

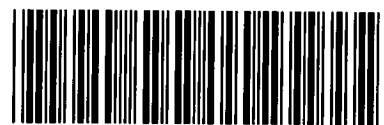
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**ATLAS CLEANING LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**ATLAS CLEANING LIMITED**

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**COMPANY INFORMATION**

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

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## ATLAS CLEANING LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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#### Introduction

The company continues to trade in the office cleaning business.

#### Business review

During what was our thirtieth anniversary year we are pleased to report a continuation of successful growth with our management team having once again exceeded expectations.

We are seeing the benefits of our national footprint through which we are able to offer our clients a properly supported service combining local knowledge and staffing throughout the UK, delivered by a professional and financially robust single source supplier.

The National Living Wage and staff recruitment remain a challenge but we work closely with our clients and are confident that these issues will continue to be well managed. Our loyal staff ensure that the business continues to perform well with prestigious new clients joining our portfolio and trading during 2017 to date fully on track.

#### 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 £8,875,000 to £31,350,000
- The company's gross margin increased by £870,189 to £6,380,475.

This report was approved by the board on *22nd September, 2017* and signed on its behalf.



**N J Earley**  
Director

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## ATLAS CLEANING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present their report and the financial statements for the year ended 31 December 2016.

#### 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 £872,774 (2015 - £431,497).

The directors have declared and paid interim dividends amounting to £1,500,000 (2015 - £3,000,000) 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.

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## ATLAS CLEANING LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 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.

#### 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 *22<sup>nd</sup> September, 2017* and signed on its behalf.



**N J Earley**  
Director

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## ATLAS CLEANING LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS CLEANING LIMITED

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We have audited the financial statements of Atlas Cleaning Limited for the year ended 31 December 2016, set out on pages 6 to 25. The relevant financial reporting framework that has been applied in their preparation is applicable law 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 2016 and of its profit 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.

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ATLAS CLEANING LIMITED

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

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**Opinion on other matter prescribed by the Companies Act 2006**

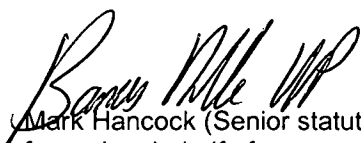
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

**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: 28 September 2017

**ATLAS CLEANING LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	31,350,000	22,475,000
Cost of sales		(24,969,525)	(16,964,714)
<b>Gross profit</b>		<b>6,380,475</b>	<b>5,510,286</b>
Administrative expenses		(5,043,915)	(4,441,058)
Exceptional administrative expenses		(231,550)	(567,866)
<b>Operating profit</b>	5	<b>1,105,010</b>	<b>501,362</b>
Interest receivable and similar income	9	2,372	1,194
Interest payable and similar expenses	10	(2,108)	(2,390)
<b>Profit before tax</b>		<b>1,105,274</b>	<b>500,166</b>
Tax on profit	11	(232,500)	(68,669)
<b>Profit for the year</b>		<b>872,774</b>	<b>431,497</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>872,774</b>	<b>431,497</b>

There were no recognised gains and losses for 2016 or 2015 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**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Intangible assets	14		-		-
Tangible assets	15		319,760		178,797
			<u>319,760</u>		<u>178,797</u>
<b>Current assets</b>					
Stocks	17	30,250		30,250	
Debtors: amounts falling due after more than one year	18	2,161,656		1,703,657	
Debtors: amounts falling due within one year	18	5,808,858		3,987,577	
Cash at bank and in hand	19	1,931,946		1,987,236	
		<u>9,932,710</u>		<u>7,708,720</u>	
Creditors: amounts falling due within one year	20	(8,259,825)		(5,267,646)	
<b>Net current assets</b>			<u>1,672,885</u>		<u>2,441,074</u>
<b>Net assets</b>			<u><u>1,992,645</u></u>		<u><u>2,619,871</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		100		100
Profit and loss account	23		1,992,545		2,619,771
			<u><u>1,992,645</u></u>		<u><u>2,619,871</u></u>

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

*22nd September, 2017*



**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 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	100	2,619,771	2,619,871
<b>Comprehensive income for the year</b>			
Profit for the year	-	872,774	872,774
<b>Total comprehensive income for the year</b>	-	872,774	872,774
Dividends: Equity capital	-	(1,500,000)	(1,500,000)
<b>Total transactions with owners</b>	-	(1,500,000)	(1,500,000)
<b>At 31 December 2016</b>	<b>100</b>	<b>1,992,545</b>	<b>1,992,645</b>

**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
<b>Comprehensive income for the year</b>			
Profit for the year	-	431,497	431,497
<b>Total comprehensive income for the year</b>	-	431,497	431,497
Dividends: Equity capital	-	(3,000,000)	(3,000,000)
<b>At 31 December 2015</b>	<b>100</b>	<b>2,619,771</b>	<b>2,619,871</b>

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

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## ATLAS CLEANING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. General information

Atlas Cleaning Limited is a company limited by shares, 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 unless otherwise specified within these accounting policies 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.

