

REGISTERED NUMBER: 03688689 (England and Wales)

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2014  
for  
Maclellan International Limited

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for the Year Ended 31 December 2014

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Maclellan International Limited

Company Information  
for the Year Ended 31 December 2014

**DIRECTORS:**

B Melizan  
P Clark  
M Watson

**SECRETARY:**

S Pound

**REGISTERED OFFICE:**

Capital Tower  
91 Waterloo Road  
London  
SE1 8RT

**REGISTERED NUMBER:**

03688689 (England and Wales)

**AUDITOR:**

Grant Thornton UK LLP  
Chartered Accountants and  
Statutory Auditor  
London  
United Kingdom

Strategic Report  
for the Year Ended 31 December 2014

The company's principal activity is the business of providing facilities management services to the commercial, retail and industrial market sectors. Offerings include; office cleaning contracts, retail store cleaning, shopping centre management and out of town retail park management, PFI buildings maintenance and various facilities management services to traditional automotive and industrial clients.

**REVIEW OF BUSINESS**

The results for the year ended 31 December 2014 are set out in the financial statements. Turnover decreased by 36% from £30.9m to £19.7m in 2014 largely due to the continued integration of Maclellan into the Interserve group; new contracts are being tendered as Interserve (Facilities Management) Limited, a fellow subsidiary company.

The year shows an operating profit of £1.5m (2013: £1.4m).

Results of Maclellan International Limited Irish branch are included within the results of Maclellan International Limited.

Financial performance is assessed through the key measures of turnover and operating profit, as mentioned above and reported in the profit and loss statement.

Interserve Plc Group manages its operations on a divisional basis, further information can be found in the Interserve Plc financial statements. For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

There were no other major changes in the business or development of new markets. No significant post balance sheet events have been noted.

Strategic Report  
for the Year Ended 31 December 2014

**PRINCIPAL RISKS AND UNCERTAINTIES**

**FINANCIAL RISK MANAGEMENT**

The directors have reviewed the financial risk management objectives and policies of the company; where there is a significant exposure to financial risks, the group policy laid down by the parent company, Interserve plc, is followed. The company does not as a regular policy enter into hedging instruments, as there is not believed to be any material exposure. It does not enter into any speculative financial instruments.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms along with the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall Interserve plc financing arrangements.

**INFLATION RISK**

A proportion of the company's revenue and costs are linked to inflation, resulting in the some of the company being relatively insensitive to inflationary risk.

**LIQUIDITY RISK**

The company adopts a prudent approach to liquidity management by maintaining sufficient cash and liquid resources to meet its obligations. Due to the nature of its contracts, cash flows are reasonably predictable and so this is not a major risk area for the company.

**CREDIT RISK**

The company receives much of its revenue from government departments and large commercial and retail organisations and therefore is not exposed to significant credit risk. Appropriate credit management policies are in place to mitigate risk deriving from business with the private sector.

**FINANCE AND FOREIGN EXCHANGE RISK**

The ultimate parent company manages both interest rate risk and exchange rate risk through the group treasury department using various methods including swaps and hedges and these are disclosed in the group accounts.

Group risks are discussed in the group's annual report which does not form part of these financial statements.

**ON BEHALF OF THE BOARD:**



M Watson - Director

8 May 2015

Report of the Directors  
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

**DIVIDENDS**

No dividends were paid during the year (2013: £nil). No final dividend was proposed (2013: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

B Melizan  
P Clark

Other changes in directors holding office are as follows:

M Watson - appointed 9 September 2014  
S Ashdown - resigned 5 September 2014

Interests in shares and options to purchase shares, of those directors who are also directors of Interserve Plc are disclosed in the accounts of Interserve Plc. As at the date of this report and during the year ended 31 December 2014, no indemnities are in force for the directors of this company.

**GOING CONCERN**

Due to the current economic conditions there are inherent and future uncertainties that may impact the business. As explained in note 1, the directors have concluded that the company has adequate resources to continue in existence for the foreseeable future, and for this reason continue to adopt the going concern basis in preparing the accounts. The directors also note the continued integration of the MacLellan business into the Interserve group, and the impact this is expected to have on future levels of trade. The directors have concluded that this integration will not affect the ability of the company to continue in existence for the foreseeable future.

**EMPLOYEES**

The company has no employees. The services of operatives and administrative personnel are provided by a fellow subsidiary company.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Report of the Directors  
for the Year Ended 31 December 2014

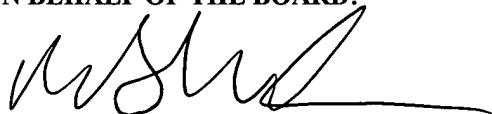
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors is aware of that information.

