

CINTAS HOSPITALITY UK LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

Company Registration No. 08069858 (England and Wales)

SHELLEY STOCK HUTTER LLP

Chartered Accountants

1st Floor

7 - 10 Chandos Street

London

W1G 9DQ

SATURDAY



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COMPANIES HOUSE

CINTAS HOSPITALITY UK LIMITED

COMPANY INFORMATION

Director	Mr William Todd McKeown
Company number	08069858
Registered office	c/o Squire Patton Bloggs (UK) LLP Rutland House 148 Edmund Street Birmingham B3 2JR
Auditors	Shelley Stock Hutter LLP 1st Floor 7 - 10 Chandos Street London W1G 9DQ
Business address	Wellington House Starley Way Solihull West Midlands B37 7HB

CINTAS HOSPITALITY UK LIMITED

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CINTAS HOSPITALITY UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2015

The director presents his report and financial statements for the year ended 31 May 2015.

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of branded commercial apparel.

Director

The following director has held office since 1 June 2014:

Mr William Todd McKeown

Use of financial instruments and risk management

The overall objective of the director is to set policies that seek to reduce risk as far as possible without unduly affecting the company's flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk in respect of cash and cash equivalents is reduced by placing funds with institutions which have high credit ratings. Credit risk in respect of trade and other receivables is reduced by careful vetting of potential customers and by imposing appropriate credit limits.

Liquidity risk

Liquidity risk arises from the company's management of working capital. There is a risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company's policy is to ensure it always has sufficient cash and the company has access to funding from the ultimate parent company to allow it to meet its liabilities as they fall due. The principal liabilities of the company arise in respect of expenditure giving rise to trade and other payables. Cash flow is reviewed on a regular basis.

Foreign exchange risk

The company is exposed to foreign exchange risk as it trades in several currencies and therefore holds foreign currency balances, as well as having trade receivables and trade payables in foreign currency balances. The company does not undertake formal hedging, instead relying on matching movements in both financial assets and liabilities.

Auditors

The auditors, Shelley Stock Hutter LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

CINTAS HOSPITALITY UK LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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 director is 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.

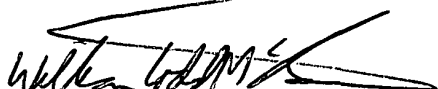
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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 of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board-----



Mr William Todd McKeown
Director

4/3/2014
Date

CINTAS HOSPITALITY UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CINTAS HOSPITALITY UK LIMITED

We have audited the financial statements of Cintas Hospitality UK Limited for the year ended 31 May 2015 set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report and financial statements 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 May 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion, we have considered whether the company has the ability to continue as a going concern. This is because as at the balance sheet date, the company's liabilities exceeded assets by £982,293 (2014: £580,916). Details of the circumstances relating to this matter are described in Note 1.1 to the accounts. Our opinion is not qualified in this respect, as the company has the continued support of its parent company.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CINTAS HOSPITALITY UK LIMITED

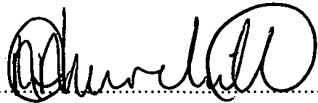
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CINTAS HOSPITALITY UK LIMITED

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 director was not entitled to take advantage of the small companies' exemption in preparing the director's report.



Richard Churchill (Senior Statutory Auditor)
for and on behalf of Shelley Stock Hutter LLP
Chartered Accountants

Statutory Auditor

1st Floor
7 - 10 Chandos Street
London
W1G 9DQ

11/3/2016
Date

CINTAS HOSPITALITY UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2015

	Notes	2015 £	2014 £
Revenue	2	2,109,949	1,993,891
Cost of sales		(1,420,240)	(1,535,201)
Gross profit		689,709	458,690
Administrative expenses		(1,089,905)	(829,294)
Operating loss	3	(400,196)	(370,604)
Other interest receivable and similar income	4	20	-
Finance costs	5	(1,201)	(2,877)
Loss on activities before taxation		(401,377)	(373,481)
Tax expense	6	-	-
Loss for the year		(401,377)	(373,481)
Total comprehensive loss for the period		(401,377)	(373,481)
Attributable to parent's equity holders		(401,377)	(373,481)

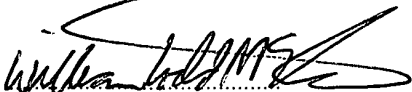
CINTAS HOSPITALITY UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2015

	Notes	2015 £	2014 £
Assets			
Non-current assets			
Property, plant and equipment	8	5,355	2,828
Current assets			
Inventories	9	788,572	599,547
Trade and other receivables	10	935,077	449,129
Cash and cash equivalents	11	248,548	424,093
Total assets		<u>1,977,552</u>	<u>1,475,597</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	12	2,959,845	2,056,513
Capital and reserves			
Called up share capital	15	320,001	320,001
Retained earnings		(1,302,294)	(900,917)
Total equity		<u>(982,293)</u>	<u>(580,916)</u>
Total equity and liabilities		<u>1,977,552</u>	<u>1,475,597</u>

