

**Acre Industrial & Cleaning Services  
Limited**

Report and Financial Statements

Year Ended

30 June 2016

Company Number SC117639



## **Acre Industrial & Cleaning Services Limited**

### **Company Information**

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<b>Director</b>	J.W. Price
<b>Company secretary</b>	L. Price
<b>Registered number</b>	SC117639
<b>Registered office</b>	Fulwood Estate Moss Road Houston Renfrewshire PA6 7BJ
<b>Independent auditor</b>	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
<b>Bankers</b>	Clydesdale Bank PLC 30 St Vincent Place Glasgow G1 2HL
<b>Solicitors</b>	MSM 51 Moss Street Paisley PA1 1DS

## **Acre Industrial & Cleaning Services Limited**

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## **Acre Industrial & Cleaning Services Limited**

### **Strategic Report For the Year Ended 30 June 2016**

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#### **Business review**

Acre Industrial & Cleaning Services Limited have enjoyed another profitable year. The company's order book is encouraging and it is expected that the level of turnover will increase in the year to 30 June 2017.

#### **Principal risks and uncertainties**

The principal risks and uncertainties affecting the company arise from general economic conditions of the industrial cleaning sector. The company has been pursuing opportunities in all sectors of the industry.

The company has an experienced workforce and believes that with the talent and skills at its disposal it is well placed to manage the risks in the market place and its various sectors.

#### **Financial key performance indicators**

The key performance indicators used by the group include the following:

Turnover for the year was £4,622,623.

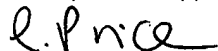
Shareholders fund at the year end were £3,443,412.

Profit for the year was £399,555.

This report was approved by the board on

30-3-17

and signed on its behalf.



**L. Price**  
Secretary

**Acre Industrial & Cleaning Services Limited**

**Director's Report  
For the Year Ended 30 June 2016**

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The director presents his report and the financial statements for the year ended 30 June 2016.

**Principal activity**

The company's principal activity is the provision of industrial cleaning services.

**Results and dividends**

The profit for the year, after taxation, amounted to £399,555 (2015 - £510,515). Dividends of £38,000 (2015 - £150,000) were paid to the shareholder in year.

**Director**

The director who served during the year was:

J.W. Price

**Future developments**

The company will continue to meet the demand of its customers required under contract and continue to seek new opportunities.

**Disclosure of information to auditor**

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Post balance sheet events**

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

**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30-3-17 and signed on its behalf.



L. Price  
Secretary

## **Acre Industrial & Cleaning Services Limited**

### **Director's Responsibilities Statement For the Year Ended 30 June 2016**

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The director is responsible for preparing the strategic report, 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 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 director must not approve the financial statements unless he is satisfied that he gives 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

## **Acre Industrial & Cleaning Services Limited**

### **Independent Auditor's Report to the Members of Acre Industrial & Cleaning Services Limited**

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We have audited the financial statements of Acre Industrial & Cleaning Services Limited for the year ended 30 June 2016 which comprise the Profit and Loss account, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

## **Acre Industrial & Cleaning Services Limited**

### **Independent Auditor's Report to the Members of Acre Industrial & Cleaning Services Limited**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*BDO LLP*

**Mark McCluskey** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Glasgow  
United Kingdom

*30 March 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Acre Industrial & Cleaning Services Limited

## Profit and Loss Account For the Year Ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	4,622,623	4,550,506
Cost of sales		(3,226,916)	(3,087,868)
<b>Gross profit</b>		<b>1,395,707</b>	<b>1,462,638</b>
Distribution costs		(65,061)	(57,702)
Administrative expenses		(861,813)	(799,941)
Other operating income	5	41,489	38,936
<b>Operating profit</b>	6	<b>510,322</b>	<b>643,931</b>
Interest receivable and similar income	9	7,338	6,263
<b>Profit before tax</b>		<b>517,660</b>	<b>650,194</b>
Tax on profit on ordinary activities	10	(118,105)	(139,679)
<b>Profit for the year</b>		<b>399,555</b>	<b>510,515</b>

There was no other comprehensive income in the year (2015: £Nil).

The notes on pages 11 to 26 form part of these financial statements.

