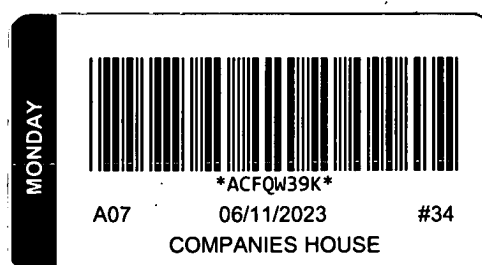


Registered number: 06883247

ATLAS FM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



ATLAS FM LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | N J Earley R W Empson |
| Company secretary | T H Earley D A M Empson |
| Registered number | 06883247 |
| Registered office | Riding Court House Riding Court Road Datchet Berkshire England SL3 9JT |
| Independent auditors | Hillier Hopkins LLP Chartered Accountants & Statutory Auditors 51 Clarendon Road Watford Hertfordshire WD17 1HP |

ATLAS FM LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The principal activity of the company continues to be that of a non-trading holding company. The principal activity of the subsidiaries continues to be that of providing office cleaning services.

Business review

Following the global shock of March 2020, the world came back towards normality in 2021 and through 2022. After a stop-start period businesses were able to fully re-open and this meant that sales resumed a positive upwards trend.

The pandemic did bring positives for certain parts of our business and it certainly meant an element of resetting of how clients view the importance and necessity of cleaning and sanitisation. This brought with it an increase in service for many clients although the new norm of working from home has meant that building occupation for many businesses has been much reduced. We have seen something of a reversal of this trend in more recent months with memory of the pandemic fading and an obvious need to control costs now that high inflation has revisited us.

We continue to see 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. We believe that this positively differentiates us from the majority of our competitors; a national business with proper local presence and knowledge.

We highlighted the impact of Brexit on the labour market in our previous report and this is most certainly not going to suddenly be resolved. This effect has now been significantly magnified by a sudden escalation in costs back towards levels not experienced for some decades. Staff recruitment and retention is our biggest challenge and hence we work closely with our clients such that we remain confident that with a pragmatic approach the difficult issues we all face can continue to be well managed. Our loyal staff ensure that the business continues to perform well despite the obvious challenges and trading during 2023 to date is on track.

Principal risks and uncertainties

The group's primary financial instruments are bank overdrafts, trade debtors, trade creditors and intercompany balances. These arise directly from the group'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 group's finance director using simple forecasting and projection methods. Credit risk is managed through the use of a credit controller.

Financial key performance indicators

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

- The group's turnover increased from £128,576,101 to £188,140,265.
- The group's gross profit increased from £37,848,069 to £51,859,902.

ATLAS FM LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' statement of compliance with duty to promote the success of the Group

As the board at Atlas FM we are of course fully aware that we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole (why else would we be in business?) and to have regard to the long term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a board approach this responsibility.

Atlas FM, through its operating companies, has provided cleaning, security and related facilities management services since formation in 1986 with the business still owned and overseen by its founders. We always have a mind to our long term and highly valued relationships with our employees, customers and suppliers along with any potential impact we might have on the wider economy and environment.

Our staff are our key asset and as such we ensure that they are treated fairly and with respect. Our high rate of staff retention speaks for itself. We endeavour to ensure that their interests remain at the forefront of our business management process and with the pandemic seemingly ended we have resumed our long history of controlled growth bringing with it development opportunities for staff without job losses that many had feared.

To state the obvious, without customers we would have no business and of course we prioritise service delivery to meet expectations and thus retain long-term mutually beneficial relationships. We work closely with our client base and ensure that we tailor our services to their needs. Our business has continued to thrive through good and more difficult times which has been achieved by ensuring that we meet customer needs, something which is facilitated by our fantastic workforce.

Our suppliers are a key element of our service delivery chain and we ensure that we partner with the right businesses and have appropriate processes in place to manage and maintain strong relationships with these critical partners. We ensure that we pay our suppliers promptly.

We are fully cognisant of the potential impact of our business on the wider environment and the people we engage with. We follow up to date environmental and health and safety policy and practice with a team of dedicated qualified professionals employed to ensure we fulfil our responsibilities. Being a consistently profitable business we pay corporation tax along with the collection and transmission of the range of sales and payroll taxes, thus making a very significant direct financial contribution to the wider economy (in addition to the indirect impact of employment).

ATLAS FM LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group 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 £9,335,974 (2021 - £12,887,043).

Dividends paid in the year amounted to £Nil (2021 - £NIL).

Directors

The directors who served during the year were:

N J Earley
R W Empson

ATLAS FM LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of carbon emissions in compliance with Streamline Energy and Carbon Reporting ("SECR")

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

| | 2022 | 2021 |
|----------------------------------|-------------------------|-------------------------|
| | kWh | kWh |
| Energy | | |
| Vehicle Fuel | 5,841,726 | 3,476,276 |
| Rail Travel | 67,767 | 1,010 |
| Electricity | 403,483 | 291,879 |
| Gas | 253,248 | 266,961 |
| Total energy | 6,566,224 | 4,036,125 |
| | tCO₂e | tCO₂e |
| Emissions | | |
| Vehicle Fuel | 786.1 | 593.8 |
| Rail Travel | 0.9 | 0.5 |
| Electricity | 88.1 | 68.0 |
| Gas | 46.9 | 49.4 |
| Total SECR emissions | 1,426.0 | 711.7 |
| Intensity metric | | |
| £m turnover | 188.00 | 128.58 |
| tCO ₂ per £m turnover | 7.58 | 5.54 |

The Board is committed to reducing the environmental impact and contribution to climate change of the business. During the reporting year, we have assessed and measured our carbon footprint, including some Scope 3 emissions, and have set up data collation and reporting mechanisms going forward.