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 provided.

##### 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 Statement of comprehensive income over its useful economic life of 3 years.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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**2. Accounting policies (continued)**

**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.

**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,

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

an impairment loss is recognised in the Statement of comprehensive income.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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 Statement of comprehensive income 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Accounting policies (continued)**

**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 payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. 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 Statement of comprehensive income using the effective interest method.

**2.16 Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge 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 reporting 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 Statement of financial position 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 reporting 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.

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## ATLAS CLEANING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.18 Cashflow statement

The company has taken exemption from providing a cashflow statement as it is included in the parents consolidated financial statements.

#### 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

	2016 £	2015 £
Sales attributable to the principal activity	31,350,000	22,475,000
	<u>31,350,000</u>	<u>22,475,000</u>

All turnover arose within the United Kingdom.

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ATLAS CLEANING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	171,311	101,011
Amortisation of intangible assets, including goodwill	-	7,000
Operating lease rentals - land and buildings	217,319	212,925
Operating lease rentals - other	25,636	27,933
Defined contribution pension cost	65,000	13,122
	<u>          </u>	<u>          </u>

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,500	7,140
	<u>          </u>	<u>          </u>
	7,500	7,140
	<u>          </u>	<u>          </u>
<b>Fees payable to the Company's auditor in respect of:</b>		
Other services relating to taxation	3,985	5,430
All other services	44,250	39,526
	<u>          </u>	<u>          </u>
	48,235	44,956
	<u>          </u>	<u>          </u>



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**ATLAS CLEANING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**7. Employees**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	23,008,967	15,813,747
Social security costs	863,981	577,943
Pension cost - defined contribution scheme	65,000	13,122
	<u>23,937,948</u>	<u>16,404,812</u>

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

	2016 No.	2015 No.
Administration	120	100
Cleaning operatives	2,316	2,124
	<u>2,436</u>	<u>2,224</u>

**8. Directors' remuneration**

Directors remuneration during the year was £Nil (2015 - £Nil).

The key management of the company are considered just to be the directors and therefore the compensation paid to them is the same.

**9. Interest receivable**

	2016 £	2015 £
Other interest receivable	2,372	1,194
	<u>2,372</u>	<u>1,194</u>

**ATLAS CLEANING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**10. Interest payable and similar charges**

	2016 £	2015 £
Bank interest payable	35	495
Other interest payable	2,073	1,895
	<u>2,108</u>	<u>2,390</u>

**11. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	232,500	101,000
Adjustments in respect of previous periods	-	(32,331)
<b>Total current tax</b>	<u>232,500</u>	<u>68,669</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,105,274</u>	<u>500,166</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	221,055	100,033
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,850	940
Adjustments in respect of previous periods	-	(32,331)
Capital allowances for year in excess of depreciation	(11,412)	(7,532)
Other timing difference	13,045	6,328
Difference in tax rate	22	1,231
Utilisation of losses	(60)	-
<b>Total tax charge for the year</b>	<u>232,500</u>	<u>68,669</u>

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ATLAS CLEANING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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11. Taxation (continued)

Factors that may affect future tax charges

The company has approximately £1,095,200 of non-trading loan relationship losses available for offset against future non-trading incomes or gains.

12. Dividends

	2016 £	2015 £
Dividends	1,500,000	3,000,000
	<u>1,500,000</u>	<u>3,000,000</u>

13. Exceptional items

	2016 £	2015 £
Provision for related party bad debts	(231,550)	(668,937)
Recovery of previously provided for related party bad debts	-	101,071
	<u>(231,550)</u>	<u>(567,866)</u>

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ATLAS CLEANING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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14. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 January 2016	21,000
At 31 December 2016	<u>21,000</u>
<b>Amortisation</b>	
At 1 January 2016	21,000
At 31 December 2016	<u>21,000</u>
<b>Net book value</b>	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