**Acre Industrial & Cleaning Services Limited**  
Registered number: SC117639

**Balance Sheet**  
**As at 30 June 2016**

	Note	2016 £	2015 (restated) £
<b>Fixed assets</b>			
Tangible assets	12	1,112,213	1,036,340
Investments	13	100	100
Investment property		567,317	-
		<u>1,679,630</u>	<u>1,036,440</u>
<b>Current assets</b>			
Stocks	15	-	334,100
Debtors: amounts falling due within one year	16	785,335	911,754
Cash at bank and in hand	17	1,910,047	1,498,690
		<u>2,695,382</u>	<u>2,744,544</u>
Creditors: amounts falling due within one year	18	(787,329)	(657,002)
<b>Net current assets</b>		<u>1,908,053</u>	<u>2,087,542</u>
<b>Total assets less current liabilities</b>		<u>3,587,683</u>	<u>3,123,982</u>
<b>Provisions for liabilities</b>			
Deferred tax	20	(144,271)	(119,025)
		<u>(144,271)</u>	<u>(119,025)</u>
<b>Net assets</b>		<u><u>3,443,412</u></u>	<u><u>3,004,957</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	20,000	20,000
Investment property reserve	22	76,900	-
Profit and loss account	22	3,346,512	2,984,957
		<u><u>3,443,412</u></u>	<u><u>3,004,957</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30-3-17

*J.W. Price*

**J.W. Price**  
Director

The notes on pages 11 to 26 form part of these financial statements.

**Acre Industrial & Cleaning Services Limited**

**Statement of Changes in Equity  
For the Year Ended 30 June 2016**

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	20,000	-	2,984,957	3,004,957
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	399,555	399,555
Revaluation surplus on investment properties	-	76,900	-	76,900
<b>Total comprehensive income for the year</b>	-	76,900	399,555	476,455
Dividends: Equity capital	-	-	(38,000)	(38,000)
<b>Total transactions with owners</b>	-	-	(38,000)	(38,000)
<b>At 30 June 2016</b>	<b>20,000</b>	<b>76,900</b>	<b>3,346,512</b>	<b>3,443,412</b>

# Acre Industrial & Cleaning Services Limited

## Statement of Changes in Equity For the Year Ended 30 June 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2014	20,000	2,624,442	2,644,442
<b>Comprehensive income for the year</b>			
Profit for the year	-	510,515	510,515
<b>Total comprehensive income for the year</b>	-	510,515	510,515
Dividends: Equity capital	-	(150,000)	(150,000)
<b>Total transactions with owners</b>	-	(150,000)	(150,000)
<b>At 30 June 2015</b>	<b>20,000</b>	<b>2,984,957</b>	<b>3,004,957</b>

The notes on pages 11 to 26 form part of these financial statements.

**Acre Industrial & Cleaning Services Limited**

**Statement of Cash Flows  
For the Year Ended 30 June 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	399,555	510,515
<b>Adjustments for:</b>		
Depreciation of tangible assets	286,787	257,753
Interest received	(7,338)	(6,263)
Taxation charge	118,105	139,679
Decrease in stocks	-	84
Decrease/(increase) in debtors	126,419	(23,072)
Increase/(decrease) in creditors	128,718	(5,068)
Corporation tax (paid)	(91,250)	(29,599)
<b>Net cash generated from operating activities</b>	<b>960,996</b>	<b>844,029</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(375,733)	(432,653)
Sale of tangible fixed assets	13,073	11,437
Purchase of investment properties	(156,317)	-
Interest received	7,338	6,263
<b>Net cash from investing activities</b>	<b>(511,639)</b>	<b>(414,953)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(38,000)	(150,000)
<b>Net cash used in financing activities</b>	<b>(38,000)</b>	<b>(150,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>411,357</b>	<b>279,076</b>
Cash and cash equivalents at beginning of year	1,498,690	1,219,614
<b>Cash and cash equivalents at the end of year</b>	<b>1,910,047</b>	<b>1,498,690</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,910,047	1,498,690
	<b>1,910,047</b>	<b>1,498,690</b>

## **Acre Industrial & Cleaning Services Limited**

### **Notes to the Financial Statements For the Year Ended 30 June 2016**

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#### **1. General information**

Acre Industrial & Cleaning Services Limited is a company limited by shares and registered in Scotland. Details of the registered office is included in the company information page and the nature of the company's operations and its principal activities is included in the Directors' Report.

#### **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 (FRS102).

Information on the impact of first-time adoption of FRS 102 is given in note 27.

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

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The directors consider it appropriate to prepare the financial statements on a going basis. In coming to this conclusion a period of at least 12 months from the date these accounts are signed was considered.

##### **2.3 Consolidation**

The company is exempt from preparing group accounts as the sole subsidiary of the company is dormant. The exemption under s405 of the Companies Act 2006 has been applied.

##### **2.4 Revenue**

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

##### **Rendering of services**

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

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

## **Acre Industrial & Cleaning Services Limited**

### **Notes to the Financial Statements For the Year Ended 30 June 2016**

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## **2. Accounting policies (continued)**

### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Leasehold Improvements	- 10% Straight line
Plant and machinery	- 25% Straight line
Motor vehicles	- 15% - 25% Straight line
Fixtures and fittings	- 25% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

### **2.6 Investment property**

Investment property is carried at fair value determined periodically by external 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 profit and loss account.

### **2.7 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

### **2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

### **2.9 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 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 company's cash management.