Following our initial assessment of our carbon emissions, we have identified that the majority of them arise from Scope 3 activities such as public transport, travel to sites, hotel stays and our supply chain impacts. In the forthcoming reporting year, we plan to:

- Refine our carbon data quality;
- Review the organisation and impact of our operational activities (e.g., travel to sites and hotel stays);
- Implement a 'Carbon Road Map' to outline how we can work toward Net Zero by 2050;
- Consider how we can start to monitor and measure emissions arising from our supply chain.

Future developments

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

ATLAS FM LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Company's policy for payment of creditors

The group agrees terms and conditions under which the business transactions with suppliers are conducted. It is the group's policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant business terms and conditions. The group's major suppliers are settled within 30 days and the balance paid within 60 days.

Employees involvement

The group 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 group'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 group endeavours to retrain any member of staff who develops a disability while in the employment of the group.

Matters covered in the Group 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 reports.

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 and the Group'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 and the Group's auditors are aware of that information.

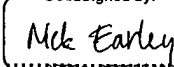
Post balance sheet events

There have been no significant events affecting the Group since the year end other than those matters referred to in the strategic report.

Auditors

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

This report was approved by the board on 02-11-2023 | 14:40 GMT and signed on its behalf.

DocuSigned by:

.....050981C5385E406...
N J Earley
Director

ATLAS FM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS FM LIMITED

Opinion

We have audited the financial statements of Atlas FM Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group the Statement of comprehensive income account, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's 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 Group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ATLAS FM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS FM LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 FM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS FM LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 Group's and the parent 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 Group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and

ATLAS FM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS FM LIMITED (CONTINUED)

relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

DocuSigned by:



15F4A289788E435...
Michael Jacoby FCA (Senior Statutory Auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants & Statutory Auditors

51 Clarendon Road

Watford

Hertfordshire

WD17 1HP

Date: 03-11-2023 | 09:33 GMT

ATLAS FM LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 £ | 2021 £ |
|--|------|-------------------|-------------------|
| Turnover | 4 | 188,140,265 | 128,576,101 |
| Cost of sales | | 136,280,363 | (90,728,032) |
| Gross profit | | 51,859,902 | 37,848,069 |
| Administrative expenses | | (38,944,330) | (21,579,729) |
| Other operating income | | 2,750 | - |
| Operating profit | 5 | 12,918,322 | 16,268,340 |
| Amounts written off investments | | (574,953) | - |
| Interest receivable and similar income | 9 | 4,624 | 994 |
| Interest payable and similar expenses | 10 | (58,556) | (34,603) |
| Profit before tax | | 12,289,437 | 16,234,731 |
| Tax on profit | 11 | (2,953,463) | (3,347,688) |
| Profit for the financial year | | 9,335,974 | 12,887,043 |

The notes on pages 20 to 52 form part of these financial statements.

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247


CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | Note | £ | 2022 £ | £ | 2021 £ |
|---|------|--------------|-------------------|-------------------|-------------------|
| Fixed assets | | | | | |
| Intangible assets | 13 | | 11,478,298 | | 1,313,664 |
| Tangible assets | 14 | | 7,537,979 | | 5,918,932 |
| Investment property | 16 | | 6,626,273 | | 6,626,273 |
| | | | <u>25,642,550</u> | | <u>13,858,869</u> |
| Current assets | | | | | |
| Fixed assets held for sale | | 82,400 | | - | |
| Stocks | 17 | 103,135 | | 39,242 | |
| Debtors: amounts falling due after more than one year | 18 | 1,919,357 | | 1,883,357 | |
| Debtors: amounts falling due within one year | 18 | 47,124,237 | | 33,578,381 | |
| Cash at bank and in hand | 19 | 7,734,508 | | 10,522,247 | |
| | | | <u>56,963,637</u> | <u>46,023,227</u> | |
| Creditors: amounts falling due within one year | 20 | (30,887,296) | | (17,264,354) | |
| Net current assets | | | <u>26,076,341</u> | | <u>28,758,873</u> |
| Total assets less current liabilities | | | <u>51,718,891</u> | | <u>42,617,742</u> |
| Creditors: amounts falling due after more than one year | 21 | | (3,234) | | (249,847) |
| Provisions for liabilities | | | | | |
| Deferred taxation | 24 | | (135,264) | | (123,476) |
| Net assets | | | <u>51,580,393</u> | | <u>42,244,419</u> |
| Capital and reserves | | | | | |
| Called up share capital | 25 | | 40 | | 40 |
| Capital redemption reserve | 26 | | 160 | | 160 |
| Profit and loss account | 26 | | 51,580,193 | | 42,244,219 |
| | | | <u>51,580,393</u> | | <u>42,244,419</u> |

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
02-11-2023 | 14:40 GMT

DocuSigned by:

0B0B81C9383E406.....
N J Earley
Director

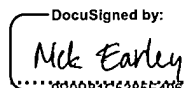
The notes on pages 20 to 52 form part of these financial statements.

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | Note | £ | 2022 £ | £ | 2021 £ |
|---|------|------------|-------------------|-------------------|-------------------|
| Fixed assets | | | | | |
| Investments | 15 | | 6,775,060 | | 198 |
| Current assets | | | | | |
| Debtors: amounts falling due after more than one year | 18 | 1,919,357 | | 1,883,357 | |
| Debtors: amounts falling due within one year | 18 | 32,208,982 | | 18,939,844 | |
| Cash at bank and in hand | 19 | 2 | | 2 | |
| | | | <u>34,128,341</u> | <u>20,823,203</u> | |
| Creditors: amounts falling due within one year | 20 | (625,423) | | (545,423) | |
| Net current assets | | | <u>33,502,918</u> | | <u>20,277,780</u> |
| Net assets | | | <u>40,277,978</u> | | <u>20,277,978</u> |
| Capital and reserves | | | | | |
| Called up share capital | 25 | | 40 | | 40 |
| Capital redemption reserve | 26 | | 160 | | 160 |
| Profit and loss account brought forward | | 20,277,778 | | 20,277,778 | |
| Profit for the year | | 20,000,000 | | - | |
| Profit and loss account carried forward | | | 40,277,778 | | 20,277,778 |
| | | | <u>40,277,978</u> | | <u>20,277,978</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 02-11-2023 | 14:40 GMT

DocuSigned by:


N J Earley
 Director

The notes on pages 20 to 52 form part of these financial statements.