**ATLAS CLEANING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**15. Tangible fixed assets**

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2016	79,024	566,657	106,210	751,891
Additions	43,000	270,803	2,390	316,193
Disposals	-	(64,131)	-	(64,131)
At 31 December 2016	<u>122,024</u>	<u>773,329</u>	<u>108,600</u>	<u>1,003,953</u>
<b>Depreciation</b>				
At 1 January 2016	76,874	396,621	99,599	573,094
Charge for the year on owned assets	16,483	148,323	6,505	171,311
Disposals	-	(60,212)	-	(60,212)
At 31 December 2016	<u>93,357</u>	<u>484,732</u>	<u>106,104</u>	<u>684,193</u>
<b>Net book value</b>				
At 31 December 2016	<u>28,667</u>	<u>288,597</u>	<u>2,496</u>	<u>319,760</u>
At 31 December 2015	<u>2,150</u>	<u>170,036</u>	<u>6,611</u>	<u>178,797</u>

**ATLAS CLEANING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**16. Fixed asset investments**

	Investments in subsidiary companies £
At 1 January 2016	181,500
Disposals	(181,500)
	<u>-</u>
At 1 January 2016	181,500
Disposals	(181,500)
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

The 100% subsidiary Orange Clean Team Limited, which operated as a commercial cleaning contractor, was dissolved on 26 April 2016.

**17. Stocks**

	2016 £	2015 £
Consumables	30,250	30,250
	<u>30,250</u>	<u>30,250</u>

The difference between the purchase price and their replacement cost is not material.

**18. Debtors**

	2016 £	2015 £
<b>Due after more than one year</b>		
Other debtors	2,161,656	1,703,657
	<u>2,161,656</u>	<u>1,703,657</u>

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**ATLAS CLEANING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**18. Debtors (continued)**

	2016 £	2015 £
<b>Due within one year</b>		
Amounts owed by group undertakings	2,666,606	252,834
Amounts owed by related undertakings	2,990,151	3,665,788
Other debtors	152,101	68,955
	<u>5,808,858</u>	<u>3,987,577</u>

**19. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	1,931,946	1,987,236
	<u>1,931,946</u>	<u>1,987,236</u>

**20. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	427,591	369,354
Amounts owed to group undertakings	500,000	3,000,000
Corporation tax	182,500	101,000
Other taxation and social security	1,451,377	890,051
Other creditors	5,626,587	779,236
Accruals and deferred income	71,770	128,005
	<u>8,259,825</u>	<u>5,267,646</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 24 for further details).

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**ATLAS CLEANING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**21. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	7,970,514	5,691,234
	<u>7,970,514</u>	<u>5,691,234</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	6,554,178	4,148,590
	<u>6,554,178</u>	<u>4,148,590</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group and related undertakings.

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

**22. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**23. Reserves****Profit & loss account**

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

**24. 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 (2015 - £Nil).



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## ATLAS CLEANING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 25. 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 £130,000 (2015 - £13,122). Contributions totalling £65,000 (2015 - £102,799) were payable to the fund at the balance sheet date and are included in creditors.

#### 26. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
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	120,000	240,000
	<u>720,000</u>	<u>840,000</u>

#### 27. Transactions with directors

During the year the company made a loan to R W Empson, a director. The maximum balance on that loan during the year was £284,072 (2015 - £1,237,427). The loan was fully repaid by the year end and no interest was charged.

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## ATLAS CLEANING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 28. Related party transactions

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

At the year end the company owed £3,469,744 (2015 - £214,172) to N J Earley, a director.

At the year end the company owed £704,413 (2015 - £14,092) to R W Empson, a director.

During the year the company made rental payments of £130,000 (2015 - £130,000) for the rent of the properties owned by N J Earley and R W Empson.

#### **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 £2,161,657 (2015 - £2,703,657). During the year there was a recharge of expenses of £36,000 (2015 - £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 £2,226,582 of which £852,395 has been provided for as a bad debt (2015 - £2,084,213 of which £852,395 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 £Nil of which £Nil has been provided for as a bad debt (2015 - £343,169 of which £100,098 had been fully provided for). During the year, Atlas Homes (North East) Limited repaid £243,071 to Atlas Cleaning Limited.

#### **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 £1,884,077 of which £1,860,493 has been provided for as a bad debt (2015 - £1,860,493 which had been fully provided).

#### **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 2016 was £2,190,879 of which £2,190,879 has been provided for as a bad debt (2015 - £1,962,656 of which £1,962,656 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 £113,517 (2015 - £113,514).

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## ATLAS CLEANING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### **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 £366,754 (2015 - £424,080).

#### **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 £1,234,634 (2015 - £653,302).

#### **29. Controlling party and ultimate parent undertaking**

The ultimate parent company is Atlas FM Limited, a company incorporated in England and Wales. That company has prepared group accounts for the year ended 31 December 2016. Consolidated accounts for Atlas FM Limited are available at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. This is the only company in the group which prepares consolidated accounts.

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