## **Acre Industrial & Cleaning Services Limited**

### **Notes to the Financial Statements For the Year Ended 30 June 2016**

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## **2. Accounting policies (continued)**

### **2.10 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

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

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

### **2.11 Creditors**

Short term creditors are measured at transaction price.



## **Acre Industrial & Cleaning Services Limited**

### **Notes to the Financial Statements For the Year Ended 30 June 2016**

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## **2. Accounting policies (continued)**

### **2.12 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.

### **2.13 Operating leases: the company as lessor**

Rentals income from operating leases is credited to the profit and loss account on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

### **2.14 Leased assets: the company as lessee**

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### **2.15 Pensions**

#### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

### **2.16 Interest income**

Interest income is recognised in the profit and loss account using the effective interest method.

## **Acre Industrial & Cleaning Services Limited**

### **Notes to the Financial Statements For the Year Ended 30 June 2016**

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#### **2. Accounting policies (continued)**

##### **2.17 Provisions for liabilities**

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

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

##### **2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 company 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 balance sheet date.

## **Acre Industrial & Cleaning Services Limited**

### **Notes to the Financial Statements For the Year Ended 30 June 2016**

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements the directors have made the following judgements:

The useful economic lives of the fixed assets and the depreciation rates applied.

Whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Whether any bad debt provision is required via a review of trade debtors, with debts provided for on a specific basis. Factors considered include customer payment history and agreed payment terms.

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

#### **4. Turnover**

All turnover arose within the United Kingdom and from the provision of industrial cleaning waste management services.

#### **5. Other operating income**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Rental income	<b>41,489</b>	38,936
	<b>41,489</b>	38,936

# Acre Industrial & Cleaning Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	286,787	257,753
Gain on disposal of tangible fixed asset	-	(563)
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	10,000	10,000
Non-audit fees payable to the company's auditor and its associates for assistance in the preparation of the company's annual financial statements	2,000	2,000
Hire of land and buildings - operating leases	26,560	35,802
	<u>26,560</u>	<u>35,802</u>

### 7. Employees

Staff costs, including director's remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,494,669	1,491,952
Social security costs	121,207	120,261
Cost of defined contribution scheme	90,352	165,845
	<u>1,706,228</u>	<u>1,778,058</u>

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

	2016 No.	2015 No.
Operational	52	58
Administrative	12	10
	<u>64</u>	<u>68</u>

### 8. Director's remuneration

	2016 £	2015 £
Director's emoluments and benefits in kind	17,594	15,325
Company contributions to defined contribution pension schemes	40,000	80,000
	<u>57,594</u>	<u>95,325</u>

**Acre Industrial & Cleaning Services Limited**

**Notes to the Financial Statements  
For the Year Ended 30 June 2016**

**9. Interest receivable**

	<b>2016 £</b>	<b>2015 £</b>
Other interest receivable	<b>7,338</b>	6,263
	<u><b>7,338</b></u>	<u>6,263</u>

**10. Taxation**

	<b>2016 £</b>	<b>2015 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>91,017</b>	91,250
Adjustments in respect of previous periods	<b>1,842</b>	(852)
	<u><b>92,859</b></u>	<u>90,398</u>
<b>Total current tax</b>	<u><b>92,859</b></u>	<u>90,398</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>12,522</b>	48,429
Changes to tax rates	-	852
Charge on revaluation surplus	<b>12,724</b>	-
<b>Total deferred tax</b>	<u><b>25,246</b></u>	<u>49,281</u>
<b>Taxation on profit on ordinary activities</b>	<u><b>118,105</b></u>	<u>139,679</u>

# Acre Industrial & Cleaning Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<b>517,660</b>	650,194
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75 %)	<b>109,563</b>	134,920
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>18,588</b>	8,050
Fixed asset timing differences	<b>432</b>	499
Income not taxable for tax purposes	<b>(8,428)</b>	-
Depreciation in excess of capital allowances	-	(50,247)
Adjustment to tax in respect of previous periods	<b>1,842</b>	(852)
Adjustments to tax in respect of previous periods - Deferred tax	<b>(2,000)</b>	-
Other timing differences	<b>(1,892)</b>	49,281
Marginal relief	-	(1,972)
<b>Total tax charge for the year</b>	<b>118,105</b>	139,679

### 11. Dividends

	2016 £	2015 £
Dividends paid to ordinary shareholders of £1.90 per share were paid in the year (2015 - £7.50 per share)	<b>38,000</b>	150,000
	<b>38,000</b>	150,000