ATLAS FM LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Called up share capital | Capital redemption reserve | Profit and loss account | Total equity |
|--|----------------------------|----------------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ |
| At 1 January 2022 | 40 | 160 | 42,244,219 | 42,244,419 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 9,335,974 | 9,335,974 |
| Total comprehensive income for the year | - | - | 9,335,974 | 9,335,974 |
| At 31 December 2022 | 40 | 160 | 51,580,193 | 51,580,393 |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Called up share capital | Capital redemption reserve | Profit and loss account | Total equity |
|--|----------------------------|----------------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ |
| At 1 January 2021 | 40 | 160 | 29,357,176 | 29,357,376 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 12,887,043 | 12,887,043 |
| Total comprehensive income for the year | - | - | 12,887,043 | 12,887,043 |
| At 31 December 2021 | 40 | 160 | 42,244,219 | 42,244,419 |

The notes on pages 20 to 52 form part of these financial statements.

ATLAS FM LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Called up share capital | Capital redemption reserve | Profit and loss account | Total equity |
|--|----------------------------|----------------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ |
| At 1 January 2022 | 40 | 160 | 20,277,778 | 20,277,978 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 20,000,000 | 20,000,000 |
| Total comprehensive income for the year | - | - | 20,000,000 | 20,000,000 |
| At 31 December 2022 | 40 | 160 | 40,277,778 | 40,277,978 |

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Called up share capital | Capital redemption reserve | Profit and loss account | Total equity |
|--|----------------------------|----------------------------------|----------------------------|-------------------|
| | £ | £ | £ | £ |
| At 1 January 2021 | 40 | 160 | 20,277,778 | 20,277,978 |
| Total comprehensive income for the year | - | - | - | - |
| At 31 December 2021 | 40 | 160 | 20,277,778 | 20,277,978 |

The notes on pages 20 to 52 form part of these financial statements.

ATLAS FM LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | 2022 £ | 2021 £ |
|---|---------------------|--------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 9,335,974 | 12,887,043 |
| Adjustments for: | | |
| Amortisation of intangible assets | 3,507,790 | 1,391,152 |
| Depreciation of tangible assets | 958,153 | 885,495 |
| Loss on disposal of tangible assets | 3,863 | (166,411) |
| (Increase)/decrease in fixed assets held for sale | (82,400) | - |
| Interest payable | 58,556 | 34,603 |
| Interest receivable | (4,624) | (994) |
| Taxation charge | 2,951,038 | 3,347,688 |
| Decrease/(increase) in stocks | 50,498 | (6,447) |
| Decrease/(increase) in debtors | 10,455,398 | (5,626,334) |
| (Decrease) in creditors | (9,074,753) | (10,180,317) |
| Corporation tax received/(paid) | 659,406 | (4,831,788) |
| Net cash generated from operating activities | 18,818,899 | (2,266,310) |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (26,642) | (783,204) |
| Purchase of tangible fixed assets | (2,157,886) | (1,916,049) |
| Sale of tangible fixed assets | 28,218 | 207,319 |
| Purchase of fixed asset investments | - | (491,654) |
| Interest received | 4,624 | 994 |
| HP interest paid | (2,233) | (1,209) |
| Fixed asset held for sale | 97,577 | - |
| Intangible on acquisition | - | 491,654 |
| Investment disposed | 53,481 | - |
| Acquisition of subsidiaries | (29,078,195) | - |
| Cash acquired from acquisition | 10,100,638 | - |
| Net cash from investing activities | (20,980,418) | (2,492,149) |
| Cash flows from financing activities | | |
| Issue of ordinary shares | (98) | - |
| Repayment of loans | (169,860) | (667,113) |
| New finance leases | 20,892 | 40,933 |
| Interest paid | (56,323) | (33,394) |
| Fixed asset held for sale | - | (50,506) |
| Net cash used in financing activities | (205,389) | (710,080) |

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

| | 2022 £ | 2021 £ |
|---|--------------------|--------------------|
| Net (decrease) in cash and cash equivalents | (2,366,908) | (5,468,539) |
| Cash and cash equivalents at beginning of year | 10,074,901 | 15,543,440 |
| Cash and cash equivalents at the end of year | 7,707,993 | 10,074,901 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 7,734,508 | 10,522,247 |
| Bank overdrafts | (26,515) | (447,346) |
| | 7,707,993 | 10,074,901 |

The notes on pages 20 to 52 form part of these financial statements.

ATLAS FM LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | At 1 January 2022 £ | Cash flows £ | New finance leases £ | At 31 December 2022 £ |
|--------------------------|------------------------------|--------------------|----------------------------|--------------------------------|
| Cash at bank and in hand | 10,522,247 | (2,787,739) | - | 7,734,508 |
| Bank overdrafts | (447,346) | 420,831 | - | (26,515) |
| Debt due after 1 year | (235,570) | 235,570 | - | - |
| Debt due within 1 year | (576,775) | 340,598 | - | (236,177) |
| Finance leases | (40,933) | - | (20,892) | (61,825) |
| | <u>9,221,623</u> | <u>(1,790,740)</u> | <u>(20,892)</u> | <u>7,409,991</u> |

The notes on pages 20 to 52 form part of these financial statements.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Atlas FM Limited is a company limited by shares incorporated in England and Wales. The address of the registered office is Riding Court House, Riding Court Road, Datchet, Berkshire, England, SL3 9JT.

The group 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

Turnover is recognised on the date the service is supplied.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight-line basis over the lease term.

2.5 Interest income

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

2.6 Finance costs

Finance costs are charged to the Consolidated 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 Consolidated statement of comprehensive income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated 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 Group in independently administered funds.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 Consolidated 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 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 the Group's share 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 Consolidated statement of comprehensive income over its useful economic life of 3 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.11 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.

