
ATLAS CLEANING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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ATLAS CLEANING LIMITED

COMPANY INFORMATION

Directors	N J Earley R W Empson
Company secretary	T H Earley
Registered number	01995941
Registered office	82 Hampton Road West Hanworth Middlesex TW13 6DZ
Independent auditors	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

ATLAS CLEANING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

The company continues to trade in the office cleaning business.

Business review

The company once again enjoyed a strong year and as the business enters its thirtieth year of trading we are pleased to have established a stable office and management network capable of delivering both locally and on a comprehensive national basis. As one of the largest privately owned dedicated cleaning services suppliers we now have a presence and identity which allows us to bid for work throughout the country in the knowledge that we will be able to maintain our service standards.

We won new business across all sectors and alongside our strong retail, office and warehouse cleaning, we are pleased to have strengthened our hotel and educational cleaning divisions which we believe have excellent potential for further growth.

The company has continued to perform well into 2016 despite the challenges of the National Living Wage and Brexit and of course due to our loyal clients and dedicated efforts of our hard working staff and management.

Principal risks and uncertainties

The company's primary financial instruments are bank overdrafts, trade debtors, trade creditors and intercompany balances. These arise directly from the company's trading operations and management have implemented policies to monitor and control the liquidity and credit risks which derive from their financial assets and liabilities. Liquidity risk is managed by the company's finance director using simple forecasting and projection methods. Credit risk is managed through the use of a credit control department.

Financial key performance indicators

The directors monitor the performance of the company with reference to the following financial key performance indicators:

- The company's turnover increased by £1,635,000 to £22,475,000.
- The company's gross margin increased by £360,279 to £5,510,286.

This report was approved by the board on 29th September, 2016 and signed on its behalf.



N J Earley
Director

ATLAS CLEANING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give 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 directors are 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Results and dividends

The profit for the year, after taxation, amounted to £431,497 (2014 - £745,595).

The directors have declared and paid interim dividends amounting to £3,000,000 (2014 - £Nil) during the year.

Directors

The directors who served during the year were:

N J Earley
R W Empson

Employee involvement

The company recognises the importance of good communications with its employees and considers the most effective form of communication regarding its activities, performance and plans is by way of informal discussions between management and other employees at a local level.

Disabled employees

It is the company's policy to give disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and the company endeavours to retrain any member of staff who develops a disability while in the employment of the company.

ATLAS CLEANING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Future developments

The company continues to be committed to providing the highest possible service standards whilst maximising operating efficiencies.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director 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 auditors are aware of that information.

Post balance sheet events

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

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *29th September, 2016* and signed on its behalf.



N J Earley
Director

ATLAS CLEANING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS CLEANING LIMITED

We have audited the financial statements of Atlas Cleaning Limited for the year ended 31 December 2015, set out on pages 6 to 25. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 Auditors' 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 Directors' responsibilities statement on page 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2015 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

ATLAS CLEANING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS CLEANING LIMITED
(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Mark Hancock (Senior statutory auditor)
for and on behalf of

Barnes Roffe LLP

Chartered Accountants & Statutory Auditors

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date: 30 September 2016

ATLAS CLEANING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover	4	22,475,000	20,840,000
Cost of sales		(16,964,714)	(15,689,993)
Gross profit		5,510,286	5,150,007
Administrative expenses		(4,441,058)	(4,283,717)
Exceptional administrative expenses		(567,866)	-
Operating profit	5	501,362	866,290
Interest receivable and similar income	8	1,194	33
Interest payable and expenses	9	(2,390)	(3,073)
Profit before tax		500,166	863,250
Tax on profit	10	(68,669)	(117,655)
Profit for the year		431,497	745,595

There were no recognised gains and losses for 2015 or 2014 other than those included in the statement of comprehensive income.

All amounts relate to continuing operations.

The notes on pages 9 to 25 form part of these financial statements.

