

Company Registration No. 04155293 (England and Wales)

CITY + KENT CLEANING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
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CITY + KENT CLEANING LIMITED

COMPANY INFORMATION

Director	Mr I Pether
Company number	04155293
Registered office	23 St Leonards Road Bexhill-on-Sea East Sussex TN40 1HH
Auditor	McPhersons CFG Limited 23 St Leonards Road Bexhill-on-Sea East Sussex TN40 1HH
Business address	31 Metro Centre Kangley Bridge Road Lower Sydenham London SE26 5BW

CITY + KENT CLEANING LIMITED

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CITY + KENT CLEANING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The director presents the strategic report for the year ended 31 March 2017.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

We consider our key financial performance indicators to be those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit percentage and net assets. The company's turnover was £8,526,872 (2016: £7,552,323), the gross profit percentage achieved was 22.74% (2016: 20.37%) and the net assets of the company were £1,869,413 (2016: £1,554,031). Taking this into account the results for the year and the financial position at the year end were considered highly satisfactory by the director who expects that the company will continue to increase profitability and show continued growth in the foreseeable future.

Although we faced increasing competition in our specialist field of deep cleaning and infection prevention in our healthcare work, we are an acknowledged leader in these areas with the expertise of our directors much sought after. We work closely with our manufacturers and suppliers to provide a "one stop" cleaning solution, bespoke to each of our clients, using the latest in cleaning and environmental solutions and our top management take personal interest in each area of our business and in ensuring their direct availability to our clients.

The key business risks and uncertainties affecting the company are considered to relate to the potential loss of significant contracts. However the high quality staff and continued investment in training and equipment along with strong controls around our occupational health and safety and our ISO quality, environmental and health and safety qualifications mitigate risk.

As indicated earlier, we feel our year end position is financially secure, with our balance sheet disclosing both a healthy net current assets and net assets position.

On behalf of the board



Mr I Pether
Director

1 August 2017

CITY + KENT CLEANING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

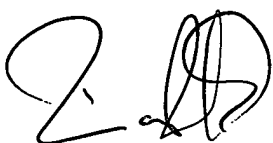
	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	5		6,000		12,000
Tangible assets	6		554,095		619,663
Investment properties	7		175,000		175,000
			<u>735,095</u>		<u>806,663</u>
Current assets					
Stocks	9	223,396		208,121	
Debtors	10	1,700,345		1,448,294	
Cash at bank and in hand		504,041		389,931	
		<u>2,427,782</u>		<u>2,046,346</u>	
Creditors: amounts falling due within one year	11	<u>(1,050,965)</u>		<u>(989,340)</u>	
Net current assets			<u>1,376,817</u>		<u>1,057,006</u>
Total assets less current liabilities			<u>2,111,912</u>		<u>1,863,669</u>
Creditors: amounts falling due after more than one year	12		(232,113)		(289,490)
Provisions for liabilities	14		(10,386)		(20,148)
Net assets			<u><u>1,869,413</u></u>		<u><u>1,554,031</u></u>
Capital and reserves					
Called up share capital	15		500		500
Revaluation reserve			2,640		2,640
Capital redemption reserve			500		500
Profit and loss reserves			1,865,773		1,550,391
Total equity			<u><u>1,869,413</u></u>		<u><u>1,554,031</u></u>

The director of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 1 August 2017

Mr I Pether
Director



Company Registration No. 04155293

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

City + Kent Cleaning Limited is a private company limited by shares incorporated in England and Wales. The registered office is 23 St Leonards Road, Bexhill-on-Sea, East Sussex, TN40 1HH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the invoiced value, net of VAT, of goods sold and services provided to customers. Uninvoiced work undertaken for customers at the year end is accrued at full retail value.