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 bases:

| | |
|------------------------------|------------------------|
| Long-term leasehold property | - 5% straight line |
| Plant and machinery | - 33.33% straight line |
| Motor vehicles | - 25% straight line |
| Fixtures and fittings | - 25% straight line |
| Office equipment | - 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 profit or loss.

2.12 Freehold property

No depreciation is provided on freehold property. This is contrary to Companies Act 2006, which requires that fixed assets should be depreciated. In the opinion of the directors, this accounting treatment is necessary in order to show a true and fair view of the position of the group.

2.13 Investment property

Investment property is carried at fair value determined annually by internal valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 Consolidated statement of comprehensive income.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.16 Debtors**

Short-term 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.

2.17 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 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.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

2.20 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Statement of Financial Position when the Group 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

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.20 Financial instruments (continued)**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.20 Financial instruments (continued)**

payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.
2. Determine whether other debtors which mainly consist of amounts due from connected companies are recoverable.
3. Tangible and intangible 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

Analysis of turnover by country of destination:

| | 2022 £ | 2021 £ |
|----------------|--------------------|--------------------|
| United Kingdom | 188,140,265 | 128,576,101 |
| | <u>188,140,265</u> | <u>128,576,101</u> |

All turnover relates to the principal activity of the group.

5. Operating profit

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

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Depreciation of tangible fixed assets | 958,153 | 885,495 |
| Amortisation of intangible assets, including goodwill | 3,507,790 | 1,391,152 |
| Profit on sale of tangible fixed assets | 3,863 | (40,908) |
| Defined contribution pension cost | 2,019,549 | 990,775 |
| Operating lease rentals- land and buildings | 936,173 | 479,017 |
| Operating lease rental- others | 24,587 | 44,393 |
| | <u>24,587</u> | <u>44,393</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

| | 2022 | 2021 |
|--|----------------------|---------------|
| | £ | £ |
| Fees payable to the Group's auditors and their associates for the audit of the Group's annual financial statements | 4,785 | 4,785 |
| Fees payable to the Group's auditors and their associates in respect of: | | |
| Audit of subsidiaries | 88,200 | 73,500 |
| | <u>88,200</u> | <u>73,500</u> |

7. Employees

Staff costs, including directors' remuneration, were as follows:

| | Group 2022 | Group 2021 |
|---|---------------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 115,078,291 | 87,352,072 |
| Social security costs | 9,616,612 | 6,347,366 |
| Cost of defined contribution pension scheme | 2,019,549 | 990,755 |
| | <u>126,714,452</u> | <u>94,690,193</u> |

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

| | 2022 | 2021 |
|----------------|----------------------|--------------|
| | No. | No. |
| Directors | 2 | 2 |
| Administration | 444 | 725 |
| Operational | 9,786 | 8,228 |
| | <u>10,232</u> | <u>8,955</u> |

The wages and salaries cost has been reduced by £Nil (2021 - £5,783,441) as a result of government Covid-19 furlough grants received.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Directors' remuneration

During the year, the directors received emoluments of £Nil (2021 - £15,698).

During the year retirement benefits were accruing to directors Nil (2021 - Nil) in respect of defined benefit contribution pension schemes.

9. Interest receivable

| | 2022 £ | 2021 £ |
|---------------------------|--------------|------------|
| Other interest receivable | 4,624 | 994 |
| | <u>4,624</u> | <u>994</u> |

10. Interest payable and similar expenses

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Bank interest payable | 12,091 | 9,119 |
| Other loan interest payable | 15,150 | 2,946 |
| Finance leases and hire purchase contracts | 2,233 | 1,209 |
| Other interest payable | 29,082 | 21,329 |
| | <u>58,556</u> | <u>34,603</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | 2,940,373 | 3,350,247 |
| Adjustments in respect of previous periods | (1,973) | (235) |
| | <u>2,938,400</u> | <u>3,350,012</u> |
| Total current tax | <u>2,938,400</u> | <u>3,350,012</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 15,063 | (2,324) |
| Total deferred tax | <u>15,063</u> | <u>(2,324)</u> |
| Taxation on profit on ordinary activities | <u>2,953,463</u> | <u>3,347,688</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

| | 2022 £ | 2021 £ |
|--|-------------------------|-------------------------|
| Profit on ordinary activities before tax | <u>12,289,437</u> | <u>16,234,731</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 2,334,993 | 3,084,599 |
| Effects of: | | |
| Non-tax deductible amortisation of goodwill and impairment | 807,423 | 276,549 |
| Capital allowances for year differing from depreciation | - | 53 |
| Capital allowances for year in excess of depreciation | (103,367) | (235) |
| Other timing differences leading to an (decrease)/increase in taxation | (95,791) | (9,954) |
| Deferred tax movement | 15,063 | (2,324) |
| Prior year over provision | (1,973) | - |
| Over provision/ underprovision | (7) | - |
| Utilisation of losses | (3,396) | (1,000) |
| Unrelieved tax losses carried forward | 518 | - |
| Total tax charge for the year | <u>2,953,463</u> | <u>3,347,688</u> |

Factors that may affect future tax charges

The group has approximately £939,967 (2021 - £939,967) of non-trading loan relationship losses available for offset against future trading profits arising in that company.

The group has approximately £Nil (2021 - £1,326) trading losses available for offset against future trading profits arising in that company.

In the March 2021 Budget it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023 for profits over £250,000. There are no other significant factors that may affect future tax charges.

