
ATLAS CLEANING LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



ATLAS CLEANING LIMITED

COMPANY INFORMATION

Directors	N J Earley R W Empson
Company secretary	T H Earley
Registered number	01995941
Registered office	82 Hampton Road West Hanworth Middlesex TW13 6DZ
Independent auditors	Barnes Roffe LLP Chartered Accountants & Statutory Auditor 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

ATLAS CLEANING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The company continues to trade in the office cleaning business.

Business review

We are pleased to report a continuation of successful growth with our management team having once again exceeded expectations.

We are seeing the benefits of our national footprint through which we are able to offer our clients a properly supported service combining local knowledge and staffing throughout the UK, delivered by a professional and financially robust single source supplier.

The National Living Wage and staff recruitment remain a challenge but we work closely with our clients and are confident that these issues will continue to be well managed. Our loyal staff ensure that the business continues to perform well with prestigious new clients joining our portfolio and trading during 2019 to date fully on track.

Principal risks and uncertainties

The company's primary financial instruments are bank overdrafts, trade debtors, trade creditors and intercompany balances. These arise directly from the company's trading operations and management have implemented policies to monitor and control the liquidity and credit risks which derive from their financial assets and liabilities. Liquidity risk is managed by the company's finance director using simple forecasting and projection methods. Credit risk is managed through the use of a credit control department.

Financial key performance indicators

The directors monitor the performance of the company with reference to the following financial key performance indicators:

- The company's turnover increased by £10,350,000 to £44,500,000
- The company's gross margin increased by £640,167 to £7,310,198.

This report was approved by the board on *27th September, 2019* and signed on its behalf.



N J Earley
Director

ATLAS CLEANING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

Results and dividends

The profit for the year, after taxation, amounted to £994,020 (2017 - £1,473,820).

Directors

The directors who served during the year were:

N J Earley
R W Empson

Employee involvement

The company recognises the importance of good communications with its employees and considers the most effective form of communication regarding its activities, performance and plans is by way of informal discussions between management and other employees at a local level.

Disabled employees

It is the company's policy to give disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and the company endeavours to retrain any member of staff who develops a disability while in the employment of the company.

ATLAS CLEANING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Future developments

The company continues to be committed to providing the highest possible service standards whilst maximising operating efficiencies.

Matters covered in the strategic report

The company has chosen in accordance with section 414C of the Companies Act 2006, to set out financial risk management objectives and policies within the strategic report.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *27th September, 2019* and signed on its behalf.



N J Earley
Director

ATLAS CLEANING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS CLEANING LIMITED

Opinion

We have audited the financial statements of Atlas Cleaning Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ATLAS CLEANING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS CLEANING LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

ATLAS CLEANING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS CLEANING LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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 Auditors' 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.



Mark Hancock FCA (Senior statutory auditor)
for and on behalf of

Barnes Roffe LLP

Chartered Accountants & Statutory Auditor

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date: 30 September 2019

ATLAS CLEANING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	44,500,000	34,150,000
Cost of sales		(37,189,802)	(27,479,969)
Gross profit		7,310,198	6,670,031
Administrative expenses		(6,871,723)	(5,165,807)
Exceptional administrative expenses	13	411,101	101,071
Other operating income	5	470,000	-
Operating profit	6	1,319,576	1,605,295
Profit on disposal of investment		-	250,000
Interest receivable and similar income	10	-	12
Interest payable and similar expenses	11	(51,483)	(9,230)
Profit before tax		1,268,093	1,846,077
Tax on profit	12	(274,073)	(372,257)
Profit for the financial year		994,020	1,473,820
Total comprehensive income for the year		994,020	1,473,820

The notes on pages 10 to 26 form part of these financial statements.

All amounts relate to continuing operations.

ATLAS CLEANING LIMITED
REGISTERED NUMBER: 01995941

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	14		-		-
Tangible assets	15		1,015,644		714,929
			<u>1,015,644</u>		<u>714,929</u>
Current assets					
Stocks	16	30,250		30,250	
Debtors: amounts falling due after more than one year	17	2,247,357		1,764,657	
Debtors: amounts falling due within one year	17	9,694,339		12,476,662	
Cash at bank and in hand	18	171,444		381,651	
			<u>12,143,390</u>	<u>14,653,220</u>	
Creditors: amounts falling due within one year	19	(8,667,063)		(11,901,684)	
Net current assets			<u>3,476,327</u>		<u>2,751,536</u>
Provisions for liabilities					
Deferred tax	21		(31,486)		-
Net assets			<u><u>4,460,485</u></u>		<u><u>3,466,465</u></u>
Capital and reserves					
Called up share capital	22		100		100
Profit and loss account	23		4,460,385		3,466,365
			<u><u>4,460,485</u></u>		<u><u>3,466,465</u></u>

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

27 September, 2019



N J Earley
Director

The notes on pages 10 to 26 form part of these financial statements.

