

Lorien Engineering Limited

**Directors' report and consolidated
financial statements**

Registered number 08056762

31 January 2015

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Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 January 2015.

Principal activities

The principal activity of the company is to act as a holding company to the group containing the non-trading subsidiary Lorien Engineering Solutions Limited.

Business review

The company was acquired in the prior year by GP Strategies Limited, a member of the GP Strategies Corporation group. The company has not traded in the period.

Dividend

The company does not propose a dividend (2013: £nil).

Directors

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

S Greenberg

D Sharp

Political and charitable contributions

The company made no political or charitable contributions during the period.

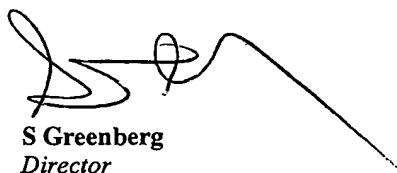
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to a 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



S Greenberg
Director

29 October 2015

3rd Floor, 1 Ashley Road,
Altrincham
Cheshire
WA14 2DT

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

One St Peter's Square

Manchester

M2 3AE

Independent auditor's report to the members of Lorien Engineering Limited

We have audited the financial statements of Lorien Engineering Limited for the period ended 31 January 2015 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of the loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

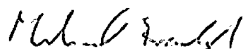
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



Michael Frankish (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

29 October 2015

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	Year ended 31 January 2015 £000	Period ended 31 December 2013 £000
Administrative expenses (2013: including exceptional costs of £662,000)		(170)	(662)
Operating (loss)		(170)	(662)
Dividends received		-	550
(Loss)/profit on ordinary activities before taxation	2	(170)	(112)
Tax on (loss)/profit on ordinary activities		-	-
(Loss)/profit for the period	9	(170)	(112)

The operating loss for the current period derives from continuing operations.

There is no material difference between the loss on ordinary activities before taxation above and the historical cost profit.

There are no recognised gains and losses other than the results stated above.

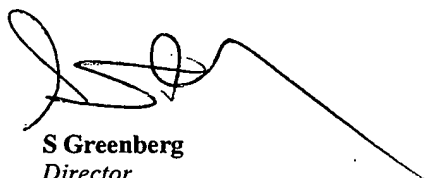
The notes on pages 7 to 10 form an integral part of these financial statements.

Balance sheet
at 31 December 2014

	<i>Note</i>	2014 £000	£000	2013 £000	£000
Fixed assets					
Investments	5		268		438
			<u>268</u>		<u>438</u>
Current assets					
Debtors	6	1		1	
		<u>1</u>		<u>1</u>	
Creditors :amounts falling due within one year	7	(55)		(55)	
Net current liabilities			(54)		(54)
Total assets less current liabilities			<u>214</u>		<u>384</u>
Net assets			<u>214</u>		<u>384</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		213		383
Shareholders' funds			<u>214</u>		<u>384</u>

The notes on pages 7 to 10 form an integral part of the financial statements.

These financial statements were approved by the board of directors on 29 October 2015 and were signed on its behalf by:


S Greenberg
 Director
 Company number: 08056762

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group and company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of GP Strategies Corporation, within which this company is included, can be obtained from the address given in note 10.

Going concern

The directors have considered the ability of the company to continue as a going concern. This assessment has taken account of the fact that the company is a non-trading holding company, and that the company's only investment no longer trades alongside the fact that company has net current liabilities of £54,000, primarily owed to group undertakings. In addition, the directors have also incorporated into their assessment the fact that the ultimate parent undertaking GP Strategies Corporation, has provided confirmation of its intention to provide financial and other support to the UK Group of Companies for at least the next 12 months following the date of this report and for the foreseeable future thereafter. Therefore, taking into account all of the above factors, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and accordingly these accounts have been prepared adopting the going concern assumption.

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation/business combinations in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of 5 years.

Negative goodwill arising on consolidation in respect of acquisitions is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Long term contracts

Turnover on long term contracts is recognised according to the stage reached in the contract by reference to the proportion of the estimated total costs incurred to date. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax in so far as a liability or asset arose as a result of transactions that had occurred by the balance sheet date and gave rise to an obligation to pay more tax in the future or a right to pay less tax in the future. Assets are not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year from the principal activity of the business.

2 Profit on ordinary activities before taxation

	Period ended 31 January 2015 £000	Period ended 31 December 2013 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditor's remuneration:		
Audit of these financial statements	1	2
Impairment of investment in subsidiary	170	662
	<hr/>	<hr/>

3 Remuneration of directors

	Period ended 31 January 2015 £000	Period ended 31 December 2013 £000
Directors' emoluments	-	-
	<hr/>	<hr/>

During the period the directors did not remove any remuneration as their services to this company are incidental to their wider role in the group.

Notes (continued)

4 Taxation

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2014: higher) than the standard rate of corporation tax in the UK of 21.5% (2014: 23.25%). The differences are explained below.

	Period ended 31 January 2015 £000	Period ended 31 December 2013 £000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(170)	(112)
	<hr/>	<hr/>
Current tax at 21.5% (2014: 23.25%)	(36)	(26)
<i>Effects of:</i>		
Income and expenses not allowable for tax purposes	36	26
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

Factors affecting the tax charge in future periods

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

5 Investments

	Shares in group undertakings £000
<i>Cost</i>	
At beginning of period	438
Impairment	(170)
	<hr/>
	268
	<hr/>

6 Debtors

	Period ended 31 January 2015 £000	Period ended 31 December 2013 £000
Other debtors	1	1
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

Notes *(continued)*

7 Creditors: amounts falling due within one year

	Period ended 31 January 2015 £000	Period ended 31 December 2013 £000
Amounts owed to other group undertakings	1	1
	<u>1</u>	<u>1</u>

8 Called up share capital

	Period ended 31 January 2015 £000	Period ended 31 December 2013 £000
<i>Allotted, called up and fully paid</i> 1,000 Ordinary share of 100 pence each	1	1
	<u>1</u>	<u>1</u>

9 Profit and loss account

	Period ended 31 January 2015 £000	Period ended 31 December 2013 £000
At beginning of period	383	495
(Loss) for the period	(170)	(112)
	<u>213</u>	<u>383</u>
At end of period	<u>213</u>	<u>383</u>

10 Ultimate parent

On 12 June 2013, the entire share capital of the company was acquired by GP Strategies Limited. This company is a subsidiary undertaking of GP Strategies Holding Limited, an undertaking of GP Strategies Corporation incorporated in the U.S., which is the ultimate parent company.

The smallest and largest group in which the results of the company are consolidated is that headed by GP Strategies Corporation. The consolidated accounts of the company are available to the public and may be obtained from 70 Corporate Center, 11000 Broken Land Parkway, Suite 200, Columbia, MD 21044.