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Intangible assets

Group

| | Software £ | Mobilisation costs £ | Goodwill £ | Negative goodwill £ | Total £ |
|-------------------------------------|---------------|----------------------------|---------------|---------------------------|------------|
| Cost | | | | | |
| At 1 January 2022 | - | - | 10,712,039 | (311,134) | 10,400,905 |
| Additions | 26,642 | - | 13,371,830 | - | 13,398,472 |
| Disposals | - | - | (240,000) | - | (240,000) |
| On acquisition of subsidiaries | 1,412,013 | 7,798,972 | 493,100 | - | 9,704,085 |
| At 31 December 2022 | 1,438,655 | 7,798,972 | 24,336,969 | (311,134) | 33,263,462 |
| Amortisation | | | | | |
| At 1 January 2022 | - | - | 9,398,375 | (311,134) | 9,087,241 |
| Charge for the year on owned assets | 110,616 | - | 3,397,174 | - | 3,507,790 |
| On disposals | - | - | (240,000) | - | (240,000) |
| On acquisition of subsidiary | 1,188,616 | 7,798,972 | 442,545 | - | 9,430,133 |
| At 31 December 2022 | 1,299,232 | 7,798,972 | 12,998,094 | (311,134) | 21,785,164 |
| Net book value | | | | | |
| At 31 December 2022 | 139,423 | - | 11,338,875 | - | 11,478,298 |
| At 31 December 2021 | - | - | 1,313,664 | - | 1,313,664 |

Goodwill arising on consolidation is being amortised over the directors' estimate of its useful life of 3 years. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets

Group

| | Freehold property £ | Long-term leasehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ |
|---|---------------------------|---|-----------------------------|------------------------|-------------------------------|
| Cost | | | | | |
| At 1 January 2022 | 5,010,878 | 11,890 | 1,962,056 | 2,511,825 | 551,442 |
| Additions | 1,153,882 | - | 364,308 | 398,075 | 215,089 |
| Acquisition of subsidiary | - | - | 343,528 | 395,686 | 63,548 |
| Disposals | - | - | (169,956) | (223,370) | (39,693) |
| Reclassified to held for sale | - | (11,890) | (204,869) | (347,689) | (160) |
| At 31 December 2022 | 6,164,760 | - | 2,295,067 | 2,734,527 | 790,226 |
| Depreciation | | | | | |
| At 1 January 2022 | - | 8,689 | 1,584,144 | 2,143,307 | 398,633 |
| Charge for the year on owned assets | - | 594 | 350,367 | 389,459 | 117,731 |
| Charge for the year on financed assets | - | - | - | 31,729 | - |
| Disposals | - | - | (155,876) | (205,892) | (39,692) |
| Acquisition of subsidiary | - | - | 164,926 | 179,084 | 54,009 |
| Reclassified to held for sale | - | (9,283) | (171,051) | (289,287) | (160) |
| At 31 December 2022 | - | - | 1,772,510 | 2,248,400 | 530,521 |
| Net book value | | | | | |
| At 31 December 2022 | 6,164,760 | - | 522,557 | 486,127 | 259,705 |
| At 31 December 2021 | 5,010,878 | 3,201 | 377,912 | 368,518 | 152,809 |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets (continued)

| | Office equipment £ | Total £ |
|--|--------------------------|-------------------|
| Cost | | |
| At 1 January 2022 | 249,523 | 10,297,614 |
| Additions | 26,532 | 2,157,886 |
| Acquisition of subsidiary | 549,136 | 1,351,898 |
| Disposals | (115,873) | (548,892) |
| Reclassified to held for sale | (67,744) | (632,352) |
| At 31 December 2022 | <u>641,574</u> | <u>12,626,154</u> |
| Depreciation | | |
| At 1 January 2022 | 243,909 | 4,378,682 |
| Charge for the year on owned assets | 68,273 | 926,424 |
| Charge for the year on financed assets | - | 31,729 |
| Disposals | (115,351) | (516,811) |
| Acquisition of subsidiary | 404,907 | 802,926 |
| Reclassified to held for sale | (64,994) | (534,775) |
| At 31 December 2022 | <u>536,744</u> | <u>5,088,175</u> |
| Net book value | | |
| At 31 December 2022 | <u>104,830</u> | <u>7,537,979</u> |
| At 31 December 2021 | <u>5,614</u> | <u>5,918,932</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

| | 2022 £ | 2021 £ |
|----------------|------------------|------------------|
| Freehold | 6,164,760 | 5,010,878 |
| Long leasehold | - | 3,201 |
| | <u>6,164,760</u> | <u>5,014,079</u> |

15. Fixed asset investments**Company**

| | Investments in subsidiary companies £ |
|-----------------------|---|
| Cost | |
| At 1 January 2022 | 198 |
| Additions | 6,774,862 |
| At 31 December 2022 | <u>6,775,060</u> |
| Net book value | |
| At 31 December 2022 | <u>6,775,060</u> |
| At 31 December 2021 | <u>198</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|--|------------------------|----------------|--|
| Atlas Cleaning Limited | Ordinary | 100% | Cleaning services |
| Atlas Contractors Limited | Ordinary | 100% | Cleaning services |
| Atlas Managed Integrated Services Limited * | Ordinary | 100% | Cleaning services |
| Enterprise Support Services UK Limited * | Ordinary | 100% | Cleaning services |
| Clientcare Cleaning Limited * | Ordinary | 100% | Cleaning services |
| Clientcare Group Limited * | Ordinary | 100% | Dormant |
| Green Sky Cleaning Limited * | Ordinary | 100% | Cleaning services |
| Atlas Commercial Property Investments Limited | Ordinary | 100% | Property investment and real estate services |
| Atlas Facilities Management Limited | Ordinary | 100% | Cleaning services |
| QX Services Limited * | Ordinary | 100% | Cleaning services |
| Sussex Cleaning and Care Limited * | Ordinary | 100% | Cleaning services |
| Team Contract (Scotland) Limited* | Ordinary | 100% | Cleaning services |
| Uniqwin UK Limited * | Multiple | 100% | Private security services |
| Ultima Cleaning Limited * | Ordinary | 100% | Cleaning services |
| Ryeford Cleaning Services Limited * | Ordinary | 100% | Cleaning services |
| City West Support Services * | Ordinary | 100% | Cleaning services |
| Lewis & Graves Partnership Limited | Ordinary | 100% | Cleaning services |
| Lewis & Graves Management Services Company Limited * | Ordinary | 100% | Cleaning services |
| Atlas Salisbury Limited | Ordinary | 100% | Holding company |
| Salisbury Holdings Limited * | Ordinary | 100% | Holding company |
| Salisbury Engineering and Compliance Limited * | Ordinary | 100% | Dormant |
| Salisbury Workplace Services Limited * | Ordinary | 100% | Cleaning services |
| Salisbury Esco Limited * | Ordinary | 100% | Dormant |
| Salisbury Integrated Services Limited * | Ordinary | 100% | Cleaning services |
| Salisbury Security Services Limited * | Ordinary | 100% | Cleaning services |
| Petra's Cleaning Company Limited | Ordinary | 100% | Cleaning services |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

All subsidiaries other than those listed below have a registered office at Riding Court House, Riding Court Road, Datchet, Berkshire, England, SL3 9JT.