Approved by the Board and authorised for issue on 4/3/2016



Mr William Todd McKeown
Director

Company Registration No. 08069858

CINTAS HOSPITALITY UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2015

	Note	Share capital £	Retained earnings £	Total equity £
Balance as at 1 June 2014		320,001	(900,917)	(580,916)
Comprehensive loss for the period		-	(401,377)	(401,377)
Total comprehensive loss for the period		-	(401,377)	(401,377)
Balance as at 31 May 2015	15	320,001	(1,302,294)	(982,293)

CINTAS HOSPITALITY UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2015

	£	2015 £	£	2014 £
Net cash flows from operating activities		(88,598)		524,396
Cash flows from investing activities				
Payments for property, plant and equipment	(4,967)		(1,826)	
Payments for intangible assets	-		-	
Net cash flows from investing activities		(4,967)		(1,826)
Cash flows from financing activities				
Interest received	20		-	
Interest paid	-		(16)	
Other long term loans issued	(82,000)		(187,500)	
Net cash flows from financing activities		(81,980)		(187,516)
Net increase in cash and cash equivalents		(175,545)		335,054
Cash and cash equivalents at 1 June 2014		424,093		89,655
Effects of exchange rate adjustments on the balance of cash held in foreign currencies		-		(616)
Cash and cash equivalents at 31 May 2015		<u>248,548</u>		<u>424,093</u>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2015

1	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities		2015	2014
			£	£
	Operating loss		(400,196)	(370,604)
	Depreciation of tangible assets		2,440	5,197
	Loss on disposal of tangible assets		-	9,277
	Bad debt provision movement		113,427	8,272
	(Increase)/decrease in stocks		(189,025)	3,921
	Increase in debtors		(599,375)	(160,717)
	Increase in creditors within one year		984,131	1,028,434
	Bank revaluations		-	616
	Net cash (outflow)/inflow from operating activities		(88,598)	524,396

2	Analysis of net funds	1 June 2014	Cash flow	Other non-cash changes	31 May 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	424,093	(175,545)	-	248,548
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due within one year	(312,500)	82,000	-	(230,500)
	Net funds	111,593	(93,545)	-	18,048

3	Reconciliation of net cash flow to movement in net funds	2015	2014
		£	£
	(Decrease)/increase in cash in the year	(175,545)	335,054
	Cash outflow from decrease in debt	82,000	187,500
	Net effect of foreign exchange differences	-	(616)
	Movement in net funds in the year	(93,545)	521,938
	Opening net funds/(debt)	111,593	(410,345)
	Closing net funds	18,048	111,593

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with accepted International Financial Reporting Standards (IFRSs), as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are presented in Great British Pounds (GBP), which is the company's functional currency.

Cintas Hospitality UK Limited is a limited company registered in England and Wales where it is domiciled for tax purposes.

The financial statements present information on the individual company only.

At the reporting date the company's liabilities exceeded its assets by £982,293 (2014: £580,916) and the company is reliant on the continued support of its ultimate parent company Cintas Corporation. The director is confident that the ultimate parent company has sufficient resources and the intention to continue to support the company for the foreseeable future and is satisfied that the financial statements have been properly prepared on a going concern basis.

1.2 Use of judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are as follows:

Estimates and assumptions: The basis of estimates and assumptions are reviewed regularly. The changes in accounting estimates are reported in the period of the change in estimate.

Provisions for inventories: Inventories are regularly reviewed to ensure that cost is fully recoverable. Should it be considered that inventories are not fully recoverable then a provision is made to hold inventories at their net realisable value. At 31 May 2015 and 31 May 2014 no stock provision was considered necessary, based on post year end sales and the nature of the products sold.

Allowance for doubtful receivables: Trade and other receivables are regularly reviewed to assess collectability, and a provision is made against those in doubt. At 31 May 2015 a total provision of £283,610 (2014: £170,183) had been made against potential doubtful debts.

Useful lives of property, plant and equipment: The company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. No adjustment to the depreciation rates has been made in the current period.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

1 Accounting policies

(continued)

1.3 Use of judgements and estimates

Impairment of non-financial assets: The carrying amounts of the company's non-financial assets are reviewed to determine whether there is any indication of impairment when, as a result of events or changes in circumstances there are indications that the carrying amount is not recoverable. When the carrying amount of the non-financial assets exceeds their recoverable value, the assets are written down to their recoverable value. The recoverable value is assessed as the higher of the net selling price and the asset's value in use. The value in use is calculated from the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the risks specific to the asset. When the asset does not generate independent cash flows a recoverable value is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement for the period.