The company's turnover derives solely from its principal activity of the provision of cleaning services and supply of cleaning consumables.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of cleaning services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of ten years, however no amortisation is provided in the year of acquisition.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Tangible fixed assets include investment properties valued by the director on an open market value basis. Other tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	2% straight line basis
Land and buildings leasehold	5% reducing balance
Plant and machinery	25% straight line basis
Fixtures, fittings & equipment	25% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Gains or losses arising from changes in the fair value of investment property are included in profit and loss for the period in which they arise.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Management	15	12
Administrative staff	4	4
Cleaning staff	135	120
	<u>154</u>	<u>136</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,158,660	3,026,773
Social security costs	1,555,849	1,360,269
Pension costs	125,114	101,594
	<u>4,839,623</u>	<u>4,488,636</u>

4 Director's remuneration

	2017 £	2016 £
Remuneration for qualifying services	8,052	8,052
Company pension contributions to defined contribution schemes	40,000	20,000
	<u>48,052</u>	<u>28,052</u>

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2016 and 31 March 2017	219,000
Amortisation and impairment	
At 1 April 2016	207,000
Amortisation charged for the year	6,000
At 31 March 2017	213,000
Carrying amount	
At 31 March 2017	6,000
At 31 March 2016	12,000

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2017**

6 Tangible fixed assets

	Land and buildings freehold £	Land and buildings leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2016	371,886	13,670	71,125	93,076	577,127	1,126,884
Additions	-	-	7,262	6,802	75,250	89,314
Disposals	-	-	-	-	(6,675)	(6,675)
At 31 March 2017	371,886	13,670	78,387	99,878	645,702	1,209,523
Depreciation and impairment						
At 1 April 2016	7,438	3,325	68,763	61,259	366,436	507,221
Depreciation charged in the year	7,438	518	2,579	20,783	118,558	149,876
Eliminated in respect of disposals	-	-	-	-	(1,669)	(1,669)
At 31 March 2017	14,876	3,843	71,342	82,042	483,325	655,428
Carrying amount						
At 31 March 2017	357,010	9,827	7,045	17,836	162,377	554,095
At 31 March 2016	364,448	10,345	2,362	31,817	210,691	619,663

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Motor vehicles	51,349	107,303
Depreciation charge for the year in respect of leased assets	55,955	67,854

7 Investment property

	2017 £
Fair value	
At 1 April 2016 and 31 March 2017	175,000

The investment property was valued on 31 March 2017 by the director on an open market basis. No depreciation is provided in respect of this property.

On an historical cost basis this would have been included at an original cost of £171,700 (2016-£171,700).

8 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,698,301	1,439,467
Carrying amount of financial liabilities		
Measured at amortised cost	795,663	927,533

9 Stocks

	2017 £	2016 £
Finished goods and goods for resale	223,396	208,121

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

10 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,388,799	1,213,459
Other debtors	309,502	226,008
Prepayments and accrued income	2,044	8,827
	<u>1,700,345</u>	<u>1,448,294</u>

11 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	13	27,465	29,984
Obligations under finance leases		32,636	55,593
Trade creditors		428,481	491,286
Corporation tax		158,323	62,714
Other taxation and social security		329,092	288,583
Other creditors		28,780	25,948
Accruals and deferred income		46,188	35,232
		<u>1,050,965</u>	<u>989,340</u>

12 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	13	201,699	226,421
Obligations under finance leases		30,414	63,069
		<u>232,113</u>	<u>289,490</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>123,195</u>	<u>141,538</u>
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13 Loans and overdrafts

	2017 £	2016 £
Bank loans	<u>229,164</u>	<u>256,405</u>
Payable within one year	27,465	29,984
Payable after one year	<u>201,699</u>	<u>226,421</u>

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

13 Loans and overdrafts

(Continued)

The long-term loans are secured by fixed charges over the company's freehold and investment properties.

14 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities		10,386	20,148
		<u>10,386</u>	<u>20,148</u>

15 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
400 Ordinary A shares of £1 each	400	400
50 Ordinary B shares of £1 each	50	50
50 Ordinary C shares of £1 each	50	50
	<u>500</u>	<u>500</u>

16 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Peter Watters.
The auditor was McPhersons CFG Limited.

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	56,000	56,000
Between two and five years	224,000	224,000
In over five years	11,760	67,760
	<u>291,760</u>	<u>347,760</u>

CITY + KENT CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

18 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Mr I Pether	20,638	16,961

The bank loan with Barclays Bank plc is supported by a personal guarantee from Mr I Pether, the director.

19 Controlling party

The ultimate controlling party is Mr I Pether, the director.