

Financial Statements Greenford Facilities Limited

(Previously GSM Facilities Limited)

For the year ended 30 September 2016



Registered number: 08128860

Company Information

Directors

D P K Bogg
M K O'Donnell
A C W Sheffield

Registered number

08128860

Registered office

GSM London Study Centre
56 Tabard Street
London
SE1 4LG

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

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Directors' Report

For the year ended 30 September 2016

The directors present their report and the audited financial statements for the year ended 30 September 2016. The company changed its name from GSM Facilities Limited to Greenford Facilities Limited on 20 January 2017, having previously changed its name from GSOM Greenford Limited to GSM Facilities Limited on 21 January 2015.

Principal activities

The principal activity of the company is that of provision of property, facilities management and other support services.

Results and dividends

The profit for the year, after taxation, amounted to £220,492 (2015: £478,431).

The directors have not recommended a dividend (2015: £Nil).

Directors

The directors who served during the year were:

R D Hodsdon (appointed 3 December 2016, resigned 26 August 2016)
A C W Sheffield
A Wheaton (resigned 30 September 2016)
M K O'Donnell (appointed 21 July 2016)
D P K Bogg (appointed 30 September 2016)

Directors' responsibilities statement

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 the directors have elected to prepare 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 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 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.

Directors' Report (continued)

For the year ended 30 September 2016

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.

Going concern

The financial statements have been prepared on a going concern basis, which is dependent on the continuing financial and operational support of the ultimate parent company, Clipper Group Limited. Clipper Group Limited has indicated its intention to continue to provide such support for the foreseeable future. The group completed a refinancing in December 2016, providing access to additional monies for the group, including Greenford Facilities Limited. Accordingly, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditor

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

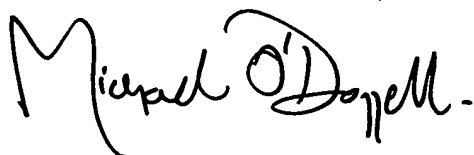
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

This report was approved by the board on 23 February 2017 and signed on its behalf.



M K O'Donnell
Director



Independent Auditor's Report to the Members of Greenford Facilities Limited

We have audited the financial statements of Greenford Facilities Limited for the year ended 30 September 2016 which comprise the statement of income and retained earnings, the balance sheet, and the related notes. 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 pages 1 and 2, 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 30 September 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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



Independent Auditor's Report to the Members of Greenford Facilities Limited

- 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 prepare financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Grant Thornton UK LLP

Richard Shaw
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: *27/2/17*

Statement of income and retained earnings

For the year ended 30 September 2016

	Note	2016 £	2015 £
Turnover	1	3,874,596	3,000,000
Administrative expenses		(2,257,455)	(2,163,187)
Rates liability	2	<u>(1,181,000)</u>	-
Total administrative expenses		<u>(3,438,455)</u>	<u>(2,163,187)</u>
Operating profit	2	436,141	836,813
Interest receivable and similar income		-	164
Interest payable and similar charges		<u>(291,805)</u>	<u>(277,450)</u>
Profit on ordinary activities before taxation		144,336	559,527
Tax on profit on ordinary activities	4	<u>76,156</u>	<u>(81,095)</u>
Profit for the financial year		<u>220,492</u>	<u>478,432</u>
Retained losses brought forward	3	<u>(2,100,779)</u>	<u>(2,579,211)</u>
Retained losses carried forward		<u>(1,880,287)</u>	<u>(2,100,779)</u>

The notes on pages 7 to 13 form part of these financial statements.