ATLAS CLEANING LIMITED
REGISTERED NUMBER: 01995941

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	13		-		7,000
Tangible assets	14		178,797		159,007
			<u>178,797</u>		<u>166,007</u>
Current assets					
Stocks	16	30,250		30,250	
Debtors: amounts falling due after more than one year	17	1,703,657		3,486,335	
Debtors: amounts falling due within one year	17	3,987,577		3,594,013	
Cash at bank and in hand	18	1,987,236		594,393	
			<u>7,708,720</u>	<u>7,704,991</u>	
Creditors: amounts falling due within one year	19	(5,267,646)		(2,682,624)	
Net current assets			<u>2,441,074</u>		<u>5,022,367</u>
Net assets			<u><u>2,619,871</u></u>		<u><u>5,188,374</u></u>
Capital and reserves					
Called up share capital	21		100		100
Profit and loss account	22		2,619,771		5,188,274
			<u><u>2,619,871</u></u>		<u><u>5,188,374</u></u>

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

29th September, 2016

N J Earley

N J Earley
Director

The notes on pages 9 to 25 form part of these financial statements.

ATLAS CLEANING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2015	100	5,188,274	5,188,374
Comprehensive income for the year			
Profit for the year	-	431,497	431,497
Total comprehensive income for the year	-	431,497	431,497
Dividends: Equity capital	-	(3,000,000)	(3,000,000)
Total transactions with owners	-	(3,000,000)	(3,000,000)
At 31 December 2015	100	2,619,771	2,619,871

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2014	100	4,442,679	4,442,779
Comprehensive income for the year			
Profit for the year	-	745,595	745,595
Total comprehensive income for the year	-	745,595	745,595
At 31 December 2014	100	5,188,274	5,188,374

The notes on pages 9 to 25 form part of these financial statements.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. General information

Atlas Cleaning Limited is a limited company incorporated in England and Wales. The address of the registered office is 82 Hampton Road West, Hanworth, Middlesex, TW13 6DZ

The company specialises in the provision of office cleaning services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

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 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.

Revenue is recognised when services are provide.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life of 3 years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model 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.

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:

Plant & machinery	- 33.33% straight line
Motor vehicles	- 25% straight line
Fixtures & 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 Statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.8 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.

2.9 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.

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, 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.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period.

2.14 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 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.

2.15 Interest income

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

2.16 Taxation

Tax is recognised in the Profit and loss account, except that a change 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

In preparing these financial statements, the directors have had to make the following judgments in applying the above accounting policies that have had the most significant effect on the amount recognised in the financial statements:

1. Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected further financial performance of the assets.
2. Determine whether other debtors which mainly consist of amounts due from group undertakings are recoverable.
3. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

	2015 £	2014 £
Sales attributable to the principal activity	22,475,000	20,840,000
	<u>22,475,000</u>	<u>20,840,000</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	101,011	83,758
Amortisation of intangible assets, including goodwill	7,000	7,000
Operating lease rentals - land and buildings	212,925	197,255
Operating lease rentals - other	27,933	43,521
Defined contribution pension cost	13,122	19,551
	<u>362,001</u>	<u>351,085</u>

During the year, no director received any emoluments (2014 - £NIL).

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

6. Auditors' remuneration

	2015 £	2014 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,140	7,140
	<u>7,140</u>	<u>7,140</u>
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	5,430	7,830
All other services	39,526	13,798
	<u>44,956</u>	<u>21,628</u>

7. Employees

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	15,813,747	15,050,201
Social security costs	577,943	495,214
Pension cost - defined contribution scheme	13,122	19,551
	<u>16,404,812</u>	<u>15,564,966</u>

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

	2015 No.	2014 No.
Administration	100	96
Cleaning operatives	2,124	2,123
	<u>2,224</u>	<u>2,219</u>

8. Interest receivable

	2015 £	2014 £
Other interest receivable	1,194	33
	<u>1,194</u>	<u>33</u>

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

9. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	495	3,073
Other interest payable	1,895	-
	<u>2,390</u>	<u>3,073</u>

10. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	101,000	183,000
Adjustments in respect of previous periods	(32,331)	(65,345)
	<u>68,669</u>	<u>117,655</u>
Total current tax	<u>68,669</u>	<u>117,655</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>500,166</u>	<u>863,250</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 23%)	100,033	198,548
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	940	690
Adjustments in respect of previous periods	(32,331)	(65,345)
Utilisation of non trading deficit	-	(8)
Capital allowances for year in excess of depreciation	(7,532)	(7,910)
Other timing difference	6,328	4,509
Difference in tax rate	1,231	(12,829)
Total tax charge for the year	<u>68,669</u>	<u>117,655</u>

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Taxation (continued)

Factors that may affect future tax charges

The company has approximately £1,095,500 of non-trading loan relationship losses available for offset against future non-trading incomes or gains.

11. Dividends

	2015	2014
	£	£
Dividends	3,000,000	-
	3,000,000	-

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. Exceptional items

	2015	2014
	£	£
Provision for related party bad debts	668,937	-
Recovery of previously provided for related party bad debts	(101,071)	-
	567,866	-

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13. Intangible assets

	Goodwill £
Cost	
At 1 January 2015	21,000
At 31 December 2015	<u>21,000</u>
Amortisation	
At 1 January 2015	14,000
Charge for the year	7,000
At 31 December 2015	<u>21,000</u>
Net book value	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>7,000</u>

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2015	79,024	510,793	105,216	695,033
Additions	-	129,807	994	130,801
Disposals	-	(73,943)	-	(73,943)
At 31 December 2015	79,024	566,657	106,210	751,891
Depreciation				
At 1 January 2015	69,057	373,638	93,331	536,026
Charge for period on owned assets	7,817	86,926	6,268	101,011
Disposals	-	(63,943)	-	(63,943)
At 31 December 2015	76,874	396,621	99,599	573,094
Net book value				
At 31 December 2015	2,150	170,036	6,611	178,797
At 31 December 2014	9,967	137,155	11,885	159,007

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	181,500
At 31 December 2015	<u>181,500</u>
Impairment	
At 1 January 2015	181,500
At 31 December 2015	<u>181,500</u>
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>-</u>

16. Stocks

	2015 £	2014 £
Raw materials and consumables	30,250	30,250
	<u>30,250</u>	<u>30,250</u>

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	2015 £	2014 £
Due after more than one year		
Amounts owed by related companies	1,703,657	3,486,335
	<u>1,703,657</u>	<u>3,486,335</u>

ATLAS CLEANING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

17. Debtors (continued)

	2015 £	2014 £
Due within one year		
Amounts owed by group undertakings	252,834	2,373,515
Amounts due from related companies	3,665,788	1,147,075
Other debtors	68,955	73,423
	<u>3,987,577</u>	<u>3,594,013</u>

18. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	1,987,236	594,393
	<u>1,987,236</u>	<u>594,393</u>

19. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	369,354	547,881
Amounts owed to group undertakings	3,000,000	-
Corporation tax	101,000	183,000
Taxation and social security	890,051	876,332
Other creditors	779,236	990,460
Accruals and deferred income	128,005	84,951
	<u>5,267,646</u>	<u>2,682,624</u>

Bank loans and overdrafts are secured by:-

1) A mortgage debenture dated 3 July 1993 incorporating a fixed and floating charge over all current and future assets of the company.

2) A cross guarantee dated 30 July 1993 (refer to note 23 for further details).

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

20. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,987,236	594,393
Financial assets that are debt instruments measured at amortised cost	5,691,234	7,080,348
	<u>7,678,470</u>	<u>7,674,741</u>
Financial liabilities		
Financial liabilities measured at amortised cost	4,048,332	1,435,485
	<u>4,048,332</u>	<u>1,435,485</u>

Financial assets measured at fair value through profit and loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors other debtors and amounts due from group and related undertakings.