ATLAS CLEANING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	100	3,466,365	3,466,465
Comprehensive income for the year			
Profit for the year	-	994,020	994,020
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	994,020	994,020
Total transactions with owners	-	-	-
At 31 December 2018	100	4,460,385	4,460,485

The notes on pages 10 to 26 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	100	1,992,545	1,992,645
Comprehensive income for the year			
Profit for the year	-	1,473,820	1,473,820
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,473,820	1,473,820
Total transactions with owners	-	-	-
At 31 December 2017	100	3,466,365	3,466,465

The notes on pages 10 to 26 form part of these financial statements.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Atlas Cleaning Limited is a company limited by shares, incorporated in England and Wales. The address of the registered office is 82 Hampton Road West, Hanworth, Middlesex, TW13 6DZ.

The company specialises in the provision of office cleaning services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable; excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised when services are provided.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income account 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.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Cashflow statement

The company has taken exemption from providing a cashflow statement as it is included in the parents consolidated financial statements.

2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and 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 in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of 3 years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 33.33% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

2.14 Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments in applying the above accounting policies that have had the most significant effect on the amount recognised in the financial statements:

1. Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected further financial performance of the assets.
2. Determine whether other debtors which mainly consist of amounts due from group undertakings are recoverable.
3. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

	2018 £	2017 £
Sales attributable to the principal activity	44,500,000	34,150,000
	<u>44,500,000</u>	<u>34,150,000</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2018 £	2017 £
Management charge	470,000	-
	<u>470,000</u>	<u>-</u>

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Operating profit

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	638,779	311,322
Operating lease rentals - other	23,845	25,407
Other operating lease rentals - land and buildings	272,365	212,129
Defined contribution pension costs	387,444	68,760
Profit on sale of tangible fixed assets	(6,658)	(770)
	<u>638,779</u>	<u>311,322</u>

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	12,000	8,650
	<u>12,000</u>	<u>8,650</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	29,838,208	22,640,493
Social security costs	5,350,869	3,643,181
Pension cost - defined contribution scheme	387,444	68,760
	<u>35,576,521</u>	<u>26,352,434</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Administration	166	120
Cleaning operatives	3,870	2,367
	<u>4,036</u>	<u>2,487</u>

9. Directors' remuneration

Directors' remuneration during the year was £Nil (2017 - £Nil).

The key management of the company are considered just to be the directors and therefore the compensation paid to them is the same.

10. Interest receivable

	2018 £	2017 £
Other interest receivable	-	12
	<u>-</u>	<u>12</u>

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Interest payable and similar expenses

	2018 £	2017 £
Bank overdraft interest payable	48,825	8,678
Other interest payable	2,658	552
	<u>51,483</u>	<u>9,230</u>

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	265,040	303,309
Adjustments in respect of previous periods	9,033	68,948
Total current tax	<u>274,073</u>	<u>372,257</u>

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,268,093</u>	<u>1,846,077</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	240,938	350,755
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	166
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,137	(47,500)
Decelerated/(accelerated) capital allowances	61,194	(5,157)
Non-taxable income	(78,109)	-
Other timing differences leading to an increase in taxation	38,880	13,064
Difference in tax rates	-	3,886
Prior year corporation tax adjustment	9,033	68,948
Utilisation of losses	-	(11,905)
Total tax charge for the year	<u><u>274,073</u></u>	<u><u>372,257</u></u>

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Taxation (continued)

Factors that may affect future tax charges

The company has approximately £939,967 of non-trading loan relationship losses available for offset against future non-trading incomes or gains.

13. Exceptional items

	2018 £	2017 £
Release of Provision for related party bad debts	-	101,071
Settlement from legal claim	411,101	-
	<u>411,101</u>	<u>101,071</u>

14. Intangible assets

	Goodwill £
Cost	
At 1 January 2018	21,000
At 31 December 2018	<u>21,000</u>
Amortisation	
At 1 January 2018	21,000
At 31 December 2018	<u>21,000</u>
Net book value	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>-</u>

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2018	142,524	1,384,030	140,483	1,667,037
Additions	259,601	641,973	62,412	963,986
Disposals	-	(86,098)	-	(86,098)
At 31 December 2018	402,125	1,939,905	202,895	2,544,925
Depreciation				
At 1 January 2018	114,524	722,457	115,127	952,108
Charge for the year on owned assets	182,204	415,231	41,344	638,779
Disposals	-	(61,606)	-	(61,606)
At 31 December 2018	296,728	1,076,082	156,471	1,529,281
Net book value				
At 31 December 2018	105,397	863,823	46,424	1,015,644
At 31 December 2017	28,000	661,573	25,356	714,929

16. Stocks

	2018 £	2017 £
Consumables	30,250	30,250
	30,250	30,250

The difference between the purchase price and their replacement cost is not material.

