

**AAA LINEN SERVICES LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

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**AAA LINEN SERVICES LIMITED (REGISTERED NUMBER: 04254619)**

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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**AAA LINEN SERVICES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**DIRECTORS:**

H A Atashroo  
A F Atashroo

**SECRETARY**

Mrs A M Atashroo

**REGISTERED OFFICE:**

31-33 Sunbeam Road  
Park Royal  
London  
NW10 6JR

**REGISTERED NUMBER:**

04254619 (England and Wales)

**AUDITORS:**

Owadally & King  
Chartered Certified Accountants  
& Registered Auditors  
73 Park Lane  
Croydon  
Surrey  
CR0 1JG

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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The directors present their report with the financial statements of the company for the year ended 31 December 2012

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of commercial laundry

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report

H A Atashroo  
A F Atashroo

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

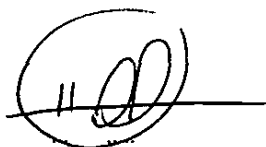
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Owadally & King, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



H A Atashroo - Director

Date 27/9/2013

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AAA LINEN SERVICES LIMITED**

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We have audited the financial statements of AAA Linen Services Limited for the year ended 31 December 2012 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AAA LINEN SERVICES LIMITED**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Mr F M Y Owadally (Senior Statutory Auditor)  
for and on behalf of Owadally & King  
Chartered Certified Accountants  
& Registered Auditors  
73 Park Lane  
Croydon  
Surrey  
CR0 1JG

Date 27 / 09 / 2013 .

**AAA LINEN SERVICES LIMITED (REGISTERED NUMBER: 04254619)**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £	£	2011 £	£
<b>TURNOVER</b>			7,089,933		6,881,214
Cost of sales			4,481,262		3,849,433
<b>GROSS PROFIT</b>			2,608,671		3,031,781
Distribution costs		397,807		357,520	
Administrative expenses		2,140,286		2,129,102	
			2,538,093		2,486,622
<b>OPERATING PROFIT</b>	2		70,578		545,159
Profit/loss on sale of tang fa			2,829		-
			67,749		545,159
Interest receivable and similar income			962		286
			68,711		545,445
Interest payable and similar charges			67,556		32,798
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,155		512,647
Tax on profit on ordinary activities	3		(23,517)		122,100
<b>PROFIT FOR THE FINANCIAL YEAR</b>			24,672		390,547

The notes form part of these financial statements

AAA LINEN SERVICES LIMITED (REGISTERED NUMBER 04254619)

**BALANCE SHEET**  
**31 DECEMBER 2012**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Intangible assets	5	-	500
Tangible assets	6	2,156,728	2,385,060
		<u>2,156,728</u>	<u>2,385,560</u>
<b>CURRENT ASSETS</b>			
Stocks		615,226	284,856
Debtors	7	1,726,551	1,697,608
Cash at bank and in hand		868,888	37,490
		<u>3,210,665</u>	<u>2,019,954</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	3,446,179	1,749,377
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(235,514)</u>	<u>270,577</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,921,214</u>	<u>2,656,137</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(1,201,305)	(1,743,329)
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>(217,761)</u>	<u>(255,332)</u>
<b>NET ASSETS</b>		<u>502,148</u>	<u>657,476</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1,000	1,000
Share premium	13	319,600	319,600
Profit and loss account	13	181,548	336,876
<b>SHAREHOLDERS' FUNDS</b>		<u>502,148</u>	<u>657,476</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on its behalf by

27/09/2013

and were signed on



H A Atashroo - Director

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax, and is recognised when the linen is despatched to the customer

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2001, is being amortised evenly over its estimated useful life of ten years

**Tangible fixed assets**

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

Plant and machinery etc - 10% on cost

**Stocks**

Stocks are valued at the lower of cost or replacement cost of the linen, after making allowances for obsolete and ragged items