Balance Sheet

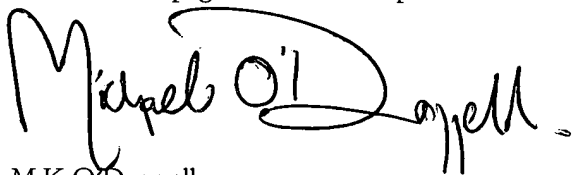
As at 30 September 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	5		1,890,185		2,175,138
Current assets					
Debtors	6	7,872,300		4,038,494	
Cash at bank		<u>3,317</u>		<u>20,174</u>	
		7,875,617		4,058,668	
Creditors: amounts falling due within one year	7	<u>(11,410,914)</u>		<u>(8,006,873)</u>	
Net current liabilities			<u>(3,535,297)</u>		<u>(3,948,205)</u>
			(1,645,112)		(1,773,067)
Provisions for liabilities					
Deferred tax	8		<u>(235,174)</u>		<u>(327,711)</u>
Net liabilities			<u>(1,880,286)</u>		<u>(2,100,778)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account			<u>(1,880,287)</u>		<u>(2,100,779)</u>
Shareholders' deficit			<u>(1,880,286)</u>		<u>(2,100,778)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 February 2017.

The notes on pages 7 to 13 form part of these financial statements.



M K O'Donnell
Director

Notes to the Financial Statements

For the year ended 30 September 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with new UK financial reporting Standards (FRS 102) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis. This is the first year the financial statements have been prepared under the new FRS 102 at the transition date of 1 October 2014. The principal accounting policies adopted in the preparation of the accounts are set out below and any changes restated in the previous year. The transitional movements are shown in note 3 to the accounts. All amounts are shown in pounds sterling.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which is dependent on the continuing financial and operational support of the ultimate parent company, Clipper Group Limited. Clipper Group Limited has indicated its intention to continue to provide such support for the foreseeable future. The group completed a refinancing in December 2016, providing access to additional monies for the group, including Greenford Facilities Limited. Accordingly, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

1.3 Disclosure exemptions

The company meets the definition of a qualifying entity under FRS102 as the results of the company are consolidated into Clipper Group Limited's financial statements which are publicly available. In accordance with FRS102 S1.12, the company has taken advantage of the exemptions in respect of the preparation of a cash flow statement.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover represents fees charged to other group companies for support services provided during the year.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term leasehold improvements	-	10 years
Fixtures and fittings	-	4 years

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Notes to the Financial Statements

For the year ended 30 September 2016

1.7 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.10 Significant judgements and estimates

Significant judgements and estimates relate to:

- Depreciation – judgement is applied to setting useful economic lives (see note 1.5)
- Intercompany loans – judgement is applied to determine the suitable market rate at which interest is charged

2. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	330,613	320,456
Operating lease rentals: land and buildings	<u>1,260,000</u>	<u>1,093,873</u>

During the year, no director received any emoluments (2015 - £NIL).

Auditor's fees in both the current and prior year are borne by other members of the group headed by Clipper Group Limited.

Rates liability - As a result of a strategic business review being undertaken within the Group, the company has reassessed its carrying value for Business Rates it believes will be payable. The adjustment of £1.18m arises from assuming no reduction in rateable value arising from an appeal and no value arising to the company or its tenants from other reliefs.

Notes to the Financial Statements

For the year ended 30 September 2016

3. Transition adjustment

	2015 £
Retained loss 1 October 2014	(1,428,300)
Intercompany loan interest	(1,150,911)
Restated retained loss 1 October 2014	(2,579,211)
Profit for the year 2015	243,482
Intercompany loan interest	234,950
Restated profit for the year 2015	478,432
Retained loss 1 October 2015	(1,184,818)
Opening balance adjustment	(1,150,911)
In year adjustment	234,950
Restated retained loss for the year	(2,100,779)

Interest on inter-company loans has been recalculated using a market value rate of 5%. The prior years have been restated and the impact on reserves brought forward is shown above.

4. Taxation

	2016 £	2015 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	129,806
Adjustments in respect of prior periods	16,381	-
Total current tax	16,382	129,806
Deferred tax (see note 8)		
Origination and reversal of timing differences	(43,381)	(48,711)
Effect of tax rate change on opening balance	(49,156)	-
Tax on profit on ordinary activities	(76,156)	81,095