Acre Industrial & Cleaning Services Limited

Notes to the Financial Statements  
For the Year Ended 30 June 2016

12. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 July 2015	270,294	460,050	2,903,131	159,208	3,792,683
Additions	-	9,435	366,298	-	375,733
Disposals	-	-	(13,500)	-	(13,500)
At 30 June 2016	270,294	469,485	3,255,929	159,208	4,154,916
<b>Depreciation</b>					
At 1 July 2015	238,847	434,587	1,929,567	153,342	2,756,343
Charge for the period	7,504	14,625	262,667	1,991	286,787
Disposals	-	-	(427)	-	(427)
At 30 June 2016	246,351	449,212	2,191,807	155,333	3,042,703
<b>Net book value</b>					
At 30 June 2016	23,943	20,273	1,064,122	3,875	1,112,213
At 30 June 2015	31,447	25,463	973,564	5,866	1,036,340

# Acre Industrial & Cleaning Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 13. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2015	100
At 30 June 2016	100
<b>Net book value</b>	
At 30 June 2016	100
At 30 June 2015	100

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Acre Rental Income Limited	Ordinary	100 %	The rental of property

Acre Rental Income Limited is registered at Fulwood Mains House, Moss Rd, Houston, PA6 7BJ, United Kingdom. During its latest financial year, it made a profit after tax of £Nil (2015 - £Nil) and at the end of the financial year the aggregate of its capital and reserves was £100 (2015 - £100).



**Acre Industrial & Cleaning Services Limited**

**Notes to the Financial Statements  
For the Year Ended 30 June 2016**

**14. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
Additions	<b>156,317</b>
Surplus on revaluation	<b>76,900</b>
Transfers between classes	<b>334,100</b>
<b>At 30 June 2016</b>	<b>567,317</b>

The valuations were made by DM Hall Chartered Surveyors, on an open market value for existing use basis.

**At 30 June 2016**

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2016 £</b>	<b>2015 £</b>
Historic cost	<b>490,417</b>	334,100
	<b>490,417</b>	334,100

**15. Stocks**

	<b>2016 £</b>	<b>2015 £</b>
Properties held for sale	-	334,100
	-	334,100

During the year the properties ceased to be marketed for sale and were transferred to recognition as investment properties.

**Acre Industrial & Cleaning Services Limited**

**Notes to the Financial Statements  
For the Year Ended 30 June 2016**

**16. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>726,185</b>	825,496
Prepayments and accrued income	<b>59,150</b>	86,258
	<u><b>785,335</b></u>	<u>911,754</u>

**17. Cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>1,910,047</b>	1,498,690
	<u><b>1,910,047</b></u>	<u>1,498,690</u>

**18. Creditors: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>331,957</b>	228,954
Corporation tax	<b>92,859</b>	91,250
Other taxation and social security	<b>137,049</b>	163,004
Other creditors	<b>2,957</b>	1,275
Accruals and deferred income	<b>222,507</b>	172,519
	<u><b>787,329</b></u>	<u>657,002</u>

# Acre Industrial & Cleaning Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 19. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Cash	1,910,047	1,498,690
Financial assets that are measured at amortised cost	746,384	869,052
	<u>2,656,431</u>	<u>2,367,742</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(557,421)	(402,748)
	<u>(557,421)</u>	<u>(402,748)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

### 20. Deferred taxation

	2016 £	2015 £
At beginning of year	(119,025)	(69,744)
Charged to profit or loss	(25,246)	(49,281)
<b>At end of year</b>	<u>(144,271)</u>	<u>(119,025)</u>
	2016 £	2015 £
Accelerated capital allowances	(131,547)	(119,025)
Revaluation surplus	(12,724)	-
	<u>(144,271)</u>	<u>(119,025)</u>

# Acre Industrial & Cleaning Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 21. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

### 22. Reserves

#### Investment property revaluation reserve

The reserve recognises the revaluation amount applied to the investment properties to correctly hold them at fair value.

#### Profit and loss account

The profit and loss account consists of the historical profits and losses recognised to date less dividends paid to share holders.

### 23. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £90,352 (2015 - £165,485). Contributions totalling £1,334 (2015 - £1,275) were payable to the fund at the balance sheet date.

### 24. Commitments owed under non-cancellable operating leases

At 30 June 2016 the company as a lessor was owed future minimum lease payments under non-cancellable operating leases as follows

	2016 £	2015 £
Not later than 1 year	<u>46,479</u>	<u>41,489</u>
	<u>46,479</u>	<u>41,489</u>

### 25. Related party transactions

During the year dividends of £19,000 (2015 - £75,000) were paid to both J.W. Price, the director, and to L. Price, the company secretary. The total dividend paid was £38,000 (2015 - £150,000).

**Acre Industrial & Cleaning Services Limited**

**Notes to the Financial Statements  
For the Year Ended 30 June 2016**

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**26. Controlling party**

The company was controlled throughout the year by its director, J.W. Price.

**27. First time adoption of FRS 102**

The company has transitioned to FRS 102 from former UK GAAP as at 1 July 2014. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.