1.4 Revenue

Revenue represents amounts receivable for goods net of VAT and trade discounts. Consideration received from customers is only recorded as revenue to the extent that the company has performed its contractual obligations in respect of that consideration.

1.5 Intangible fixed assets

Acquired goodwill is subjected to an annual impairment review carried out by the director.

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Cost includes the purchase price as well as directly attributable costs associated with bringing the asset into use. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Straight line over the lease term
Office equipment	33% straight line
Furniture and fittings	33% straight line

1.7 Leasing

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

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value on a weighted average basis. Cost is composed of the purchase of both finished goods and materials, and the freight costs related to carriage in.

1.9 Pensions

The company contributes to a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

1 Accounting policies

(continued)

1.10 Deferred taxation

The corporation tax liability is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other period. The corporation tax liability for the period is calculated using the current ruling tax rate.

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is almost certain that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

1.12 Cash and cash equivalents

For the purposes of the financial statements cash and cash equivalents are defined as cash at bank, treasury deposits and cash in hand.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

1 Accounting policies

(continued)

1.13 Financial instruments

Financial assets: The company classifies its financial assets as loans and receivables as discussed below:

Cash and cash equivalents: These include cash in hand, deposits held at call with banks and bank overdrafts. Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables: These include amounts due to the company, stated at their original invoiced value, small sundry debtors and prepayments. No discounting is applied as the interest to be recognised from discounting future receipts over the short credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities: The company classifies its financial liabilities as financial liabilities measured at amortised cost. The company's financial liabilities at amortised cost include trade payables and other borrowings.

Trade and other payables: These are initially recognised at fair value and then carried at amortised cost. These arise from the receipt of goods and services. The short credit period means that any interest is not considered to be material.

Other borrowings: The company has received a loan from its ultimate parent company. Interest is charged on this loan at an initial rate of 0.48% per annum. The loan is repayable on demand and consequently the loan has not been discounted.

2 Revenue and loss on ordinary activities before taxation

Class of business	Revenue	
	2015	2014
	£	£
Sale of branded apparel	1,982,890	1,892,025
Carriage	127,059	101,866
	<u>2,109,949</u>	<u>1,993,891</u>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

3	Expenses by nature	2015	2014
		£	£
	Operating loss is stated after charging:		
	Depreciation of property, plant and equipment	2,440	5,197
	Loss on disposal of property, plant and equipment	-	9,277
	Loss on foreign exchange transactions	173,886	-
	Employee benefit costs	5,173	368
	Operating lease rentals	30,854	44,202
	Auditors' remuneration	12,500	12,500
	and after crediting:		
	Profit on foreign exchange transactions	-	(58,598)
		<u> </u>	<u> </u>
4	Investment income	2015	2014
		£	£
	Bank interest	20	-
		<u> </u>	<u> </u>
		20	-
		<u> </u>	<u> </u>
5	Interest payable	2015	2014
		£	£
	On amounts payable to group companies	1,201	2,861
	On bank loans and overdrafts	-	16
		<u> </u>	<u> </u>
		1,201	2,877
		<u> </u>	<u> </u>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

6	Taxation	2015	2014
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(401,377)	(373,481)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.83% (2014 - 22.67%)	(83,607)	(84,668)
	Effects of:		
	Non deductible expenses	1,110	9,347
	Depreciation add back	508	1,178
	Capital allowances	(1,399)	(897)
	Loss on disposal of property, plant and equipment	-	2,103
	Tax losses available for carry forward	83,388	72,937
		83,607	84,668
	Current tax charge for the year	-	-

The company has estimated losses of £ 1,226,058 (2014 - £ 825,788) available for carry forward against future taxable profits.

The UK tax rate was 21% from 1 April 2014 to 31 March 2015 and 20% from April 2015. The applicable rate of UK tax has been calculated on a pro rata basis across the accounting period.

Based on the company's results for the year there is a potential deferred tax asset of £247,390 (2014: £168,195). This has not been recognised as it is not certain that the company will generate profits with which to utilise this asset.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

7 Goodwill

	Goodwill £
Cost	
At 1 June 2013	69,686
Additions	-
	<hr/>
At 1 June 2014 & at 31 May 2015	69,686
	<hr/>
Amortisation	
At 1 June 2013	69,686
Impairment	-
	<hr/>
At 1 June 2014 & at 31 May 2015	69,686
	<hr/>
Carrying amount	
At 31 May 2015	-
	<hr/> <hr/>
At 31 May 2014	-
	<hr/> <hr/>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