**AUDITOR**

Grant Thornton UK LLP were appointed auditors on 9 July 2014 to fill a casual vacancy in accordance with s485(3) of the Companies Act 2006. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting to be held on 12 May 2015.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'M Watson', with a long horizontal line extending to the right.

M Watson - Director

8 May 2015

Independent Auditor's Report to the Members of  
Maclellan International Limited

We have audited the financial statements of Maclellan International Limited for the year ended 31 December 2014 on pages seven to seventeen which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and related notes 1 to 22. 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).

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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors 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
- 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.



Philip Westerman (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants and  
Statutory Auditor  
London  
United Kingdom

8 May 2015



Profit and Loss Account  
for the Year Ended 31 December 2014

	Notes	2014 £'000	2013 £'000
<b>TURNOVER</b>	2	19,687	30,895
Cost of sales		(17,703)	(28,296)
<b>GROSS PROFIT</b>		1,984	2,599
Administrative expenses		(523)	(1,246)
<b>OPERATING PROFIT</b>	5	1,461	1,353
Interest receivable and similar income	6	417	228
		1,878	1,581
Interest payable and similar charges	7	(90)	(40)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,788	1,541
Tax on profit on ordinary activities	8	(373)	(446)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>1,415</u>	<u>1,095</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

Statement of Total Recognised Gains and Losses  
for the Year Ended 31 December 2014

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,415	1,095
Profit / (Loss) on translation of foreign currency operations	<u>-</u>	<u>(1)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><u>1,415</u></u>	<u><u>1,094</u></u>

Balance Sheet  
31 December 2014

	Notes	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	61	55
Investments	10	<u>-</u>	<u>-</u>
		<u>61</u>	<u>55</u>
<b>CURRENT ASSETS</b>			
Stocks	11	51	54
Debtors	12	3,819	9,093
Cash in hand		<u>14,251</u>	<u>10,414</u>
		18,121	19,561
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(6,144)</u>	<u>(8,855)</u>
<b>NET CURRENT ASSETS</b>		<u>11,977</u>	<u>10,706</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,038	10,761
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(5,526)	(5,526)
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(228)</u>	<u>(366)</u>
<b>NET ASSETS</b>		<u>6,284</u>	<u>4,869</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	600	600
Profit and loss account	18	<u>5,684</u>	<u>4,269</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u>6,284</u>	<u>4,869</u>

The financial statements were approved by the Board of Directors on 8 May 2015 and were signed on its behalf by:



M Watson - Director

Notes to the Financial Statements  
for the Year Ended 31 December 2014

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards in the United Kingdom. These have been applied consistently throughout the current and prior years.

**Preparation of consolidated financial statements**

In accordance with the provisions of Section 400 of The Companies Act 2006 the company is exempt from the obligation to prepare and deliver group accounts as the company is included in the audited consolidated accounts of its ultimate parent undertaking, Interserve Plc, which is incorporated in Great Britain and registered in England and Wales. Accordingly, these financial statements present information about the company as an individual undertaking and not as a group.

**Financial Reporting Standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**Turnover**

Turnover represents sales to customers, excluding value added tax, and arises from the principal activities of the company. Turnover is recognised on completion of the contracted services.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Over the period of the lease
Plant and machinery	- 3 to 5 years
Fixtures and fittings	- 3 to 5 years
Computer equipment	- 3 to 5 years

**Stocks**

Stocks, which comprise materials held for use on contracts, are stated at the lower of cost and net realisable value.

**Current tax**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

In accordance with Financial Reporting Standard 19 'Deferred Tax', deferred tax is provided in full on timing differences which represent an asset or liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign exchange**

The trading results of overseas branches are translated into sterling at average rates of exchange ruling through the relevant period. The net assets of overseas branches are expressed in sterling at the rates of exchange ruling at the balance sheet date. Differences on exchange arising from the opening net assets of overseas branches are taken to reserves. Exchange differences arising in the normal course of trading and on the translation of monetary assets and liabilities are dealt with in the profit and loss.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

**1. ACCOUNTING POLICIES - continued**

**Share based payments**

The ultimate parent, Interserve plc, issues equity settled share based payments to certain employees of the group. The fair value determined at the grant date is expensed by the group on a straight line basis over the vesting period, based on the group's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate valuation model (Black Scholes or Stochastic depending on the characteristics of the individual grants). Further details can be found in note 29 of the 2014 Interserve Plc financial statements.

