

# **Axiom Services Limited**

(Registered Number: 05072628)

## **Annual Report**

**For The Year Ended 31 December 2008**

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# **Axiom Services Limited**

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# **Axiom Services Limited**

## **Directors And Advisors**

### **Directors**

T R Riddell  
P D Greenslade

### **Secretary**

R A Bird  
International House  
1 St Katharine's Way  
London  
E1W 1UT

### **Registered office**

International House  
1 St Katharine's Way  
London  
E1W 1UT

### **Registered auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London  
WC2N 6RH

### **Bankers**

The Royal Bank of Scotland plc  
280 Bishopsgate  
London  
EC2M 4RB

### **Solicitors**

Osborne Clarke  
One London Wall  
London  
EC2Y 5EB

# **Axiom Services Limited**

## **Directors' Report For The Year Ended 31 December 2008**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

### **Principal activities**

The company acts as a financing company to other group companies.

### **Review of business and future developments**

On 2 July 2004 the company entered into a facility agreement to assist a fellow subsidiary in the acquisition of the Axiom business from Aon Limited and continued in this capacity throughout 2008. Axiom Services Limited was sold on 7th May 2009 together with all other companies in the Axiom Holdings Limited group to Charles Taylor Consulting plc as described in note 14 to these financial statements.

### **Principal risks and uncertainties**

The directors of Axiom Holdings Limited, the ultimate and immediate parent company, manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the company's business.

The principal risks and uncertainties of Axiom Holdings Limited, which include those of the company, are discussed on page 4 of the group's annual report which does not form part of this report.

### **Going concern**

Charles Taylor Consulting plc; the new ultimate controlling party of Axiom Services Limited following the sale of the company on 7<sup>th</sup> May 2009 as described in note 14 to these Financial Statements, have confirmed their intention and ability to support the company. These financial statements have therefore been prepared on a going concern basis as the Directors believe that this support will enable the company to meet its future liabilities as they fall due for a period of at least 12 months from the date of this report.

### **Results and dividends**

The company made no gain or loss for the year before tax (2007: £nil) the details of which are set out on page 7.

The directors do not recommend the payment of a final dividend on the ordinary shares of the company (2007: £nil).

### **Directors**

The directors who held office during the year and up to the date of signing these financial statements were:

T R Riddell  
P D Greenslade

# **Axiom Services Limited**

## **Directors' Report For The Year Ended 31 December 2008 (Continued)**

### **Financial risk factors**

#### **Interest risk**

Axiom Services Limited acts as a financing company within the Axiom group, with Axiom Services Limited holding a variable rate banking facility and as such is exposed to the risk of fluctuating interest rates. Should the company consider there may be a significant fluctuation in interest rates they will seek to mitigate this risk as appropriate.

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

## **Axiom Services Limited**

### **Directors' Report For The Year Ended 31 December 2008 (Continued)**

#### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that, so far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the Board



P D Greenslade  
Finance Director

22/10/ 2009

## **Independent Auditors' Report To The Members Of Axiom Services Limited**

We have audited the financial statements of Axiom Services Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Directors and Advisors and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent Auditors' Report To The Members Of Axiom Services Limited** (Continued)

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its result and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

28 October 2009



## Axiom Services Limited

### Profit and Loss Account For The Year Ended 31 December 2008

	<b>Note</b>	<b>2008</b> £	<b>2007</b> £
Administrative expense		-	-
Other operating income	2	50,976	50,976
<b>Operating profit</b>	2	50,976	50,976
Interest payable and similar charges	3	(50,976)	(50,976)
<b>Result of ordinary activities before taxation</b>		-	-
Tax on result on ordinary activities	4	-	-
<b>Result for the year</b>	9	-	-

The above results relate to the continuing operations of the company.

There were no recognised gains or losses for the current year or prior financial year other than as stated in the profit and loss account, and therefore no separate statement of total recognised gains or losses has been presented.

There is no difference between the result on ordinary activities before taxation and result for the years stated above and its historical cost equivalents.