8 Property, plant and equipment

	Office equipment £
Cost	
At 1 June 2013	17,634
Additions	1,826
Disposals	(14,787)
At 31 May 2014	4,673
Additions	4,967
Disposals	-
At 31 May 2015	9,640
Depreciation	
At 1 June 2013	2,158
On disposals	(5,510)
Charge for the year	5,197
At 31 May 2014	1,845
On disposals	-
Charge for the year	2,440
At 31 May 2015	4,285
Carrying amount	
At 31 May 2014	2,828
At 31 May 2015	5,355

9 Inventories

	2015 £	2014 £
Finished goods	788,572	599,547

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

10 Trade and other receivables	2015 £	2014 £
Trade receivables	887,713	420,193
Receivables from related parties	1	1
Other receivables	5,937	23,436
Prepayments	41,426	5,499
	<u>935,077</u>	<u>449,129</u>

11 Cash and cash equivalents	2015 £	2014 £
Cash at bank	<u>248,548</u>	<u>424,093</u>

Cash and cash equivalents are made up of cash deposits held in current accounts of an 'A' rated banking institution. Several currency accounts are held.

12 Trade and other payables	2015 £	2014 £
Trade payables	254,056	192,209
Payables to related parties	2,285,320	1,354,408
Other payables	30,439	42,527
Borrowing from parent company	230,500	312,500
Accruals	159,530	154,869
	<u>2,959,845</u>	<u>2,056,513</u>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

13 Pension and other post-retirement benefit commitments

Defined contribution

	2015 £	2014 £
Contributions payable by the company for the year	10,716	13,527
Contributions payable to the fund at the year end and included in creditors	(15,793)	(10,077)

14 Financial instruments

The company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

Principal financial instruments

The principal financial instruments used by the company, from which the financial instrument risk arises, are as follows:

	2015 £	2014 £
Financial assets		
Loans and receivables		
Trade and other receivables	935,077	449,129
Cash and cash equivalents	248,548	424,093
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables	(2,972,458)	(2,056,513)
Loans and other borrowings	-	-

The fair value of the company's financial instruments is considered to be materially equal to their carrying amount in the Statement of Financial Position due to their relatively short term nature and simple composition.

Equity instruments

The equity of the company is comprised of its share capital and retained loss. In managing its capital the company's objectives are to provide a return for its equity shareholders through distributions and capital growth.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

15 Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
320,001 Ordinary shares of £1 each	320,001	320,001

The fully paid ordinary shares have full voting, dividend and capital distribution rights. They do not confer any right of redemption. Each £1 share carries one vote.

16 Contingent liabilities

Cintas Hospitality UK Limited is committed to paying 5% of sales made to one of its customers until 31 December 2017 to their customer's previous supplier, up to a maximum payment of £100,000. £30,540 (2014: £36,377) of this cost has been recognised during the year ended 31 May 2015.

17 Financial commitments

At 31 May 2015 the company was committed to making the following payments under non-cancellable operating leases.

Operating leases which expire:

During the year the company entered into a license agreement in respect of its new office premises, surrendering the lease entered into in the previous period. There is therefore no ongoing lease commitment at the year end.

A total operating lease charge of £30,854 (2014: £44,202) has been recognised as an expense in the statement of comprehensive income.

18 Director's remuneration

The director of the company received no remuneration from the company in the current or prior period. He instead received remuneration from the ultimate parent company, Cintas Corporation. No recharge of his salary is made to Cintas Hospitality UK Limited.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Administration and sales	9	7

Employment costs

	2015 £	2014 £
Wages and salaries	537,338	385,021
Social security costs	49,841	45,634
Other pension costs	10,716	13,527
	<u>597,895</u>	<u>444,182</u>

20 Control

The immediate parent company in the current and prior period is Cintas Netherlands B.V., a company incorporated in the Netherlands. The ultimate parent company in the current and prior period is Cintas Corporation, a publicly listed company incorporated in the United States. Copies of the publicly available annual report are obtainable from its registered address, Cintas Corporation, PO Box 625737, Cincinnati, Ohio 45262.

21 Related party relationships and transactions

During the year the company undertook significant transactions with its ultimate parent company, Cintas Corporation. Cintas Hospitality UK Limited purchased stock from Cintas Corporation totalling £981,449 (2014: £921,650). Cintas Corporation received sales on behalf of Cintas Hospitality UK Limited totalling £50,536 (2014: £6,106). Returned stock totalling £nil (2014: £12,613) was charged to Cintas Corporation. Cintas Hospitality UK Limited made repayments to Cintas Corporation of £82,000 (2014: £187,500) during the year. All transactions are charged on an arms-length basis; however indefinite payment terms have been allowed to Cintas Hospitality UK Limited in order to support the company until it becomes profitable. Interest of £1,201 (2014: £2,861) was charged on the intercompany loan during the year. As at the reporting date Cintas Hospitality UK Limited owed a balance of £2,515,821 (2014: £1,666,908) to Cintas Corporation.