Team Contract (Scotland) Limited has a registered office at 6-8 The Anderston Centre, Glasgow, G2 7PH.

Salisbury Holdings Limited, Salisbury Engineering and Compliance Limited, Salisbury Workplace Services Limited, Salisbury Esco Limited, Salisbury Integrated Services Limited and Salisbury Security Services Limited has registered office at 7 Diamond Court Opal Drive, Fox Milne, Milton Keynes, England, MK15 0DU.

* Companies which are indirectly controlled by Atlas FM Limited.

Petra's Cleaning Company Limited

16. Investment property**Group**

| | Freehold investment property £ |
|----------------------------|---|
| Valuation | |
| At 1 January 2022 | 6,626,273 |
| At 31 December 2022 | 6,626,273 |

The 2022 valuations were made by directors, on an open market value for existing use basis.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Stocks

| | Group 2022 £ | <i>Group 2021 £</i> |
|-------------------------------------|-----------------------------|-----------------------------|
| Consumables | 55,250 | 37,015 |
| Finished goods and goods for resale | 47,885 | 2,227 |
| | 103,135 | 39,242 |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

| | Group 2022 £ | <i>Group 2021 £</i> | Company 2022 £ | <i>Company 2021 £</i> |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Due after more than one year | | | | |
| Other debtors | 1,919,357 | 1,883,357 | 1,919,357 | 1,883,357 |
| | 1,919,357 | 1,883,357 | 1,919,357 | 1,883,357 |

| | Group 2022 £ | <i>Group 2021 £</i> | Company 2022 £ | <i>Company 2021 £</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Due within one year | | | | |
| Trade debtors | 31,302,581 | 24,110,239 | - | - |
| Amounts owed by group undertakings | - | - | 25,471,693 | 11,983,301 |
| Other debtors | 11,522,998 | 8,575,347 | 6,737,289 | 6,956,543 |
| Called up share capital not paid | 98 | - | - | - |
| Prepayments and accrued income | 3,440,969 | 892,795 | - | - |
| Tax recoverable | 857,591 | - | - | - |
| | 47,124,237 | 33,578,381 | 32,208,982 | 18,939,844 |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Cash and cash equivalents

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash at bank and in hand | 7,734,508 | 10,522,247 | 2 | 2 |
| Less: bank overdrafts | (26,515) | (447,346) | - | - |
| | <u>7,707,993</u> | <u>10,074,901</u> | <u>2</u> | <u>2</u> |

20. Creditors: Amounts falling due within one year

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank overdrafts | 26,515 | 447,346 | - | - |
| Bank loans | 155,303 | 89,593 | - | - |
| Trade creditors | 2,828,044 | 1,677,669 | - | - |
| Amounts owed to group undertakings | - | - | 80,000 | - |
| Corporation tax | 4,674,858 | 1,077,052 | 465,840 | 465,840 |
| Other taxation and social security | 9,023,145 | 8,337,953 | - | - |
| Obligations under finance lease and hire purchase contracts | 58,591 | 26,656 | - | - |
| Other creditors | 8,776,240 | 4,884,397 | 79,583 | 79,583 |
| Accruals and deferred income | 5,344,600 | 723,688 | - | - |
| | <u>30,887,296</u> | <u>17,264,354</u> | <u>625,423</u> | <u>545,423</u> |

The company has given a mortgage debenture, dated 5 November 2014, to Natwest Bank PLC. The debenture is secured by a fixed and floating charge over all current and future assets of the company.

Bank loans and overdrafts are additionally secured by a cross guarantee dated 30 July 1993 (refer to note 28 for further details).

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Creditors: Amounts falling due after more than one year

| | Group 2022 £ | <i>Group 2021 £</i> |
|--|-----------------------------|-----------------------------|
| Bank loans | - | 235,570 |
| Net obligations under finance leases and hire purchase contracts | 3,234 | 14,277 |
| | <u>3,234</u> | <u>249,847</u> |

The company has given a mortgage debenture, dated 5 November 2014, to Natwest Bank PLC. The debenture is secured by a fixed and floating charge over all current and future assets of the company.

Bank loans and overdrafts are additionally secured by a cross guarantee dated 30 July 1993 (refer to note 28 for further details).

22. Loans

Analysis of the maturity of loans is given below:

| | Group 2022 £ | <i>Group 2021 £</i> |
|--|-----------------------------|-----------------------------|
| Amounts falling due within one year | | |
| Bank loans | 155,303 | 89,593 |
| Amounts falling due 1-2 years | | |
| Bank loans | - | 82,483 |
| Amounts falling due 2-5 years | | |
| Bank loans | - | 153,087 |
| | <u>155,303</u> | <u>325,163</u> |

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. Financial instruments

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Financial assets | | | | |
| Financial assets that are debt instruments measured at amortised cost | <u>45,602,625</u> | <u>34,568,943</u> | <u>34,128,339</u> | <u>20,823,201</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | <u>11,847,927</u> | <u>7,334,575</u> | <u>159,583</u> | <u>79,583</u> |

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

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

24. Deferred taxation

Group

| | 2022 £ | 2021 £ |
|--|-----------------------------|-----------------------------|
| At beginning of year | 123,476 | 125,800 |
| Credited to the Consolidated statement of comprehensive income | 12,638 | (2,324) |
| On Acquisition | 850 | - |
| At end of year | <u>135,264</u> | <u>123,476</u> |
| | Group 2022 £ | Group 2021 £ |
| Accelerated capital allowances | 135,264 | 123,476 |
| | <u>135,264</u> | <u>123,476</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Share capital

| | 2022 £ | 2021 £ |
|---|-------------|-------------|
| Allotted, called up and fully paid | | |
| 20 Ordinary A shares of £1 each | 20 | 20 |
| 20 Ordinary B shares of £1 each | 20 | 20 |
| | <hr/> 40 | <hr/> 40 |
| | <hr/> <hr/> | <hr/> <hr/> |

The declaration of a dividend in respect of one class of share shall not compel a dividend at the same rate to be declared in respect of the other class of share.

