

COMPANY REGISTRATION NUMBER: 01782534

ACE Environmental Engineering Limited
Filleted Unaudited Financial Statements
31 March 2019



ACE Environmental Engineering Limited

Statement of Financial Position

31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	6	–	2,750
Tangible assets	7	–	38,500
		–	41,250
Current assets			
Debtors	8	1,720,840	2,617,360
Cash at bank and in hand		261,019	100,722
		1,981,859	2,718,082
Creditors: amounts falling due within one year	9	(746,637)	(1,524,110)
Net current assets		1,235,222	1,193,972
Total assets less current liabilities		1,235,222	1,235,222
Provisions		(3,134)	(3,134)
Net assets		1,232,088	1,232,088
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		1,222,088	1,222,088
Shareholders funds		1,232,088	1,232,088

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The statement of financial position
continues on the following page.

The notes on pages 3 to 9 form part of these financial statements.

ACE Environmental Engineering Limited

Statement of Financial Position *(continued)*

31 March 2019

These financial statements were approved by the board of directors and authorised for issue on 20.03.20 and are signed on behalf of the board by:



J C Waud
Director

Company registration number: 01782534

The notes on pages 3 to 9 form part of these financial statements.

ACE Environmental Engineering Limited

Notes to the Financial Statements

Year ended 31 March 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4-6 Dudley Road, Tunbridge Wells, Kent, TN1 1LF, England.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements have been prepared on a going concern basis. The company has taken advantage of Part A, section 479 of The Companies Act 2016, in which the ultimate parent company, Incentive FM Group Limited, has guaranteed all outstanding liabilities of the company as at the balance sheet date.

The financial statements are prepared in sterling, which is the functional currency of the entity.

As of the 1st of April 2018, ACE Environmental Engineering Limited has been hived up into Incentive TEC Limited and adopted the Incentive TEC brand. This provides both a geographical and service extension under a single entity and managed in the most effective manner to the benefit of customers.

Going concern

The company made nil profit nil loss (2018: loss of £480,731) during the year and had net assets of £1,232,088 (2018: £1,232,088) at the balance sheet date. The directors have considered the basis of preparation of the financial statements and have concluded that it is appropriate to prepared these on the going concern basis based on forecasts for at least 12 months from the date of signing the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

ACE Environmental Engineering Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents, trademarks and licences	- 5 year straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 20% straight line
Plant and machinery	- 33% straight line
Fixtures and fittings	- 20% straight line
Motor vehicles	- 25% straight line

ACE Environmental Engineering Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

ACE Environmental Engineering Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Auditor's remuneration

An audit fee of £8,000 (2018: £8,000) was borne by the parent.

5. Employee numbers

The average number of persons employed by the company during the year amounted to Nil (2018: 46).

ACE Environmental Engineering Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

6. Intangible assets

	Patents, trademarks and licences £
Cost	
At 1 April 2018	12,750
Additions	—
Disposals through business combinations	(12,750)
At 31 March 2019	—
Amortisation	
At 1 April 2018	10,000
Charge for the year	—
Disposals through business combinations	(10,000)
At 31 March 2019	—
Carrying amount	
At 31 March 2019	—
At 31 March 2018	2,750

7. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2018	26,144	151,960	152,395	84,943	415,442
Disposals through business combinations	(26,144)	(151,960)	(152,395)	(84,943)	(415,442)
At 31 March 2019	—	—	—	—	—
Depreciation					
At 1 April 2018	22,883	131,920	150,146	71,993	376,942
Disposals through business combinations	(22,883)	(131,920)	(150,146)	(71,993)	(376,942)
At 31 March 2019	—	—	—	—	—
Carrying amount					
At 31 March 2019	—	—	—	—	—
At 31 March 2018	3,261	20,040	2,249	12,950	38,500

ACE Environmental Engineering Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

7. Tangible assets *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31 March 2019	—
At 31 March 2018	12,950

8. Debtors

	2019 £	2018 £
Trade debtors	—	1,384,012
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,720,840	1,100,487
Other debtors	—	132,861
	<u>1,720,840</u>	<u>2,617,360</u>

9. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	—	631,004
Amounts owed to group undertakings and undertakings in which the company has a participating interest	746,637	746,637
Social security and other taxes	—	117,678
Other creditors	—	28,791
	<u>746,637</u>	<u>1,524,110</u>

10. Charges on assets

This company has entered into a Composite Accounting Agreement with Barclays bank. Each participating company has provided a guarantee to the Bank. Under the terms of the Agreement and the guarantees, the bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debit balances within the Composite Accounting System. This agreement is between: Ace Environmental Engineering Limited, Air Conditioning Economics (Holdings) Limited, ARL Support Services Ltd, Incentive Facilities Management Limited, Incentive FM Group Limited, Incentive Lynx Security Limited, Incentive Tec Limited, Specialist Window Cleaning Limited, Incentive QAS Limited, Incentive Consultancy Limited, Wes Fire & Security Limited, Wes Holdings Limited, Weston Electrical & Mechanical Services Limited and Weston Electrical Services Limited.

ACE Environmental Engineering Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

11. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	–	28,750
Later than 1 year and not later than 5 years	–	115,000
Later than 5 years	–	91,042
	<u>–</u>	<u>234,792</u>

12. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 for subsidiaries which are wholly owned not to disclose intra-group transactions and balances with the parent company, whose consolidated accounts can be obtained from the ultimate parent company mentioned in note 13.

No other transactions with related parties were undertaken as such that are required to be disclosed under FRS 102.

13. Controlling party

The company's immediate parent company is Air Conditioning Economics (Holdings) Limited, a company incorporated in England and Wales.

The company's ultimate parent company is Incentive FM Group Limited, a company incorporated in England and Wales, whose accounts can be obtained from 4-6 Dudley Road, Tunbridge Wells, Kent, TN1 1LF.

The ultimate controlling party is J C Waud, a director and majority shareholder.