# Axiom Services Limited

## Balance sheet as at 31 December 2008

	Note	2008	2007
		£	£
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	5	6,278,440	7,377,464
		6,278,440	7,377,464
Creditors: amounts falling due within one year	6	(6,323,453)	(7,422,477)
<b>Net current assets</b>		(45,013)	(45,013)
<b>Total assets less current liabilities</b>		(45,013)	(45,013)
Creditors: amounts falling due after more than one year	7	(4,145)	(4,145)
<b>Net liabilities</b>		(49,158)	(49,158)
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	(49,159)	(49,159)
<b>Total shareholders' deficit</b>	10	(49,158)	(49,158)

The financial statements on pages 7 to 14 were approved by the board of directors on 22/10/ 2009 and were signed on its behalf by:



P D Greenslade  
Finance Director

# **Axiom Services Limited**

## **Notes to the Financial Statements for the year ended 31 December 2008**

### **1 Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and the Companies Act 1985, under the historical cost convention. The accounting policies have been applied consistently, as detailed below.

#### **Basis of preparation and going concern**

Charles Taylor Consulting plc, the new ultimate controlling party of Axiom Services Limited following the sale of the company on 7<sup>th</sup> May 2009 as described in note 14 to these Financial Statements, have confirmed their intention and ability to support the company. These financial statements have therefore been prepared on a going concern basis as the Directors believe that this support will enable the company is able to meet its future liabilities as they fall due for a period of at least 12 months from the date of this report.

#### **Cash flow statement**

The company has taken advantage of the exemption not to prepare a cash flow statement under Financial Reporting Standard 1 (revised, 1996). The company is a wholly owned subsidiary of Axiom Holdings Limited whose consolidated financial statements and a group cash flow statement, including a group cash flow statement, are publicly available.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date and that result in an obligation to pay more tax in the future or right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Finance costs and debt**

Finance costs of debt are recognised in the profit and loss account over the term of the debt at a constant rate on the carrying value. Debt is initially stated at the amount of net proceeds after deduction of issue costs. The carrying value is increased by the finance costs in respect of the accounting period.

#### **Directors and employees**

The directors did not receive any remuneration in respect of services to Axiom Services Limited, and the company had no employees during either period.

## Axiom Services Limited

### Notes to the Financial Statements for the year ended 31 December 2008

(Continued)

#### 2 Operating profit

	2008 £	2007 £
Operating profit is stated after crediting:		
Other operating income	(50,976)	(50,976)
Auditors' remuneration - audit services	-	-

Other operating income consists entirely of recharged interest payable by Axiom Consulting Limited, a fellow subsidiary company.

Auditors' remuneration in respect of the company was borne by Axiom Consulting Limited, a fellow subsidiary company.

#### 3 Interest payable and similar charges

	2008 £	2007 £
Amortisation of capitalised bank loan facility costs	50,976	50,976
	50,976	50,976

The interest on bank loans within the year has been borne by Axiom Consulting Limited, a fellow subsidiary company.

#### 4 Tax on ordinary activities

	2008 £	2007 £
Taxation on the result for the year:		
UK corporation tax at 28.5% (2007: 30%)	-	-
Total deferred taxation	-	-
<b>Tax on result of ordinary activities</b>	-	-

The tax assessed for the year is equal to the standard rate of corporation tax in the UK (28.5%) applied to the pre-tax result of the company. The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the Company's profits for the accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

At 31 December 2008 there is a £14,748 (2007: £14,748) unrecognised deferred tax asset in respect of tax losses. The asset has not been recognised as the company has no track record of sustained profitability.

# Axiom Services Limited

## Notes to the Financial Statements for the year ended 31 December 2008

(Continued)

### 5 Debtors

	2008 £	2007 £
<b>Amount falling due after more than one year</b>		
Amounts owed by group undertaking	6,278,440	7,377,464
	<b>6,278,440</b>	<b>7,377,464</b>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand, although the directors of the various Axiom group companies have stated their intention not to demand repayment of the above balance for a period of at least one year from the signing of these financial statements.

### 6 Creditors – amounts falling due within one year

	2008 £	2007 £
Bank loan (see below)	6,323,453	7,422,477
	<b>6,323,453</b>	<b>7,422,477</b>

#### Loan facilities

	2008 £	2007 £
Facility A Tranche 1	3,850,000	5,100,000
Facility B	2,500,000	2,500,000
	<b>6,450,000</b>	<b>7,600,000</b>

	2008 £	2007 £
<b>Analysis of loans:</b>		
Falling due within one year	1,950,000	1,800,000
Falling due within two to five years	4,500,000	5,800,000
Total facilities outstanding	6,450,000	7,600,000
Loan facilities issue expenses	(126,547)	(177,523)
	<b>6,323,453</b>	<b>7,422,477</b>
Current bank loans (see above)	<b>(6,323,453)</b>	<b>(7,422,477)</b>

# Axiom Services Limited

## Notes to the Financial Statements for the year ended 31 December 2008

(Continued)

### 6 Creditors – amount falling due within one year (Continued)

On 2 July 2004, the company entered into a Facility Agreement with the Royal Bank of Scotland relating to:

- i) a multi-currency Sterling loan facility of £9,000,000 (Facility A);
- ii) a Sterling term loan facility of £2,500,000 (Facility B); and
- iii) a multi-currency revolving loan and guarantee facility of £1,000,000 (incorporating an optional overdraft facility).