The Ordinary 'A' and 'B' shares rank *pari passu* in all other respects.

26. Reserves

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased.

Profit and loss account

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

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

27. Business combinations

Acquisition of Salisbury Holdings Group on 31 January 2022

Recognised amounts of identifiable assets acquired and liabilities assumed

| | Book value £ | Fair value adjustments £ | Fair value £ |
|--|-------------------|--------------------------------|-------------------|
| Fixed Assets | | | |
| Tangible | 145,258 | - | 145,258 |
| Intangible | 177,192 | - | 177,192 |
| | <u>322,450</u> | <u>-</u> | <u>322,450</u> |
| Current Assets | | | |
| Debtors | 15,484,654 | - | 15,484,654 |
| Cash at bank and in hand | 6,850,579 | - | 6,850,579 |
| Total Assets | <u>22,657,683</u> | <u>-</u> | <u>22,657,683</u> |
| Creditors | | | |
| Due within one year | (9,194,254) | - | (9,194,254) |
| Total Identifiable net assets | <u>13,463,429</u> | <u>-</u> | <u>13,463,429</u> |
| Dividend | | | (5,046,300) |
| Goodwill | | | 3,361,764 |
| Total purchase consideration | | | <u>11,778,893</u> |
| Consideration | | | £ |
| Cash | | | <u>11,778,893</u> |
| Cash outflow on acquisition | | | £ |
| Purchase consideration settled in cash, as above | | | <u>11,778,893</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. Business combinations (continued)

The results of Salisbury Holdings Group on 31 January 2022 since acquisition are as follows:

| | Current period since acquisition £ |
|---|---|
| Turnover | 38,664,473 |
| Profit for the period since acquisition | 1,091,828 |

Acquisition of Ryeford Cleaning Services Limited on 31 July 2022**Recognised amounts of identifiable assets acquired and liabilities assumed**

| | Book value £ | Fair value adjustments £ | Fair value £ |
|--------------------------------------|-----------------|--------------------------------|-----------------|
| Fixed Assets | | | |
| Tangible | 126,538 | - | 126,538 |
| Intangible | 10,000 | - | 10,000 |
| | 136,538 | - | 136,538 |
| Current Assets | | | |
| Stocks | 16,893 | - | 16,893 |
| Debtors | 321,982 | - | 321,982 |
| Cash at bank and in hand | 252,069 | - | 252,069 |
| Total Assets | 727,482 | - | 727,482 |
| Creditors | | | |
| Due within one year | (389,496) | - | (389,496) |
| Due after more than one year | (160,796) | - | (160,796) |
| Provisions for liabilities | (5,478) | - | (5,478) |
| Total Identifiable net assets | 171,712 | - | 171,712 |
| Goodwill | | | 683,652 |
| Total purchase consideration | | | 855,364 |

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

27. Business combinations (continued)

Consideration

| | |
|-----------------------------|---------|
| | £ |
| Cash | 855,364 |
| Cash outflow on acquisition | |

| | |
|--|---------|
| | £ |
| Purchase consideration settled in cash, as above | 855,364 |

The results of Ryeford Cleaning Services Limited on 31 July 2022 since acquisition are as follows:

| | |
|---|---|
| | Current period since acquisition £ |
| Turnover | 1,397,248 |
| Profit for the period since acquisition | 57,988 |

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

27. Business combinations (continued)

Acquisition of Ultima Cleaning Limited on 31 March 2022

Recognised amounts of identifiable assets acquired and liabilities assumed

| | Book value £ | Fair value adjustments £ | Fair value £ |
|--|------------------|--------------------------------|------------------|
| Fixed Assets | | | |
| Tangible | 158,021 | - | 158,021 |
| Intangible | 555 | - | 555 |
| Other financial assets | 53,481 | - | 53,481 |
| | <u>212,057</u> | <u>-</u> | <u>212,057</u> |
| Current Assets | | | |
| Stocks | 35,535 | - | 35,535 |
| Debtors | 1,564,810 | - | 1,564,810 |
| Cash at bank and in hand | 405,385 | - | 405,385 |
| Total Assets | <u>2,217,787</u> | <u>-</u> | <u>2,217,787</u> |
| Creditors | | | |
| Due within one year | (929,289) | - | (929,289) |
| Due after more than one year | (6,873) | - | (6,873) |
| Provisions for liabilities | (28,167) | - | (28,167) |
| Total Identifiable net assets | <u>1,253,458</u> | <u>-</u> | <u>1,253,458</u> |
| Goodwill | | | 2,146,542 |
| Total purchase consideration | | | <u>3,400,000</u> |
| Consideration | | | |
| | | | £ |
| Cash | | | <u>3,400,000</u> |
| Cash outflow on acquisition | | | |
| | | | £ |
| Purchase consideration settled in cash, as above | | | <u>3,400,000</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. Business combinations (continued)

The results of Ultima Cleaning Limited on 31 March 2022 since acquisition are as follows:

| | Current period since acquisition £ |
|---|---|
| Turnover | 1,467,335 |
| Profit for the period since acquisition | <u>27,695</u> |

