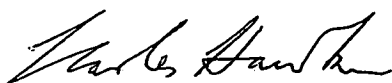
Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Auditor

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

By order of the board



C Hawkins
Company Secretary

Unit 1b
Lea Green Business Park
Eurolinks
St Helens
WA9 4TR

17th September 2021

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

319 St Vincent Street
Glasgow
G2 5AS
United Kingdom

Independent auditor's report to the members of Lesprit Limited

Opinion

We have audited the financial statements of Lesprit Limited ("the Company") for the year ended 31 December 2020 which comprise the Profit and Loss account, the Balance sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the City Facilities Management Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

Independent auditor's report to the members of Lesprit Limited (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Lesprit Limited (continued)

Matters on which we are required to report by exception

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

- a 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Lyn Nicolls (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street,
Glasgow,
G2 5AS

24 September 2021

Profit and Loss Account
for the year ended 31 December 2020

| | <i>Note</i> | 2020 £ | 2019 £ |
|---|-------------|------------------|--------------------|
| Administrative expenses | 4 | - | (17,000) |
| Intercompany agreement | 5 | 1,448,606 | - |
| Investment Impairment | | - | (1,873,983) |
| Operating profit/(loss) | | 1,448,606 | (1,890,983) |
| Interest payable and similar charges | 7 | - | (208) |
| Profit/(loss) before taxation | | 1,448,606 | (1,891,191) |
| Tax on profit/(loss) | 8 | - | 3,270 |
| Profit/(loss) for the financial period | | 1,448,606 | (1,887,921) |

All activities of the company are classed as continuing.

The company has no items of other comprehensive income other than the results for the current and prior financial years as set out above.

The notes on pages 11 to 16 form part of these financial statements.

Balance Sheet
as at 31 December 2020

| | Note | £ | 2020 £ | £ | 2019 £ |
|--|------|-------------|-------------|-------------|-------------|
| Fixed assets | | | | | |
| Investments | 9 | | 2,437,762 | | 2,437,762 |
| | | | <hr/> | | <hr/> |
| | | | 2,437,762 | | 2,437,762 |
| Current assets | | | | | |
| Debtors: amounts due within one year | 10 | 32,534 | | 32,534 | |
| Creditors: amounts due within one year | 11 | (2,437,605) | | (3,886,211) | |
| | | | <hr/> | <hr/> | |
| Net current liabilities | | | (2,405,071) | | (3,853,677) |
| | | | <hr/> | | <hr/> |
| Total assets less current liabilities | | | 32,691 | | (1,415,915) |
| | | | <hr/> | | <hr/> |
| Net assets/(liabilities) | | | 32,691 | | (1,415,915) |
| | | | <hr/> | | <hr/> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 47,504 | | 47,504 |
| Share premium | | | 3,291,995 | | 3,291,995 |
| Profit and loss account | | | (3,306,808) | | (4,755,414) |
| | | | <hr/> | | <hr/> |
| Shareholders' funds/(deficit) | | | 32,691 | | (1,415,915) |
| | | | <hr/> | | <hr/> |

The notes on pages 11 to 16 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 17th September 2021 and were signed on its behalf by:



C Seggie
Director

Company Registered Number: 08020588

Statement of Changes in Equity

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|----------------------------|-----------------------------|----------------------------|--------------|
| | £ | £ | £ | £ |
| At 1 January 2019 | 47,504 | 3,291,995 | (2,867,493) | 472,006 |
| Total comprehensive income for the period | | | | |
| Loss for the period | - | - | (1,887,921) | (1,887,921) |
| Total comprehensive income for the period | - | - | (1,887,921) | (1,887,921) |
| At 31 December 2019 | 47,504 | 3,291,995 | (4,755,414) | (1,415,915) |

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|----------------------------|-----------------------------|----------------------------|--------------|
| | £ | £ | £ | £ |
| At 1 January 2020 | 47,504 | 3,291,995 | (4,755,414) | (1,415,915) |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 1,448,606 | 1,448,606 |
| Total comprehensive income for the period | - | - | 1,448,606 | 1,448,606 |
| At 31 December 2020 | 47,504 | 3,291,995 | (3,306,808) | 32,691 |

The notes on pages 11 to 16 form part of these financial statements.

Notes

(forming part of the financial statements)

1. General information

Lesprit Limited ("the Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 08020588 and the registered address is Unit 1b, Lea Green Business Park, Eurolink, St Helens WA9 4TR.

The principal activity of the company continued to be that of a holding company.

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 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:

2.2 Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29 A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of City Facilities Management Limited as at 31 December 2020 and these financial statements may be obtained from The Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh, EH3 9FF.

2.3 Going concern

Notwithstanding net current liabilities of £2,405,071 as at 31 December 2020 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have considered the activities of this entity. Given the nature of the company as a holding company, management have assessed that there is no need for cash flow forecasts within this business. The company will have sufficient funds, through funding from its ultimate parent company, City Facilities Management Holdings Limited, to meet its liabilities as they fall due for that period.

Those assessments are dependent on City Facilities Management Holdings Limited not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £2,437,605 and providing ongoing financial support during that period. City Facilities Management Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries 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 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.

2.7 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 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 impairments is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

2.8 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.

2.9 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

The company believes that there are no areas of material uncertainty which affect the financial statements.

4. Expenses and Auditor's remuneration

No admin expenses were charged to the P&L in the year, however Audit fees of £10,250 were borne by the parent company in respect of services carried out.

Notes (continued)

5. Intercompany Creditor

The company profited from a Group agreement to waive an Intercompany creditor of £1,448,606.