Facility A terminates on 2 July 2011 and reduces on 30 June and 31 December each year until termination by amounts varying between £500,000 and £900,000. Current and prior year movements are detailed below.

Facility A reduced by a total of £1,600,000 to £7,400,000 in 2005, further reduced by a total of £1,800,000 to £5,600,000 in 2006 and reduced by another £500,000 to £5,100,000 in October 2007. There were no movements in 2008.

Facility B terminates on 2 July 2012 and reduces to £1,250,000 on 31 December 2011.

Interest is payable at floating rates with margins of between 1.5% and 2.25% on LIBOR. The interest payable within the year has been borne by Axiom Consulting Limited, a fellow subsidiary company. As banking covenants had been breached at the 31 December 2008, all bank debt is shown as current as it is payable on demand

### 7 Creditors – amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	4,145	4,145
	4,145	4,145

Amounts owed to group undertakings are unsecured, interest free and repayable on demand, although it has been stated that the above balance will not be demanded for a period of at least one year from the signing of these financial statements.

### 8 Called up share capital

	2008 £	2007 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
1 (2007: 1) ordinary share of £1 each	1	1

# Axiom Services Limited

## Notes to the Financial Statements for the year ended 31 December 2008

(Continued)

### 9 Reserves

	Profit and loss account £
At 1 January 2008	(49,159)
Result for the year	-
<b>At 31 December 2008</b>	<b>(49,159)</b>

### 10 Reconciliation of movement in shareholders' deficit

	2008 £	2007 £
Result for the year	-	-
Opening shareholders' deficit	(49,158)	(49,158)
<b>Closing shareholders' deficit</b>	<b>(49,158)</b>	<b>(49,158)</b>

### 11 Related party transactions

A As the company is a wholly owned subsidiary of Axiom Financing Limited, 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 statements of Axiom Holdings Limited, within which the company is included, can be obtained from the address given in note 12.

There were no other related party transactions.

### 12 Ultimate and immediate parent company

The immediate parent company is Axiom Financing Limited, a company registered in England and Wales. Until 7 May 2009 the ultimate parent company was Axiom Holdings Limited, a company registered in England and Wales. Copies of the Axiom Holdings Limited group financial statements are available from Lloyds Chambers, 1 Portsoken Street, London, E1 8BT.

The directors consider the ultimate parent company to be Charles Taylor Consulting plc, a company registered in England and Wales which acquired the company on 7th May 2009.

## **Axiom Services Limited**

### **Notes to the Financial Statements for the year ended 31 December 2008**

(Continued)

#### **13 Contingent Liabilities**

The company is a participant in a group banking arrangement involving debentures and cross-guarantees with fixed charges over the major contracts. The company's assets have been secured under a composite group cross-guarantee and debenture as part of this agreement dated 14 July 2004. The total value of the secured banking arrangement as at 31 December 2008 is £6,450,000 (2007: £7,600,000).

The bank facilities have been advanced to Axiom Holdings Limited and all of its UK based subsidiaries.

#### **14 Post Balance Sheet event**

The Company and all subsidiary companies of Axiom Holdings limited were sold to Charles Taylor Consulting plc on 7th May 2009 when 100% of the share capital of Axiom Holdings Limited was sold for a maximum payment of £7.85m on a debt free basis and Axiom Services Limited was included in this sale as part of the group. The terms of the sale involved £6.0m to repay bank debt and £0.25m for 100% of the shares in Axiom Holdings limited, the 100% owner of Axiom Financing Limited. The remaining £1.6m is payable to the bank (£0.575) and loan note holders (£1.025m) dependent on revenue in 2009. The £0.575m payable to the Bank is in full and final settlement of all principal and interest liabilities of the loans shown in note 6 to these accounts.