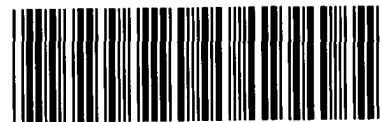


Company registration number: 00577410

GUARANTEE LAUNDRIES LIMITED
FILLETED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SATURDAY



A875SQ8W

A21

08/06/2019

#197

COMPANIES HOUSE

GUARANTEE LAUNDRIES LIMITED
(REGISTRATION NUMBER: 00577410)
BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	3,433,227	3,506,656
Current assets			
Stocks	6	42,518	37,978
Debtors	7	1,560,603	1,679,754
Cash at bank and in hand		200	4,276
		<u>1,603,321</u>	<u>1,722,008</u>
Creditors: Amounts falling due within one year	8	<u>(1,747,106)</u>	<u>(1,555,862)</u>
Net current (liabilities)/assets		<u>(143,785)</u>	<u>166,146</u>
Total assets less current liabilities		3,289,442	3,672,802
Creditors: Amounts falling due after more than one year	8	(978,177)	(1,263,944)
Provisions for liabilities			
Deferred tax liabilities		<u>(106,972)</u>	<u>(99,964)</u>
Net assets		<u>2,204,293</u>	<u>2,308,894</u>
Capital and reserves			
Called up share capital		79,038	79,038
Profit and loss reserve		<u>2,125,255</u>	<u>2,229,856</u>
Total equity		<u>2,204,293</u>	<u>2,308,894</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 9 May 2019 and signed on its behalf by:



F M Foote
Director

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 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.

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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:

Asset class	Depreciation method and rate
Plant and machinery	5% to 33% on cost
Motor vehicles	25% on cost
Short life rental assets	20% to 50% on cost

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.

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.

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Reserves

Called up share capital represents the nominal value of shares that have been issued.

Revaluation reserve is the surplus or deficit arising on the revaluation of an asset of a company.

Profit and loss account includes all current and prior period profits and losses.

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 71 (2017 - 67).

4 Exceptional item

	2018	2017
	£	£
Profit on disposal of freehold property	-	780,039
Insurance receipt	-	190,000
	<u>-</u>	<u>970,039</u>

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5 Tangible assets

	Motor vehicles £	Plant and machinery £	Short life rental assets £	Total £
Cost or valuation				
At 1 January 2018	342,399	3,127,889	1,621,555	5,091,843
Additions	67,950	84,971	585,518	738,439
Disposals	(11,144)	-	(432,095)	(443,239)
At 31 December 2018	<u>399,205</u>	<u>3,212,860</u>	<u>1,774,978</u>	<u>5,387,043</u>
Depreciation				
At 1 January 2018	252,479	639,640	693,068	1,585,187
Charge for the year	42,140	206,248	563,480	811,868
Eliminated on disposal	(11,144)	-	(432,095)	(443,239)
At 31 December 2018	<u>283,475</u>	<u>845,888</u>	<u>824,453</u>	<u>1,953,816</u>
Carrying amount				
At 31 December 2018	<u>115,730</u>	<u>2,366,972</u>	<u>950,525</u>	<u>3,433,227</u>
At 31 December 2017	<u>89,920</u>	<u>2,488,249</u>	<u>928,487</u>	<u>3,506,656</u>

6 Stocks

	2018 £	2017 £
Raw materials and consumables	36,157	29,640
Work in progress	<u>6,361</u>	<u>8,338</u>
	<u>42,518</u>	<u>37,978</u>

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7 Debtors

	Note	2018 £	2017 £
Trade debtors		522,659	426,731
Amounts owed by group undertakings and undertakings in which the company has a participating interest		969,888	1,155,650
Other debtors		<u>68,056</u>	<u>97,373</u>
		1,560,603	1,679,754
Less non-current portion		<u>(36,000)</u>	<u>(36,000)</u>
Total current trade and other debtors		<u><u>1,524,603</u></u>	<u><u>1,643,754</u></u>

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	9	741,208	541,055
Trade creditors		343,055	446,306
Amounts owed to group undertakings and undertakings in which the company has a participating interest		335,738	246,752
Taxation and social security		116,755	86,468
Other creditors		210,350	235,281
		<u>1,747,106</u>	<u>1,555,862</u>
Due after one year			
Loans and borrowings	9	<u>978,177</u>	<u>1,263,944</u>

9 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	12,621	13,302
Bank overdrafts	336,358	176,509
Obligations under finance leases and hire purchase contracts	392,229	351,244
	<u>741,208</u>	<u>541,055</u>
Non-current loans and borrowings		
Bank borrowings	-	12,634
Obligations under finance leases and hire purchase contracts	978,177	1,251,310
	<u>978,177</u>	<u>1,263,944</u>

GUARANTEE LAUNDRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Bank borrowings

The company maintains an invoice discounting facility. The carrying amount at the year end was £330,238 (2017: £176,509).

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 £1,519,929 (2017 - £1,838,103). The company had future minimum lease payments under non-cancellable operating leases and capital commitments relating to rental of premises and plant and machinery.

The total amount of guarantees not included in the balance sheet is £1,057,464 (2017 - £1,214,404). A cross guarantee given to Barclays Bank plc exists between Guarantee Laundries Limited, Guarantee Linen Services Limited and Guarantee Holdings Limited.

11 Relationship between entity and parents

The parent of the largest 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.