

Company registration number: 00577410

**GUARANTEE LAUNDRIES LIMITED**  
**FILLETED ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**GUARANTEE LAUNDRIES LIMITED**  
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**GUARANTEE LAUNDRIES LIMITED**  
**(REGISTRATION NUMBER: 00577410)**  
**BALANCE SHEET AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	5	3,506,656	2,850,971
<b>Current assets</b>			
Stocks	6	37,978	30,721
Debtors	7	1,679,754	561,267
Cash at bank and in hand		4,276	2,425
		<u>1,722,008</u>	<u>594,413</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(1,555,862)</u>	<u>(1,532,893)</u>
<b>Net current assets/(liabilities)</b>		<u>166,146</u>	<u>(938,480)</u>
<b>Total assets less current liabilities</b>		3,672,802	1,912,491
<b>Creditors: Amounts falling due after more than one year</b>	8	(1,263,944)	(237,402)
<b>Provisions for liabilities</b>			
Deferred tax liabilities		<u>(99,964)</u>	<u>(64,655)</u>
<b>Net assets</b>		<u>2,308,894</u>	<u>1,610,434</u>
<b>Capital and reserves</b>			
Called up share capital		79,038	79,038
Revaluation reserve		-	68,604
Profit and loss reserve		<u>2,229,856</u>	<u>1,462,792</u>
<b>Total equity</b>		<u>2,308,894</u>	<u>1,610,434</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The option not to file the profit and loss account and directors' report has been taken.

Approved and authorised by the Board on 25/7/2018 and signed on its behalf by:

  
 .....  
 F M Foote  
 Director

**GUARANTEE LAUNDRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

2 Pinesway  
Station Road  
Stalbridge  
Dorset  
DT10 2RZ  
United Kingdom

**2 Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

**Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling (£).

**Turnover recognition**

The company provides laundry services and the provision of a complete workwear service to its customers and recognises turnover on despatch to the customer. Turnover is measured as the amount receivable excluding discounts and value added tax.

**Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

**Tangible assets**

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation of tangible assets**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	2% on cost or valuation
Plant and machinery	5% to 33% on cost
Motor vehicles	25% on cost
Short life rental assets	20% to 50% on cost

**Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

**Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**GUARANTEE LAUNDRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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**Leases**

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Defined contribution pension obligation**

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 payments 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.

**3 Staff numbers**

The average number of persons employed by the company (including directors) during the year was 67 (2016 - 62).

**4 Exceptional item**

	2017	2016
	£	£
Profit on disposal of freehold property	780,039	-
Insurance receipt	190,000	-
	<u>970,039</u>	<u>-</u>

**GUARANTEE LAUNDRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5 Tangible assets**

	Land and buildings £	Motor vehicles £	Plant and machinery £	Short life rental assets £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	229,908	367,346	3,043,485	1,283,867	4,924,606
Additions	-	28,543	833,066	652,871	1,514,480
Disposals	<u>(229,908)</u>	<u>(53,490)</u>	<u>(748,662)</u>	<u>(315,183)</u>	<u>(1,347,243)</u>
At 31 December 2017	<u>-</u>	<u>342,399</u>	<u>3,127,889</u>	<u>1,621,555</u>	<u>5,091,843</u>
<b>Depreciation</b>					
At 1 January 2017	89,208	247,765	1,194,610	542,052	2,073,635
Charge for the year	2,299	58,204	193,692	466,199	720,394
Eliminated on disposal	<u>(91,507)</u>	<u>(53,490)</u>	<u>(748,662)</u>	<u>(315,183)</u>	<u>(1,208,842)</u>
At 31 December 2017	<u>-</u>	<u>252,479</u>	<u>639,640</u>	<u>693,068</u>	<u>1,585,187</u>
<b>Carrying amount</b>					
At 31 December 2017	<u>-</u>	<u>89,920</u>	<u>2,488,249</u>	<u>928,487</u>	<u>3,506,656</u>
At 31 December 2016	<u>140,700</u>	<u>119,581</u>	<u>1,848,875</u>	<u>741,815</u>	<u>2,850,971</u>

Included within the net book value of land and buildings above is £Nil (2016 - £140,700) in respect of freehold land and buildings.

**6 Stocks**

	2017 £	2016 £
Raw materials and consumables	29,640	27,703
Work in progress	<u>8,338</u>	<u>3,018</u>
	<u>37,978</u>	<u>30,721</u>



**GUARANTEE LAUNDRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7 Debtors**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
Trade debtors		426,731	347,894
Amounts owed by group undertakings and undertakings in which the company has a participating interest		1,155,650	-
Corporation tax		-	31,000
Other debtors		<u>97,373</u>	<u>182,373</u>
		1,679,754	561,267
Less non-current portion		<u>(36,000)</u>	<u>(36,000)</u>
Total current trade and other debtors		<u><u>1,643,754</u></u>	<u><u>525,267</u></u>

**8 Creditors**

**Creditors: amounts falling due within one year**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Due within one year</b>			
Loans and borrowings	9	541,055	173,524
Trade creditors		446,306	230,618
Amounts owed to group undertakings and undertakings in which the company has a participating interest		246,752	665,678
Taxation and social security		86,468	78,076
Other creditors		<u>235,281</u>	<u>384,997</u>
		<u><u>1,555,862</u></u>	<u><u>1,532,893</u></u>
<b>Due after one year</b>			
Loans and borrowings	9	<u><u>1,263,944</u></u>	<u><u>237,402</u></u>

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**9 Loans and borrowings**

	<b>2017</b> £	<b>2016</b> £
<b>Current loans and borrowings</b>		
Bank borrowings	13,302	15,330
Invoice discounting facility	176,509	100,414
Obligations under finance leases and hire purchase contracts	<u>351,244</u>	<u>57,780</u>
	<u>541,055</u>	<u>173,524</u>
	<b>2017</b> £	<b>2016</b> £
<b>Non-current loans and borrowings</b>		
Bank borrowings	12,634	25,950
Obligations under finance leases and hire purchase contracts	<u>1,251,310</u>	<u>211,452</u>
	<u>1,263,944</u>	<u>237,402</u>

**Bank borrowings**

The company maintains an invoice discounting facility. The carrying amount at the year end was £176,509 (2016: £95,641).

The bank loans and invoice discounting facility are secured by a fixed and floating charge over the company's assets. A cross guarantee given to Barclays Bank plc exists between Guarantee Laundries Limited, Guarantee Linen Services and Guarantee Holdings Limited.

**Other borrowings**

Hire purchase contracts are secured on the plant and machinery they are financing and are repayable in monthly instalments over 4-5 years from the date they are advanced.

**10 Financial commitments, guarantees and contingencies**

**Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is £1,838,103 (2016 - £2,284,664). The company had future minimum lease payments under non-cancellable operating leases and capital commitments relating to plant and machinery.

The total amount of guarantees not included in the balance sheet is £1,214,404 (2016 - £2,956,607). A cross guarantee given to Barclays Bank plc exists between Guarantee Laundries Limited, Guarantee Linen Services Limited and Guarantee Holdings Limited.

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**11 Relationship between entity and parents**

The parent of the smallest group in which these financial statements are consolidated is Guarantee Holdings Limited, incorporated in England and Wales.

The address of Guarantee Holdings Limited is:

2 Pinesway, Station Road, Stalbridge, Dorset, DT10 2RZ, United Kingdom

**12 Audit Report**

The auditor's report on the annual report and financial statements was unqualified and signed by Alison Kerr FCA as Senior Statutory Auditor, for and on behalf of the Statutory Auditors, Albert Goodman LLP.