Interserve Plc recharges to the company the fair value of grants made to employees of the company.

The company has applied the accounting requirements of FRS 20 'Share based Payment'. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were not fully vested as of 1 January 2008.

**Fixed asset investments**

Fixed asset investment is shown at cost less provision for impairment.

**Leases**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

The costs of operating leases are charged to the profit and loss account as they accrue.

**Going concern**

Due to the current economic conditions there are inherent and future uncertainties that may impact the business. The directors have concluded that the company has adequate resources to continue in existence for the foreseeable future, and for this reason continue to adopt the going concern basis in preparing the accounts. The directors also note the continued integration of the MacLellan business into the Interserve group, and the impact this is expected to have on future levels of trade. The directors have concluded that this integration will not affect the ability of the company to continue in existence for the foreseeable future.

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2014	2013
	£'000	£'000
United Kingdom	19,687	30,895
	<u>19,687</u>	<u>30,895</u>

**3. STAFF COSTS**

The company has no employees (2013: nil). Since July 2004 the services of operatives on contracts has been provided by a fellow subsidiary company with associated costs being recharged to the company. Accordingly the average number of persons employed by the company (including directors) during the year was nil (2013: nil) and staff costs incurred during the year (including directors) was nil (2013: nil).

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

**4. DIRECTORS' EMOLUMENTS**

As in 2013, the remaining statutory directors were remunerated through other companies in the Interserve group for 2014.

Mr Melizan is a director of the ultimate parent company, Interserve plc, and his remuneration for services to the group as a whole are disclosed in the accounts of that company.

Messrs Clark, Watson and Ashdown were remunerated for their services to the group by Interservefm Ltd. It is not considered practicable to allocate their remuneration between the companies of which they are directors.

No directors are members of a defined benefit pension scheme (2013: no directors).

**5. OPERATING PROFIT**

Profit on ordinary activities before taxation is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation on owned assets	81	36
Operating lease rentals:		
- Land and buildings	42	55
- Plant and machinery	-	-
- Other	179	236
Hire of plant and machinery	2	49
Other hire	8	18
Remuneration payable to auditor:		
- Fees payable to the company's auditor for the annual audit of the company's accounts *	-	-
- Fees payable to the company's auditor for other services	-	-

\* Fees of £6k have been borne by Interservefm Limited for 2014 (2013: £6k).

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Group interest income	<u>417</u>	<u>228</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable	<u>90</u>	<u>40</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
UK corporation tax	315	375
Prior year Tax Adjustment	<u>(123)</u>	<u>(86)</u>
Total current tax	<u>192</u>	<u>289</u>
Deferred tax:		
Deferred tax - current year	80	77
Deferred tax - prior period adjustment	<u>101</u>	<u>80</u>
Total deferred tax	<u>181</u>	<u>157</u>
Tax on profit on ordinary activities	<u><u>373</u></u>	<u><u>446</u></u>

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	<u>1,788</u>	<u>1,541</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	384	358
Effects of:		
Expenses not deductible for tax purposes	17	8
Capital allowances in excess of depreciation	(86)	-
Depreciation in excess of capital allowances	-	9
Adjustments to tax charge in respect of previous periods	<u>(123)</u>	<u>(86)</u>
Current tax charge	<u><u>192</u></u>	<u><u>289</u></u>

**Factors that may affect future tax charges**

The UK corporation tax rate reduced from 24% to 23% with effect from 1 April 2013. Further tax rate reductions to 21% with effect from 1 April 2014 and 20% from 1 April 2015 were substantively enacted on 2 July 2013. The rate of 20% is used for the calculation of the deferred tax position as at 31 December 2014 on the basis that it will materially reverse after 1 April 2015.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

**9. TANGIBLE FIXED ASSETS**

	Long leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>					
At 1 January 2014	-	1,748	90	286	2,124
Additions	84	-	-	6	90
Disposals	-	(2)	-	(1)	(3)
At 31 December 2014	84	1,746	90	291	2,211
<b>DEPRECIATION</b>					
At 1 January 2014	-	1,709	82	278	2,069
Charge for year	46	22	8	5	81
At 31 December 2014	46	1,731	90	283	2,150
<b>NET BOOK VALUE</b>					
At 31 December 2014	38	15	-	8	61
At 31 December 2013	-	39	8	8	55

**10. FIXED ASSET INVESTMENTS**

	Subsidiary undertakings and loans £'000	Other Investments £'000	Total £'000
<b>Cost</b>			
At 1 January 2014	43	11	54
At 31 December 2014	43	11	54
<b>Provision for impairment</b>			
At 1 January 2014	(43)	(11)	(54)
At 31 December 2014	(43)	(11)	(54)
<b>Net book value</b>			
At 31 December 2013 and 31 December 2014	-	-	-

The company owns directly or indirectly 100% of the voting and equity share capital of the following companies, all of which are incorporated in Great Britain and registered in England and Wales.

