

# **ABM International (Holdings) Limited**

Strategic Report, Directors' Report and Financial  
Statements

Year Ended

31 October 2017

Company Number 09234078

# ABM International (Holdings) Limited

Strategic report, directors' report and financial statements  
for the year ended 31 October 2017

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### Directors

M Bindeman  
W D Stephens

### Registered office

George House, 75-83 Borough High Street, London SE1 1NH

### Company number

09234078

### Auditor

KPMG LLP  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR

### Legal form

Private company limited by shares

### Country of incorporation

England & Wales

# ABM International (Holdings) Limited

## Strategic report for the year ended 31 October 2017

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The directors present their Strategic report together with the audited financial statements for the year ended 31 October 2017.

### Principal activities

The company is a wholly owned subsidiary of ABM UK Investments 2 LP, registered in England and Wales.

The company's principal activity is a holding company. The company has loan notes listed on the Bermuda Stock Exchange.

### Results

The profit and loss account and other comprehensive income is set out on page 7 and shows the loss for the year.

### Post balance sheet events

On 31 January 2018, ABM OnSite Services - Canada ULC made a dividend distribution of CAD 6,365,000 (CAD 6,700,000 net of tax withholding of CAD 335,000) to ABM International (Holdings) Limited which converts to £3,645,872 at the spot rate of £0.5728 to each CAD. The dividend from ABM OnSite Services – Canada ULC received on 31 January 2018 was then paid via an interim dividend totalling £3,645,872 to the shareholders of ABM International (Holdings) Limited.

Also, on 31 January 2018, Omni Serv Limited made a dividend distribution of £9,000,000 to ABM International (Holdings) Limited.

### Directors

The directors of the company were:

E Patterson	(resigned 31 October 2017)
A Donnell	(resigned 30 April 2018)
M Bindeman	
W D Stephens	(appointed 31 October 2017)

On behalf of the board



M Bindeman  
Director

George House, 75-83 Borough High Street, London SE1 1NH

Date: 27 July 2018

# ABM International (Holdings) Limited

## Directors' report for the year ended 31 October 2017

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The directors present their Directors' report together with the audited financial statements for the year ended 31 October 2017.

### Proposed dividend

The directors do not recommend the payment of a dividend (2016: nil).

### Political contributions

The Company made no political donations or incurred any political expenditure during the year (2016: none).

### Disclosure of information to the auditor

The directors as at the date of this report has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

### Statement of directors' responsibilities in respect of the Strategic report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 its profit or loss for that period. In preparing the 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;
- 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 enable them to ensure that its 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

# ABM International (Holdings) Limited

Directors' report  
for the year ended 31 October 2017 (*continued*)

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## Auditor

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

On behalf of the board



M Bindeman  
Director

George House, 75-83 Borough High Street, London SE1 1NH

Date: 27 July 2018

# ABM International (Holdings) Limited

## Independent auditor's report to the members of ABM International (Holdings) Limited

### 1 Our opinion is unmodified

We have audited the financial statements of ABM International (Holdings) Limited ("the Company") for the year ended 31 October 2017 which comprise the profit and loss account and other comprehensive income, statement of financial position, statement of changes in equity, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 October 2017 and of its loss 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

We were appointed as auditor by the directors on 9 April 2018. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. No non-audit services prohibited by that standard were provided.

### 2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We summarise below the key audit matters:

	The risk	Our response
<b>Recoverability of investments in subsidiaries</b> (£113.1 million; 2016: £113.1 million)	<b>Medium risk, high value:</b> The carrying amount of the Company's investments in subsidiaries represents 99.4% (2016: 99.6%) of the Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the financial statements, this is considered to be the area that had the greatest effect on our overall audit.	Our procedures included: <b>Tests of detail:</b> Performing an indicator of impairment assessment of material investments by assessing the net assets of the subsidiaries and assessing whether those subsidiaries have historically been profit making. For the investments where an indicator of impairment was identified, comparing the carrying amount of the investment with the expected value of the business based upon a discounted cash flow model. <b>Historical comparisons:</b> Assessing the reasonableness of the forecasts used in the discounted cash flow model by considering the historical accuracy of previous budgets.

# ABM International (Holdings) Limited

## Independent auditor's report to the members of ABM International (Holdings) Limited (*continued*)

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### 3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £1,950,000 (2016: £2,000,000), determined with reference to a benchmark of net assets of £39.7 million (2016: £43.3 million), of which it represents 4.9% (2016:4.6%).

We agreed to report to the Board of Directors any corrected or uncorrected identified misstatements exceeding £97,500 (2016: £100,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed remotely from our offices in Cambridge.

### 4 We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### 5 We have nothing to report on the other information in the Strategic report and directors' report

The directors are responsible for the other information presented in the Strategic report and Directors' report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

#### *Strategic report and Directors' report*

Based solely on our work on the other information:

- 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.

### 6 We have nothing to report on the other 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:

- adequate accounting records have not been kept by the Company, 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.

### 7 Respective responsibilities

#### *Directors' responsibilities*

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements including 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](http://www.frc.org.uk/auditorsresponsibilities).