Financial Liabilities measured at amortised cost comprise trade creditors, amount owed to group undertakings and other creditors.

21. Share capital

	2015 £	2014 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

22. Reserves

Profit & loss account

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

23. Contingent liabilities

The company has provided an intercompany guarantee covering Atlas Cleaning Limited, Atlas Contractors Limited, Atlas Managed Integrated Services Limited, Atlas FM Limited and Atlas FM Services Limited. At the year end the potential liability of Atlas Cleaning Limited was £Nil (2014 - £Nil)

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

24. 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 £13,122 (2014 - £19,551). Contributions totalling £102,799 (2014 - £19,551) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	120,000	120,000
Later than 1 year and not later than 5 years	480,000	480,000
Later than 5 years	240,000	360,000
	<u>840,000</u>	<u>960,000</u>

26. Transactions with directors

During the year the company made a loan to N J Earley, a director. The maximum balance on that loan during the year was £503,009 (2014 - £212,609). The loan was fully repaid by the year end and no interest was charged.

During the year the company made a loan to R W Empson, a director. The maximum balance on that loan during the year was £1,237,427 (2014 - £449,327). The loan was fully repaid by the year end and no interest was charged.

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

27. Related party transactions

The company has taken advantage allowed by Financial Reporting Standard 102 not to disclose any transactions with other members of the group.

At the year end the company owed £214,172 (2014 - £184,592) to N J Earley, a director.

At the year end the company owed £14,092 (2014 - £3,215) to R W Empson, a director.

During the year the company made rental payments of £130,000 (2014 - £140,000) for the rent of properties owned by N J Earley & R W Empson, directors.

Uniform Express Limited

During the year under review the company traded with Uniform Express Limited, a company in which the directors have a beneficial interest. The balance owing to the company at the year end was £2,703,657 (2014 - £2,944,857). During the year there was a recharge of expenses of £36,000 (2014 - £36,000).

Atlas New Homes Limited

The Company has advanced funds to Atlas New Homes Limited, a company owned and controlled by the directors, N J Earley and R W Empson. The amount due from Atlas New Homes Limited at the year end amounted to £2,084,213 of which £852,395 has been provided for (2014 - £1,763,740 of which £857,082 had been provided for).

Atlas Homes (North East) Limited

The company has advanced funds to Atlas Homes (North East) Limited, a company controlled by the directors, N J Earley and R W Empson. The amount due from Atlas Homes (North East) Limited at the year end was £343,169 of which £100,098 has been provided for (2014 - £343,169 of which £201,169 had been fully provided for).

Deeprise Developments Limited

The company has made loans to Deeprise Developments Limited, a company in which the directors have a beneficial interest. The balance owing to the company at the year end was £600,000 which has been fully provided for (2014 - £600,000 which had been fully provided).

ATLAS CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Atlas Industrial Engineering Limited

The company has advanced funds to Atlas Industrial Engineering Limited, a company owned and controlled by the directors, N J Earley and R W Empson. The amount outstanding at 31 December 2015 was £1,962,656 of which £1,962,656 has been provided for (2014 - £1,835,197 of which £1,293,719 had been provided for).

Earley Developments Limited

The company has made loans to Earley Developments Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing to the company at the year end was £113,514 (2014 - £113,514).

Atlas Commercial Property Limited

The company has made loans to Atlas Commercial Property Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing to the company at the year end was £424,080 (2014 - £35,000).

Atlas Living Limited

The company has made loans to Atlas Living Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing to the company at the year end was £653,302 (2014 - £Nil).

28. Controlling party and ultimate parent undertaking

The ultimate parent company is Atlas FM Limited, a company incorporated in England and Wales.

The directors of Atlas FM Limited are of the opinion that there is no individual controlling party.

29. First time adoption of FRS 102

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.