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**2 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation - owned assets	384,405	323,958
Goodwill amortisation	500	6,000
Auditors' remuneration	6,000	6,000
Foreign exchange differences	-	(197)
Pension costs	640	4,162
	<u>          </u>	<u>          </u>
Directors' remuneration and other benefits etc	-	-
	<u>          </u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2012

3 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	14,055	76,245
Prior year tax adjustment	-	(1,605)
Total current tax	14,055	74,640
Deferred tax	(37,572)	47,460
Tax on profit on ordinary activities	(23,517)	122,100

4 DIVIDENDS

	2012 £	2011 £
A Ordinary shares of 1 each		
Final	180,000	180,000

5 INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 January 2012	
and 31 December 2012	60,000
<b>AMORTISATION</b>	
At 1 January 2012	59,500
Charge for year	500
At 31 December 2012	60,000
<b>NET BOOK VALUE</b>	
At 31 December 2012	-
At 31 December 2011	500

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2012

## 6 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 January 2012	-	3,921,834	3,921,834
Additions	26,407	182,745	209,152
Disposals	-	(133,697)	(133,697)
At 31 December 2012	26,407	3,970,882	3,997,289
<b>DEPRECIATION</b>			
At 1 January 2012	-	1,536,774	1,536,774
Charge for year	-	384,405	384,405
Eliminated on disposal	-	(80,618)	(80,618)
At 31 December 2012	-	1,840,561	1,840,561
<b>NET BOOK VALUE</b>			
At 31 December 2012	26,407	2,130,321	2,156,728
At 31 December 2011	-	2,385,060	2,385,060

Included within the net book value of £2,156,728 is £1,076,714 (2011-£1,085,916) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £157,959 (2011- £157,800)

## 7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	1,528,908	1,419,008
Amounts owed by participating interests	-	192,584
Other debtors	197,643	86,016
	<u>1,726,551</u>	<u>1,697,608</u>

## 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts	597,808	629,270
Hire purchase contracts	295,895	264,146
Trade creditors	540,757	457,696
Amounts owed to participating interests	1,775,136	185,921
Taxation and social security	181,857	131,537
Other creditors	54,726	80,807
	<u>3,446,179</u>	<u>1,749,377</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2012

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Messrs H A and A F Atashroo have provided personal guarantees to the value of £300,000 secured bank borrowings

There are fixed and floating charges over the assets of the company in favour of Santander in respect of the company's borrowing facility

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Bank loans	-	44,695
Hire purchase contracts	679,184	794,098
Other creditors	522,121	904,536
	<u>1,201,305</u>	<u>1,743,329</u>

Amounts falling due in more than five years

Repayable by instalments		
Hire purchase	<u>11,060</u>	<u>168</u>

10 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2012 £	2011 £
Expiring		
Within one year	6,903	17,841
Between one and five years	25,117	23,883
In more than five years	280,000	105,000
	<u>312,020</u>	<u>146,724</u>

11 PROVISIONS FOR LIABILITIES

	2012 £	2011 £
Deferred tax	<u>217,761</u>	<u>255,332</u>
		Deferred tax £
Balance at 1 January 2012		255,332
Movement arising in the year		<u>(37,571)</u>
Balance at 31 December 2012		<u>217,761</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2012

12 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
650	A Ordinary	1	650	650
200	B Ordinary	1	200	200
150	C Ordinary	1	150	150
			<u>1,000</u>	<u>1,000</u>

13 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2012	336,876	319,600	656,476
Profit for the year	24,672		24,672
Dividends	(180,000)		(180,000)
At 31 December 2012	<u>181,548</u>	<u>319,600</u>	<u>501,148</u>

14 RELATED PARTY DISCLOSURES

During the year purchases and management charges totalling £3,983,208 (2011 £3,521,481) were made from AAA Management Services Limited. At the year end the company owed £383,850 (2011 £66,714) to AAA Management Services Limited. The company is controlled by Messrs H A and A F Atashroo.

During the year sales of £51,759 (2011 £49,603) were made to Washing House LLP. Included in debtors at year end is nil (2011 £192,584) owed by Washing House LLP. Messrs H A and A F Atashroo are the designated members of Washing House LLP.