# ABM International (Holdings) Limited

Independent auditor's report to the members of ABM International (Holdings) Limited (*continued*)

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## 8 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.



**Kelly Dunn (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR

Date: 27 July 2018



# ABM International (Holdings) Limited

## Profit and loss account and other comprehensive income for the year ended 31 October 2017

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	Note	1 November 2016 to 31 October 2017 £	1 November 2015 to 31 October 2016 £
Interest payable	6	(3,694,971)	(3,180,608)
Income from shares in group undertakings		-	1,247,077
<b>Loss before tax</b>		<b>(3,694,971)</b>	<b>(1,933,531)</b>
Tax on loss	7	119,594	509,931
<b>Loss after tax and total comprehensive loss for the year</b>		<b>(3,575,377)</b>	<b>(1,423,600)</b>

The notes on pages 10 to 15 form part of these financial statements.

# ABM International (Holdings) Limited

## Statement of financial position at 31 October 2017

<i>Company number 09234078</i>	Note	31 October 2017 £	31 October 2016 £
<b>Fixed assets</b>			
Investments	8	113,055,738	113,055,738
<b>Current assets</b>			
Cash at bank and in hand		1	1
Deferred tax asset		629,525	509,931
<b>Creditors: amounts falling due within one year</b>	9	(51,101)	(51,101)
<b>Net current assets</b>		<u>578,425</u>	<u>458,831</u>
<b>Total assets less current liabilities</b>		113,634,163	113,514,569
<b>Creditors: amounts falling due after more than one year</b>	10	(73,933,462)	(70,238,491)
<b>Net assets</b>		<u>39,700,701</u>	<u>43,276,078</u>
<b>Capital and reserves</b>			
Called up share capital		201	201
Share premium		44,723,265	44,723,265
Profit and loss account		(5,022,765)	(1,447,388)
<b>Shareholders' funds</b>		<u>39,700,701</u>	<u>43,276,078</u>

The financial statements were approved by the Board of Directors on 27 July 2018 and were signed on its behalf by:



M Bindeman  
Director

The notes on pages 10 to 15 form part of these financial statements.

# ABM International (Holdings) Limited

## Statement of changes in equity for the year ended 31 October 2017

	Share capital £	Share premium £	Profit and loss account £	Total equity £
<b>At 1 November 2015</b>	1	1	(23,788)	(23,787)
<b>Changes in Equity</b>				
Issue of shares	200	44,723,265	-	44,723,465
Total comprehensive loss for the year	-	-	(1,423,600)	(1,423,600)
<b>At 31 October 2016</b>	<b>201</b>	<b>44,723,466</b>	<b>(1,447,388)</b>	<b>43,276,078</b>
<b>At 1 November 2016</b>	201	44,723,466	(1,447,388)	43,276,078
<b>Changes in Equity</b>				
Total comprehensive loss for the year	-	-	(3,575,377)	(3,575,377)
<b>At 31 October 2017</b>	<b>201</b>	<b>44,723,466</b>	<b>(5,022,765)</b>	<b>39,700,701</b>

The notes on pages 10 to 15 form part of these financial statements.

# ABM International (Holdings) Limited

## Notes forming part of the financial statements for the year ended 31 October 2017

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### 1 Accounting policies

ABM International (Holdings) Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales. The registered number is 09234078 and the registered address is George House, 75-83 Borough High Street, London SE1 1NH.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the company's accounting policies.

#### *Consolidated financial statements*

The company is exempt under section 400 of the Companies Act 2006 for the requirement to prepare group financial statements as it is itself a subsidiary undertaking and is fully consolidated in the financial statements of ultimate parent company. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### *Going concern*

The financial statements have been prepared on a going concern basis. The company recorded a loss after tax of £3,575,377 for this period of trading, had net current assets of £578,425 and had net assets of £39,700,701 at the balance sheet date.

The company is supported by its ultimate parent company. ABM Industries Incorporated has confirmed that it will continue to support the company for a period of at least 12 months from the date of approval of these financial statements.

#### *Cash flow statement*

In preparing the financial statements of the company, advantage has been taken of the disclosure exemption available in FRS 102 not to present a cash flow statement as the company is a member of a group whose ultimate parent prepares publicly available consolidated financial statements which include the company.

The following principal accounting policies have been applied:

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

#### *Finance costs*

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

# ABM International (Holdings) Limited

## Notes forming part of the financial statements for the year ended 31 October 2017

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### 1 Accounting policies (*continued*)

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Valuation of investments*

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

*Investments (see note 8)*: The most critical estimate, assumption and judgement relates to the determination of the carrying value of investments and whether there are indicators of impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the subsidiaries.

### 3 Directors' remuneration

No directors' remuneration was paid by ABM International (Holdings) Limited. Directors' remuneration is borne by fellow group companies. Their services to ABM International (Holdings) Limited is inconsequential to attract a notional charge.

### 4 Employees

The company did not have any employees during the year.