Notes to the Financial Statements

For the year ended 30 September 2016

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20.0% (2015 – 20.5%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>144,336</u>	<u>559,527</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2015 – 20.5%)	28,867	114,703
Effects of:		
Expenses not deductible for tax purposes	58,265	(93,058)
Fixed asset differences	12,306	13,347
Group relief surrendered	(107,774)	-
Capital allowances in excess of depreciation	-	49,925
Adjustments to tax charge in respect of prior periods	16,381	-
Adjust closing deferred tax to average rate	(41,501)	-
Unexplained difference	-	(3,822)
Transfer pricing adjustments	<u>(42,700)</u>	<u>-</u>
Total tax (credit)/charge for the year (see note above)	<u>(76,156)</u>	<u>81,095</u>

5. Tangible fixed assets

	Short term leasehold improvements £	Fixtures and Fittings £	Total £
Cost			
At 1 October 2015	3,126,196	-	3,126,196
Additions	-	45,660	45,660
At 30 September 2016	<u>3,126,196</u>	<u>45,660</u>	<u>3,171,856</u>
Depreciation			
At 1 October 2015	-951,058	-	-951,058
Charge for the year	-322,234	-8,379	-330,613
At 30 September 2016	<u>-1,273,292</u>	<u>-8,379</u>	<u>-1,281,671</u>
Net book value			
At 30 September 2016	<u>1,852,904</u>	<u>37,281</u>	<u>1,890,185</u>
At 30 September 2015	<u>2,175,138</u>	<u>-</u>	<u>2,175,138</u>

Notes to the Financial Statements

For the year ended 30 September 2016

6. Debtors

	2016 £	2015 £
Prepayments and accrued income	3,997,704	3,361,261
Amounts owing from group undertakings	3,874,596	677,233
	<u>7,872,300</u>	<u>4,038,494</u>

7. Creditors

Amounts falling due within one year

	2016 £	2015 £
Trade creditors	341,284	54,639
Other taxation and social security	392	-
Accruals	3,010,126	5,181,887
Corporation tax	16,382	174,695
Amounts owed to group undertakings	8,042,730	2,595,652
	<u>11,410,914</u>	<u>8,006,873</u>

8. Deferred taxation

	2016 £	2015 £
At beginning of year	327,711	376,422
Charge for year	(92,537)	(48,711)
	<u>235,174</u>	<u>327,711</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>235,174</u>	<u>327,711</u>

Notes to the Financial Statements

For the year ended 30 September 2016

9. Share capital

	2016 £	2015 £
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10. Capital commitment

At 30 September 2016 the company had no capital commitments (2015: £NIL).

11. Operating lease commitments

At 30 September 2016 the company had commitments under non-cancellable operating leases in relation to land and buildings as follows:

	2016 £	2015 £
Less than one year	1,260,000	1,260,000
Two to five years	5,040,000	5,040,000
After more than five years	<u>977,000</u>	<u>1,260,000</u>

12. Related party transactions

The company has taken advantage of the exemption in FRS 102 paragraph 33.1A and has not disclosed transactions with group undertakings which are members of the Clipper Group Limited group and are wholly owned by a group member.

A management charge was incurred between Greenford Facilities Limited and GSM London Holdings Limited for £40,975 (2015: £50,000).

13. Contingent liabilities

A fixed and floating charge exists over the company's assets in connection with the borrowings of the Group headed by the ultimate parent company, Clipper Group Limited.

14. Ultimate parent undertaking and controlling party

At 30 September 2015 and 2016, the immediate parent company is GSM London Services Limited and the ultimate parent company is Clipper Group Limited (Company number 09094164). Sovereign Capital Limited Partnership III is considered to be the ultimate controlling party by virtue of its controlling shareholding.

Notes to the Financial Statements

For the year ended 30 September 2016

15. Post balance sheet events

In February 2014 the company entered into a lease with GSM Educational Trust Ltd (the Trust). Under the terms of the lease the Trust was responsible for the business rates due on the property from that point. Owing to a number of factors the business rates cost liability to the Trust was likely be significantly higher than both parties anticipated and beyond the resources of the Trust.

The trust surrendered the lease in January 2016 and as part of this arrangement the company has entered into a deed to indemnify the Trust for all Business Rates payable in respect of their tenancy up to a maximum of £827k. The provision for all amounts due under this arrangement up to 30 September 2016 have been provided within this set of accounts

Greenford Facilities Limited are actively looking for a commercial tenant for that part of the building vacated.