During the year purchases of £24,700 (2011 £24,700) were made from WG Park Royal Limited, a company controlled by Messrs H A and A F Atashroo. At the year end the company owed £1,338,786 (2011 £86,631) to WG Park Royal Limited.

During the year the company paid rent of £105,000 (2011 £105,000) to WG Properties Limited. At the year end the company owed nothing (2011 £32,576) to WG Properties Ltd. The company is controlled by Messrs H A and A F Atashroo.

During the year the company also paid rent of £36,917.87 (2011 £nil) to AAA Executive Pension Scheme. At the end of the year the company owed £52,500 (2011 £15,000) to AAA Executive Pension Scheme, of which Messrs H A and A F Atashroo are the beneficiaries.

During the year the company paid dividends of £117,000 (2011 £117,000) to the directors, Messrs H A and A F Atashroo, in their capacity as shareholders.

15 ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and previous years by Messrs H A and A F Atashroo by virtue of their majority shareholding.

**AAA LINEN SERVICES LIMITED (REGISTERED NUMBER: 04254619)**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012		2011	
	£	£	£	£
<b>Sales</b>		7,089,933		6,881,214
<b>Cost of sales</b>				
Opening stock	284,856		253,308	
Purchases	1,717,716		1,440,833	
Other direct costs	3,081,227		2,435,542	
Depreciation of tangible fixed assets				
Motor vehicles	12,689		4,606	
	<u>5,096,488</u>		<u>4,134,289</u>	
Closing stock	(615,226)		(284,856)	
		<u>4,481,262</u>		<u>3,849,433</u>
<b>GROSS PROFIT</b>		2,608,671		3,031,781
<b>Other income</b>				
Deposit account interest		962		286
		<u>2,609,633</u>		<u>3,032,067</u>
<b>Expenditure</b>				
Carriage	397,807		357,520	
Rent	213,700		189,660	
Insurance	39,597		37,671	
Light and heat	352,421		341,563	
Repairs and maintenance	16,508		127	
Cleaning of premises	12,339		12,064	
Wages	465,861		470,335	
Pensions administration costs	640		4,162	
Telephone	11,552		9,872	
Post and stationery	16,463		18,816	
Advertising	24,700		24,700	
Motor expenses	299,315		279,104	
Staff training	7,050		4,729	
Staff welfare	37,836		35,518	
Subscription	2,266		-	
Sundry expenses	1,490		1,694	
Computer consumables	23,138		24,884	
Management charges payable	122,848		121,154	
Accountancy	9,000		11,164	
Legal and professional fees	22,755		29,654	
Auditors' remuneration	6,000		6,000	
Donations	50		-	
Foreign exchange losses	-		(197)	
Amortisation of intangible fixed assets				
Goodwill	500		6,000	
Depreciation of tangible fixed assets				
Plant and machinery	363,233		319,352	
Bad debts	78,858		169,469	
	<u>2,525,927</u>	<u>2,609,633</u>	<u>2,475,015</u>	<u>3,032,067</u>
Carried forward				

This page does not form part of the statutory financial statements

**AAA LINEN SERVICES LIMITED (REGISTERED NUMBER. 04254619)**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012		2011	
	£	£	£	£
Brought forward	<u>2,525,927</u>	<u>2,609,633</u>	<u>2,475,015</u>	<u>3,032,067</u>
		<u>2,525,927</u>		<u>2,475,015</u>
		83,706		557,052
<b>Finance costs</b>				
Bank charges	12,166		11,607	
Bank interest	11,330		7,655	
Hire purchase	<u>56,226</u>		<u>25,143</u>	
		79,722		44,405
		3,984		512,647
<b>Exceptional items</b>				
Profit/loss on sale of tang fa		<u>2,829</u>		<u>-</u>
<b>NET PROFIT</b>		<u><u>1,155</u></u>		<u><u>512,647</u></u>

This page does not form part of the statutory financial statements