6. Directors remuneration

No qualifying services were rendered by the directors and therefore no remuneration was charged to the company.

There are no employees in Lesprit Limited.

7. Interest payable and similar charges

| | 2020 £ | 2019 £ |
|--------------------------------------|-----------|-----------|
| Interest payable and similar charges | - | 208 |

8. Taxation

| | 2020 £ | 2019 £ |
|--|-----------|-------------|
| Current tax | | |
| Group relief receivable | - | (3,270) |
| Total current tax credit | - | (3,270) |
| Taxation on profit/(loss) | - | (3,270) |
| Reconciliation of effective tax rate | | |
| Profit/(loss) before tax | 1,448,606 | (1,891,191) |
| Tax using the UK corporation tax rate of 19% (2019: 19%) | 275,235 | (359,326) |
| Income not taxable for tax purposes | (275,235) | - |
| Non-deductible differences | | 356,057 |
| Group relief surrendered | - | 3,270 |
| Receipt for group relief | - | (3,270) |
| Other adjustments | - | (1) |
| Total tax credit included in profit/(loss) | - | (3,270) |

Factors affecting the future current and total tax charges

Please note that from 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were subsequently enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was subsequently enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The company has an unrecognised deferred tax asset of £152,665 (2019: £136,595) in relation to unutilised losses. This asset has not been recognised due to uncertainty around the timing of use of the losses. The March 2021 budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date and as a result, deferred tax balances as at 31 December 2020 continue to be measured at 19%.

Notes (continued)

9. Fixed asset investments

| | Investments in subsidiary Companies £ |
|------------------------------------|--|
| Cost | |
| At 1 January 2020 | 4,311,745 |
| At 31 December 2020 | <u>4,311,745</u> |
| Amortisation and impairment | |
| Balance at 1 January 2020 | 1,873,983 |
| Balance at 31 December 2020 | <u>1,873,983</u> |
| Net book value | |
| At 1 January 2020 | 2,437,762 |
| At 31 December 2020 | <u>2,437,762</u> |

At 31 December 2020 the company held more than 20% of the allotted share capital of the following undertakings:

| Subsidiary undertakings | Country of incorporation | Class of share capital held | Proportion held | Nature of business |
|---|-------------------------------------|--|----------------------------|-----------------------------------|
| Seckloe 280 Limited | England | Ordinary | 100% | Holding company |
| City Facilities Management Holdings (Europe) Limited | England | Ordinary | 100% | Retail maintenance and support |
| Atrium Maintenance France SAS | France | Ordinary | 100%* | Retail maintenance and support |
| City Facilities Management Europe SAS | France | Ordinary | 100%* | Retail maintenance and support |

* shares held by intermediate holding companies

The registered office is at Unit 1b, Lea Green Business Park, Eurolink, St Helens WA9 4TR.

Registered office for AMF France SAS is 77 Boulevard Vauban, 59800 Lille, France

Notes (continued)

10. Debtors

| | 2020 £ | 2019 £ |
|-------------------------|---------------|---------------|
| Group relief receivable | 32,534 | 32,534 |
| | 32,534 | 32,534 |

11. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 2,437,605 | 3,886,211 |
| | 2,437,605 | 3,886,211 |

12. Share capital

| | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Shares classified as equity | | |
| <i>Authorised</i> | | |
| 65,000 A ordinary shares of 30p each | 19,500 | 19,500 |
| 28,000 B ordinary shares of £1 each | 28,000 | 28,000 |
| 325,000 C ordinary shares of £.00001 each | 4 | 4 |
| | 47,504 | 47,504 |
| Allotted, called up and fully paid | | |
| 65,000 A ordinary shares of 30p each | 19,500 | 19,500 |
| 325,000 C ordinary shares of £.00001 each | 4 | 4 |
| | 19,504 | 19,504 |
| Allotted, called up and partly paid | | |
| 28,000 B ordinary shares of £1 each | | |
| Unpaid | 26,992 | 26,992 |
| Paid | 1,008 | 1,008 |
| | 28,000 | 28,000 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Notes (continued)

13. Related party transactions

The company entered into transactions with City Facilities Management Ltd.

All transactions occurred in the ordinary course of business and at normal market prices.

| | Sales 2020 £ | Sales 2019 £ | Purchases 2020 £ | Purchases 2019 £ |
|--------------------------------|--------------------|--------------------|------------------------|------------------------|
| City Facilities Management Ltd | - | - | - | 17,208 |

| | Receivables outstanding 2020 £ | Receivables outstanding 2019 £ | Creditors outstanding 2020 £ | Creditors outstanding 2019 £ |
|--------------------------------|---|---|---------------------------------------|---------------------------------------|
| City Facilities Management Ltd | - | - | 2,437,606 | 3,886,211 |

14. Ultimate parent company and controlling party

The company's immediate parent company is City Facilities Management Limited, a company registered in Scotland.

The smallest group for which the consolidated accounts are prepared and in which this company is included is City Facilities Management Ltd, a company registered in Scotland. Consolidated accounts are available from its registered office, Caledonia House, 2 Lawmoor Street, Glasgow, G5 0US.

The largest group for which consolidated accounts are prepared and in which this company is included is City Facilities Management Holdings Limited, a company registered in Scotland. Consolidated accounts are available from its registered office, Caledonia House, 2 Lawmoor Street, Glasgow, G5 0US.

At the balance sheet date the directors considered that the ultimate parent undertaking and controlling part was City Facilities Management Holdings Limited, a company incorporated in Scotland.

15. Subsequent Events

There were no subsequent events post the balance sheet date and prior to the date of signing these accounts that would have a material impact on the results reported or the financial position of the company.