

**ABERDEEN CLEANING SERVICES LTD
SC293016**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017**

PAGES FOR FILING WITH REGISTRAR

**MESTON REID & CO.
CHARTERED ACCOUNTANTS
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ABERDEEN CLEANING SERVICES LTD

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ABERDEEN CLEANING SERVICES LTD

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2017

		2017	2016
	Notes	£	£
Fixed assets			
Intangible assets	3	-	75,000
Property, plant and equipment	4	114,227	112,009
Investment properties	5	344,259	119,409
		<u>458,486</u>	<u>306,418</u>
Current assets			
Inventories		260	260
Trade and other receivables	6	470,836	410,350
Cash and cash equivalents		29,645	44,232
		<u>500,741</u>	<u>454,842</u>
Current liabilities	7	<u>(638,319)</u>	<u>(550,017)</u>
Net current liabilities		(137,578)	(95,175)
Total assets less current liabilities		320,908	211,243
Non-current liabilities	8	(69,317)	(74,451)
Provisions for liabilities		<u>(4,994)</u>	<u>(1,175)</u>
Net assets		<u>246,597</u>	<u>135,617</u>
Equity			
Called up share capital	10	604	604
Retained earnings		245,993	135,013
Total equity		<u>246,597</u>	<u>135,617</u>

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

For the financial year ended 30 November 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

ABERDEEN CLEANING SERVICES LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 NOVEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 17 May 2018 and are signed on its behalf by:

Joanne Deborah Borthwick
Director

Company Registration No. SC293016

ABERDEEN CLEANING SERVICES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2017

	Share capital	Retained earnings	Total
Notes	£	£	£
Balance at 1 December 2015	604	224,478	225,082
Year ended 30 November 2016:			
Profit and total comprehensive income for the year	-	191,035	191,035
Dividends	-	(280,500)	(280,500)
	<u>604</u>	<u>135,013</u>	<u>135,617</u>
Balance at 30 November 2016	604	135,013	135,617
Year ended 30 November 2017:			
Profit and total comprehensive income for the year	-	271,980	271,980
Dividends	-	(161,000)	(161,000)
	<u>604</u>	<u>245,993</u>	<u>246,597</u>
Balance at 30 November 2017	<u>604</u>	<u>245,993</u>	<u>246,597</u>

ABERDEEN CLEANING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

Company information

Aberdeen Cleaning Services Ltd is a private company limited by shares in the UK, incorporated in Scotland. The registered office is 31 Summer Street, Aberdeen, AB10 1SB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

These financial statements for the year ended 30 November 2017 are the first financial statements of Aberdeen Cleaning Services Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 December 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Revenue

Revenue from cleaning services is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Rental income is recognised when the company is entitled to receipt.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of an unincorporated business in 2006 over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

ABERDEEN CLEANING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

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

1.5 Investment properties

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

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as property, plant and equipment.

1.6 Impairment of non-current assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Inventories

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

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

1.8 Cash and cash equivalents

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

ABERDEEN CLEANING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

ABERDEEN CLEANING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

Deferred tax

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

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

1.12 Employee benefits

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

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

1.13 Retirement benefits

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

1.14 Leases

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

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

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the average rates of exchange prevailing during the period. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.16 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ABERDEEN CLEANING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 190 (2016 - 190).

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 December 2016 and 30 November 2017	750,000
Amortisation and impairment	
At 1 December 2016	675,000
Amortisation charged for the year	75,000
At 30 November 2017	750,000
Carrying amount	
At 30 November 2017	-
At 30 November 2016	75,000

4 Property, plant and equipment

	Plant and machinery etc £
Cost	
At 1 December 2016	210,581
Additions	43,316
Disposals	(33,358)
At 30 November 2017	220,539
Depreciation and impairment	
At 1 December 2016	98,572
Depreciation charged in the year	33,578
Eliminated in respect of disposals	(25,838)
At 30 November 2017	106,312
Carrying amount	
At 30 November 2017	114,227
At 30 November 2016	112,009

ABERDEEN CLEANING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

5	Investment property		2017
			£
	Fair value		
	At 1 December 2016		119,409
	Additions		224,850
			<u> </u>
	At 30 November 2017		344,259
			<u> </u>
6	Trade and other receivables		
		2017	2016
		£	£
	Amounts falling due within one year:		
	Trade receivables	469,024	407,545
	Other receivables	1,812	2,805
		<u> </u>	<u> </u>
		470,836	410,350
		<u> </u>	<u> </u>
7	Current liabilities		
		2017	2016
		£	£
	Bank loans and overdrafts	54,784	91,489
	Trade payables	65,903	50,268
	Corporation tax	80,867	70,000
	Other taxation and social security	158,562	151,881
	Other payables	278,203	186,379
		<u> </u>	<u> </u>
		638,319	550,017
		<u> </u>	<u> </u>
8	Non-current liabilities		
		2017	2016
		£	£
	Bank loans and overdrafts	17,064	27,712
	Other payables	52,253	46,739
		<u> </u>	<u> </u>
		69,317	74,451
		<u> </u>	<u> </u>

ABERDEEN CLEANING SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

9 Borrowings

	2017	2016
	£	£
Bank loans	28,064	57,554
Bank overdrafts	43,784	61,647
	<u>71,848</u>	<u>119,201</u>
	<u><u>71,848</u></u>	<u><u>119,201</u></u>
Payable within one year	54,784	91,489
Payable after one year	17,064	27,712
	<u><u>71,848</u></u>	<u><u>119,201</u></u>

The bank loan is secured by a floating charge and by a personal guarantee from the directors. The hire purchase agreements are secured over the individual assets detailed in each agreement.

10 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
202 Ordinary A shares of £1 each	202	202
200 Ordinary B shares of £1 each	200	200
200 Ordinary C shares of £1 each	200	200
1 Ordinary D share of £1 each	1	1
1 Ordinary E share of £1 each	1	1
	<u>604</u>	<u>604</u>
	<u><u>604</u></u>	<u><u>604</u></u>

11 Operating lease commitments

Lessee

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

2017	2016
£	£
28,500	28,500
<u><u>28,500</u></u>	<u><u>28,500</u></u>

There is currently no formal lease agreement in place for the rental of property. Anticipated payments for property rental in the next 12 months are as noted above.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.