Acquisition of City West Support West Services Limited on 31 August 2022**Recognised amounts of identifiable assets acquired and liabilities assumed**

| | Book value £ | Fair value adjustments £ | Fair value £ |
|--------------------------------------|------------------|--------------------------------|------------------|
| Fixed Assets | | | |
| Tangible | 93,754 | - | 93,754 |
| | <u>93,754</u> | <u>-</u> | <u>93,754</u> |
| Current Assets | | | |
| Debtors | 3,591,649 | - | 3,591,649 |
| Cash at bank and in hand | 1,467,475 | - | 1,467,475 |
| Total Assets | <u>5,152,878</u> | <u>-</u> | <u>5,152,878</u> |
| Creditors | | | |
| Due within one year | (1,503,851) | - | (1,503,851) |
| Total identifiable net assets | <u>3,649,027</u> | <u>-</u> | <u>3,649,027</u> |
| Goodwill | | | 2,620,049 |
| Total purchase consideration | | | <u>6,269,076</u> |
| Consideration | | | |
| | | | £ |
| Cash | | | <u>6,269,076</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. Business combinations (continued)**Cash outflow on acquisition**

£

Purchase consideration settled in cash, as above

6,269,076

The results of City West Support West Services Limited on 31 August 2022 since acquisition are as follows:

**Current
period since
acquisition
£**

Turnover

4,485,203

Profit for the period since acquisition

360,873

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. Business combinations (continued)**Acquisition of Lewis & Graves on 31 October 2022****Recognised amounts of identifiable assets acquired and liabilities assumed**

| | Book value £ | Fair value adjustments £ | Fair value £ |
|--|------------------|--------------------------------|------------------|
| Fixed Assets | | | |
| Tangible | 111,606 | - | 111,606 |
| | <u>111,606</u> | <u>-</u> | <u>111,606</u> |
| Current Assets | | | |
| Stocks | 61,963 | - | 61,963 |
| Debtors | 3,141,601 | - | 3,141,601 |
| Cash at bank and in hand | 1,125,130 | - | 1,125,130 |
| Total Assets | <u>4,440,300</u> | <u>-</u> | <u>4,440,300</u> |
| Creditors | | | |
| Due within one year | (2,040,216) | - | (2,040,216) |
| Deferred taxation | (33,045) | - | (33,045) |
| Total identifiable net assets | <u>2,367,039</u> | <u>-</u> | <u>2,367,039</u> |
| Dividend | | | (152,000) |
| Goodwill | | | 4,559,823 |
| Total purchase consideration | | | <u>6,774,862</u> |
| Consideration | | | |
| | | | £ |
| Cash | | | <u>6,774,862</u> |
| Cash outflow on acquisition | | | |
| | | | £ |
| Purchase consideration settled in cash, as above | | | <u>6,774,862</u> |

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27. Business combinations (continued)

The results of Lewis & Graves on 31 October 2022 since acquisition are as follows:

| | Current period since acquisition £ |
|---|---|
| Turnover | 5,685,240 |
| Profit for the period since acquisition | 74,040 |

28. Contingent liabilities

The company has provided an intercompany guarantee covering Atlas Cleaning Limited, Atlas Contractors Limited, Atlas Managed Integrated Services Limited, Atlas Facilities Management Limited and Atlas FM Limited. At the year end the potential liability of Atlas Cleaning Limited was £Nil (2021 - £Nil).

29. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge for the year is shown in note 8. The amount outstanding to the pension fund at the year was £417,744 (2021 - £434,207).

30. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2022 £ | Group 2021 £ |
|--|--------------------|--------------------|
| Not later than 1 year | 23,218 | 139,276 |
| Later than 1 year and not later than 5 years | 54,671 | 73,809 |
| | <u>77,889</u> | <u>213,085</u> |

31. Transactions with directors

At the year end, the Company was owed £1,544,463 (2021 - £1,433,352) by a director, which is included in other debtors.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

32. Related party transactions

The group has taken advantage of the exemption allowed by FRS102, not to disclose any transactions with other wholly owned subsidiaries that are included in the consolidated financial statements of Atlas FM Limited.

At the year end, the Group was owed £361,407 from a director and their spouse (2021 - £474,987 owed to a director and their spouse).

At the year end, the Group was owed £2,277,335 (2021 - £Nil) from a director.

During the year, the group made rental payments of £128,000 (2021 - £128,000) for the rent of the properties owned by the Directors.

Uniform Express Limited

During the year under review, the group 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 £1,919,357 (2021 - £1,883,357) due to the loan being novated at Atlas FM Limited, the parent company. During the year there was a recharge of expenses of £36,000 (2021 - £36,000).

Atlas New Homes Limited

The group 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 £3,378,880 of which £852,395 has been provided for as a bad debt (2021 - £3,586,876 of which £852,395 has been provided for as a bad debt).

Deeprise Developments Limited

The group 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 £1,882,217 of which £1,882,217 has been provided for as a bad debt (2021 - £1,882,217 of which £1,882,217 has been provided as a bad debt).

Atlas Industrial Engineering Limited

The group 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 2021 was £2,180,627 of which £2,180,627 has been provided for as a bad debt previously (2021 - £2,180,627 of which £2,180,627 had been provided for).

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

36. Related party transactions (continued)**Earley Developments Limited**

The group has made loans to and received loans from Earley Developments Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing from the company at the year end was £79,583 (2021 - £79,583).

Atlas Commercial Property Limited

The group 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 £1,262,243 (2021 - £1,381,593). During the year, the group was also charged rent of £125,100 (2021 - £108,600) by Atlas Commercial Property Limited.

Atlas Living Limited

The group 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 £938,259 (2021 - £941,277).

Hayes Hygiene Limited

The group has made purchases of £1,882,645 (2021 - £1,323,806) from a company under common control. Included within other debtors is an amount of £504,809 (2021 - £135,935 included in creditors) which was advanced at end of the year.

33. Controlling party

The directors are of the opinion that N J Earley and R W Empson are the ultimate controlling parties.