# ABM International (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 October 2017 (*continued*)

## 5 Auditor's remuneration

The audit fee for the company has been met in the year by ABM Industries Incorporated, the ultimate controlling party. The audit fee for the company for 2017 was £12,750.

## 6 Interest payable and similar charges

	31 October 2017 £	31 October 2016 £
Loan note interest	3,694,971	3,180,608

## 7 Tax on loss

	31 October 2017 £	31 October 2016 £
<i>Deferred Tax</i>		
Origination and reversal of temporary differences	(119,594)	(509,931)
Tax credit	(119,594)	(509,931)

A net deferred tax asset of £629,525 (2016: £509,931) relates to unutilised losses. The gross unutilised losses are £3,147,625 (2016: 2,549,655).

The tax assessed for the period is different to the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	31 October 2017 £	31 October 2016 £
Loss before tax	(3,694,971)	(1,933,531)
Loss at the standard rate of corporation tax in the UK of 19.42% (2016: 20%)	(717,563)	(386,706)
Effects of:		
Non-deductible interest	597,969	126,190
Dividend income not subject to UK tax	-	(249,415)
Total tax charge for period	(119,594)	(509,931)

# ABM International (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 October 2017 (continued)

## 8 Fixed asset investments

	Subsidiary undertakings £
At 1 November 2016 and 31 October 2017	113,055,738

The principal undertakings are as follows:

Name	Registered office address	Ordinary share capital %	Nature of business
ABM Group UK Limited	[A]	100%	Holding of investments
Omni Serv Limited	[B]	100%	Aviation services provider
ABM Onsite Services – Canada ULC	[C]	100%	Holding company
ABM Facility Services UK Limited [1]	[A]	100%	Facility management services
ABM Facility Services Scotland Limited [1]	[A]	100%	Facility management services
GBM Services (Civic) Limited [1]	[A]	100%	Facility management services
Eclipse Contract Cleaning Limited [2]	[A]	100%	Facility management services
ABM International (Holdings) B.V.	[B]	100%	Dormant
Westway Services Holdings (2014) Ltd	[A]	100%	Holding of investments
Westway Services Holdings (2010) Ltd	[A]	100%	Holding of investments
ABM Technical Solutions Limited	[A]	100%	Facility management services

[1] Held by ABM Group UK Limited

[2] Held by ABM Facility Services Scotland Limited

[A] George House, 75-83 Borough High Street, London SE1 1NH

[B] World Business Centre 2 Newall Road London Heathrow Airport, Hounslow, Middlesex, TW6 2SF

[C] 1055 West Georgia Street, 1500 Royal Centre, Vancouver BC, Canada V6E 4N7

## 9 Creditors: amounts falling due within one year

	31 October 2017	31 October 2016
	£	£
Accruals and deferred income	51,101	51,101

## 10 Creditors: amounts falling due after more than one year

	31 October 2017	31 October 2016
	£	£
Loan notes payable	67,085,197	67,085,197
Accruals and deferred income	6,848,265	3,153,294
	73,933,462	70,238,491

# ABM International (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 October 2017 (*continued*)

## 10 Creditors: amounts falling due after more than one year (*continued*)

The terms of repayment of the loan notes payable are:

	31 October 2017 £	31 October 2016 £
Within two to five years	67,085,197	67,085,197
	<hr/>	<hr/>
	67,085,197	67,085,197
	<hr/>	<hr/>

The loan notes carry an interest rate of 5.0675%. The loans are repayable in full in 2020.

## 11 Financial instruments

The company's financial instruments may be analysed as follows:

	31 October 2017 £	31 October 2016 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	67,085,197	67,085,197
	<hr/>	<hr/>

Financial liabilities measured at amortised cost comprise of loan notes payable.

## 12 Share capital

	31 October 2017 £	31 October 2016 £
<i>Allotted, called up and fully paid</i>		
201 ordinary shares of £1 each	201	201
	<hr/>	<hr/>

## 13 Ultimate parent company and controlling party

The company's immediate parent undertaking is ABM UK Investments 2 LP, a partnership registered in England and Wales. The company's ultimate parent undertaking and ultimate controlling party is ABM Industries Incorporated, a company incorporated in United States of America. ABM Industries Incorporated is both the smallest and largest group of undertakings for which consolidated accounts including results of the company are prepared. The consolidated financial statements of ABM Industries Incorporated are available to the public and may be obtained from 1 Liberty Plaza, FI 7, New York, NY 10006.



# ABM International (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 October 2017 (*continued*)

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## 14 Subsequent events

On 31 January 2018, ABM OnSite Services - Canada ULC, a subsidiary of the Company, made a dividend distribution of 6,365,000 Canadian Dollars (6,700,000 Canadian Dollars net of tax withholding of 335,000 Canadian Dollars) to ABM International (Holdings) Limited. This translates to £3,645,872 at the prevailing FX rate. On 31 January, 2018, ABM International (Holdings) Limited paid an interim dividend totalling £3,645,872 to its shareholders.

On 31 January, 2018, Omni Serv Limited, a subsidiary of a Company, made a dividend distribution of £9,000,000.