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	2,247,357	1,764,657
	<u>2,247,357</u>	<u>1,764,657</u>
	2018 £	2017 £
Due within one year		
Amounts owed by group undertakings	4,748,725	8,950,169
Other debtors	4,945,614	3,526,493
	<u>9,694,339</u>	<u>12,476,662</u>

18. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	171,444	381,651
	<u>171,444</u>	<u>381,651</u>

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	-	3,750,000
Trade creditors	550,981	1,063,667
Amounts owed to group undertakings	718,938	618,322
Corporation tax	287,580	228,309
Other taxation and social security	2,379,126	1,661,451
Other creditors	4,499,314	4,390,053
Accruals and deferred income	231,124	189,882
	<u>8,667,063</u>	<u>11,901,684</u>

Bank loans and overdrafts are secured by:-

1) A mortgage debenture dated 3 July 1993 incorporating a fixed and floating charge over all current and future assets of the company.

2) A cross guarantee dated 30 July 1993 (refer to note 24 for further details).

20. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>11,941,696</u>	<u>14,241,319</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>5,769,233</u>	<u>7,694,708</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group and related undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and other creditors.

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. Deferred taxation

	2018 £
At beginning of year	-
On assets acquired	31,486
At end of year	31,486

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	31,486	-
	31,486	-

22. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

23. Reserves

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

24. Contingent liabilities

The company has provided an intercompany guarantee covering Atlas Cleaning Limited, Atlas Contractors Limited, Atlas Managed Integrated Services Limited, Atlas facilities management, Atlas FM Limited and Atlas FM Services Limited. At the year end the potential liability of Atlas Cleaning Limited was £Nil (2017 - £3,750,000).

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £387,444 (2017 - £68,760). Contributions totalling £387,135 (2017 - £185,160) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	120,000	120,000
Later than 1 year and not later than 5 years	360,000	480,000
	<u>480,000</u>	<u>600,000</u>

27. Related party transactions

The company has taken advantage allowed by Financial Reporting Standard 102 not to disclose any transactions with other wholly owned members of the group.

At the year end the company owed £1,933,228 (2017 - £2,499,206) to a director and their spouse.

At the year end the company owed £91,034 (2017 - £62,496) to a director.

During the year the company made rental payments of £120,000 (2017 - £130,000) for the rent of the properties owned by the Directors.

Uniform Express Limited

During the year under review the company traded with Uniform Express Limited, a company in which the directors have a beneficial interest. The balance owing to the company at the year end was £2,247,357 (2017 - £1,764,656). During the year there was a recharge of expenses of £36,000 (2017 - £36,000).

Atlas New Homes Limited

The Company has advanced funds to Atlas New Homes Limited, a company owned and controlled by the directors, N J Earley and R W Empson. The amount due from Atlas New Homes Limited at the year end was £3,050,454 of which £852,395 has been provided for as a bad debt (2017 - £2,457,565 of which £852,395 has been provided for as a bad debt).

Deeprise Developments Limited

The company has made loans to Deeprise Developments Limited, a company in which the directors have a beneficial interest. The balance owing to the company at the year end was £1,862,353 of which £1,860,493 has been provided for as a bad debt (2017 - £1,862,353 of which £1,860,493 has been provided as a bad debt).

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

27. Related party transactions (continued)

Atlas Industrial Engineering Limited

The company has advanced funds to Atlas Industrial Engineering Limited, a company owned and controlled by the directors, N J Earley and R W Empson. The amount outstanding at 31 December 2018 was £2,190,879 of which £2,190,879 has been provided for as a bad debt previously (2017 - £2,190,879 of which £2,190,879 had been provided for).

Earley Developments Limited

The company has made loans to Earley Developments Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing to the company at the year end was £115,871 (2017 - £113,717).

Atlas Commercial Property Limited

The company has made loans to Atlas Commercial Property Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing to the company at the year end was £987,919 (2017 - £340,426). During the year, the company was also charged rent of £48,133 (2017 - £35,000) by Atlas Commercial Property Limited.

Atlas Living Limited

The company has made loans to Atlas Living Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing to the company at the year end was £1,122,723 (2017 - £1,235,570).

28. Controlling party

The ultimate parent company is Atlas FM Limited, a company incorporated in England and Wales. That company has prepared group accounts for the year ended 31 December 2018. Consolidated accounts for Atlas FM Limited are available at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. This is the only company in the group which prepares consolidated accounts.

The directors of Atlas FM Limited are of the opinion that there is no individual controlling party.