Company	Nature of business
Maclellan Limited	Facilities management services
Maclellan International Airport Services Limited	Airport support services
Excellence Support Services Limited	Dormant
Two Flags Connect Business Services Limited *	Dormant

\*held through subsidiary undertakings

No consolidated financial statements have been prepared as the company is a wholly owned subsidiary of a company incorporated in the United Kingdom accordingly these financial statements provide information about the individual company and not about its group.



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

**11. STOCKS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Stocks	<u>51</u>	<u>54</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	1,481	2,465
Amounts owed by group undertakings	1,061	4,323
Other debtors	40	-
Deferred tax asset	397	578
Prepayments and accrued income	<u>840</u>	<u>1,727</u>
	<u>3,819</u>	<u>9,093</u>

**Deferred Tax  
£'000**

At 1 January 2014	578
Profit and loss account charge	<u>(181)</u>
At 31 December 2014 (note 12)	<u>397</u>

The deferred tax asset represents unclaimed capital allowances. The directors expect that these capital allowances will be utilised in future periods.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,125	2,092
Amounts owed to group undertakings	2,981	3,862
Corporation tax	230	287
Social security and other taxes	485	416
Other creditors	118	309
Accruals and deferred income	<u>1,205</u>	<u>1,889</u>
	<u>6,144</u>	<u>8,855</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<u>5,526</u>	<u>5,526</u>

The intercompany loan exists with Interserve Finance Limited. Interest is charged and the loan is not repayable until February 2017.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

15. **OPERATING LEASE COMMITMENTS**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other operating leases</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expiring:				
Within one year	-	8	18	13
Between one and five years	<u>96</u>	<u>96</u>	<u>7</u>	<u>6</u>
	<u>96</u>	<u>104</u>	<u>25</u>	<u>19</u>

16. **PROVISIONS FOR LIABILITIES**

	<b>Fair value</b>	<b>Property</b>	<b>Insurance</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 January 2014	-	91	275	366
Profit and loss account charge	-	31	-	31
Utilised in year	<u>-</u>	<u>(61)</u>	<u>(108)</u>	<u>(169)</u>
At 31 December 2014	<u>-</u>	<u>61</u>	<u>167</u>	<u>228</u>

The property provision relates to dilapidation and onerous lease costs in respect of leased properties, and is expected to be utilised within the next year. The insurance provision represents management's best estimate of the company's liability under public liability insurance claims, based on past experience and expected future claims.

17. **CALLED UP SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Allotted, issued and fully paid: 600,000 ordinary shares of £1 each	<u>600</u>	<u>600</u>

18. **RESERVES**

	<b>Profit and loss account £'000</b>
At 1 January 2014	4,269
Profit on ordinary activities after taxation	<u>1,415</u>
	<u>5,684</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

**19. ULTIMATE PARENT COMPANY**

The company's immediate parent company is MacLellan Group Limited. The company's ultimate parent company and controlling party, and parent company of the largest and smallest group which includes the company and for which group financial statements are prepared, is Interserve Plc, a company incorporated in Great Britain and registered in England and Wales.

The consolidated financial statements of Interserve plc are available to the public and may be obtained from Capital Tower, 91 Waterloo Road, London SE1 8RT. No other group financial statements include the results of the company.

**20. CONTINGENT LIABILITIES**

At 31 December 2014 there were contingent liabilities in respect of guarantees given in the ordinary course of business. The company has given guarantees covering banking facilities made available to its ultimate parent and fellow subsidiary undertakings. At 31 December 2014 these amounted to £358,999,000 (2013: £100,397,000).

**21. RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption under Financial Reporting Standard 8 and not disclosed transactions with group undertakings as it is a wholly owned subsidiary of Interserve plc.

**22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	1,415	1,095
Other recognised gains and losses relating to the year (net)	-	(1)
<b>Net addition to shareholders' funds</b>	<b>1,415</b>	<b>1,094</b>
Opening shareholders' funds	<u>4,869</u>	<u>3,775</u>
<b>Closing shareholders' funds</b>	<b><u>6,284</u></b>	<b><u>4,869</u></b>