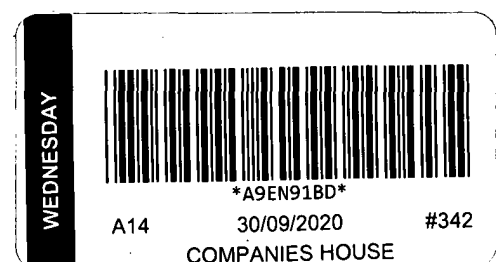


Registered number: 02633080

ATLAS CONTRACTORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



ATLAS CONTRACTORS LIMITED

COMPANY INFORMATION

Directors	N J Earley R W Empson
Company secretary	T H Earley
Registered number	02633080
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 CONTRACTORS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their Strategic report for the year ended 31 December 2019.

Business review

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 2020 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 controller.

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 from £48,886,961 to £56,391,486.
- The company's gross margin decreased from £4,112,778 to £3,031,486.

ATLAS CONTRACTORS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Future developments

After a record financial performance for the year ending 31 December 2019, we were delighted to follow this with our best ever quarter to 31 March 2020.

Unfortunately, the world was then hit with the Covid-19 pandemic and the re-set button pressed. This has been an incredibly difficult and worrying time for all and in particular business owners and their employees. The majority of businesses have been supported by the government's job support scheme and working in an industry where our employees usually work at client sites, many of which closed, we have by necessity taken advantage of this critical business support. This allowed us to avoid wide-scale redundancies and once the business world began to resurface from lockdown a high proportion of our staff were brought back from furlough and back to work.

Certain business sectors where we operate, such as hospitality, remain strongly challenged and this has had, and will continue to have, a negative impact on our operations. This represents around 10% of our business and of course is of concern to us, particularly with its impact on our staff.

Subject to the vagaries of Covid-19 itself and indeed the government's approach to the challenges presented, we are confident that our business is back on track. We continued to operate profitably through the second quarter of 2020, benefiting from a strong presence in quasi-government and manufacturing sectors. Whilst a number of clients are closing premises permanently or reducing their service requirement, we are winning new business and this has allowed us to switch staff from the more challenged sectors, thus retaining jobs for our valued workforce.

We have always financially managed our business conservatively and have ensured that we do not have significant unavoidable fixed costs with minimal property and asset leases and have maintained sufficient working capital to allow us to operate with a minimum of financial stress. We are confident that we will continue to prosper during the coming period despite the obvious challenges of the pandemic.

This report was approved by the board on *29th September, 2020* and signed on its behalf.


N J Earley
Director

ATLAS CONTRACTORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results

The profit for the year, after taxation, amounted to £1,556,465 (2018 - £1,076,492).

Directors

The directors who served during the year were:

N J Earley
R W Empson

Matters covered in the strategic report

The company has chosen in accordance with section 414C of the Companies Act 2006, to set out financial risk management objectives and policies within the strategic report.

ATLAS CONTRACTORS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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, 2020* and signed on its behalf.



N J Earley
Director

ATLAS CONTRACTORS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS CONTRACTORS LIMITED

Opinion

We have audited the financial statements of Atlas Contractors Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ATLAS CONTRACTORS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS CONTRACTORS LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 or the Directors' report.

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

ATLAS CONTRACTORS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLAS CONTRACTORS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

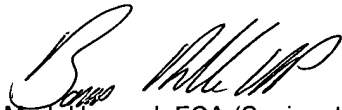
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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.



Mark Hancock FCA (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 2020

ATLAS CONTRACTORS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	56,391,486	48,886,961
Cost of sales		(53,360,000)	(44,774,183)
Gross profit		3,031,486	4,112,778
Administrative expenses		(1,451,078)	(1,499,007)
Exceptional administrative expenses	14	296,512	-
Operating profit	5	1,876,920	2,613,771
Income from fixed assets investments	9	-	1,147,948
Impairments against investments and intangibles	11	(1,080)	(2,290,506)
Interest payable and expenses	10	(18,475)	(21,740)
Profit before tax		1,857,365	1,449,473
Tax on profit	13	(300,900)	(372,981)
Profit for the financial year		1,556,465	1,076,492
Total comprehensive income for the year		1,556,465	1,076,492

The notes on pages 11 to 25 form part of these financial statements.

ATLAS CONTRACTORS LIMITED
REGISTERED NUMBER: 02633080

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	15		-		34,152
Tangible assets	16		-		-
Investments	17		4,961,797		2,358,275
			<u>4,961,797</u>		<u>2,392,427</u>
Current assets					
Debtors: amounts falling due within one year	18	11,104,855		10,603,980	
Cash at bank and in hand	19	341,562		13,151	
		<u>11,446,417</u>		<u>10,617,131</u>	
Creditors: amounts falling due within one year	20	(8,522,780)		(5,680,589)	
Net current assets			<u>2,923,637</u>		<u>4,936,542</u>
Net assets			<u><u>7,885,434</u></u>		<u><u>7,328,969</u></u>
Capital and reserves					
Called up share capital	22		2		2
Profit and loss account	23		7,885,432		7,328,967
			<u><u>7,885,434</u></u>		<u><u>7,328,969</u></u>

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

29th September, 2020


N J Earley
 Director

The notes on pages 11 to 25 form part of these financial statements.

ATLAS CONTRACTORS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	2	7,328,967	7,328,969
Comprehensive income for the year			
Profit for the year	-	1,556,465	1,556,465
Total comprehensive income for the year	-	1,556,465	1,556,465
Dividends: Equity capital	-	(1,000,000)	(1,000,000)
At 31 December 2019	2	7,885,432	7,885,434

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	2	6,252,475	6,252,477
Comprehensive income for the year			
Profit for the year	-	1,076,492	1,076,492
Total comprehensive income for the year	-	1,076,492	1,076,492
At 31 December 2018	2	7,328,967	7,328,969

The notes on pages 11 to 25 form part of these financial statements.

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Atlas Contractors 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 Going concern

The directors have taken consideration of the impact of COVID-19 on the business and the withdrawal of the United Kingdom from the European Union. However, the directors are mindful that conditions in the market are uncertain and at the date of this report, it is not possible to reliably determine the effects that these events will have on the company in the future. Nevertheless, the directors note that the company is trading adequately and if this continues, they will have sufficient working capital and other finance available to continue trading for a period of not less than 12 months from the Statement of financial position date. As such, the directors believe that there are no significant uncertainties in their assessment of whether the business is a going concern and therefore have prepared the accounts on a going concern basis.

2.3 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.

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Consolidation statement

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.5 Cashflow statement

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

2.6 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.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.7 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, on a reducing balance basis.

Depreciation is provided on the following bases:

Plant and machinery	- 15 - 20% reducing balance
Motor vehicles	- 25% straight line
Fixtures and 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.

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

2.11 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.

2.12 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.

2.13 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 instruments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan that is not at market

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.13 Financial instruments (continued)

rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 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.

2.14 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.

2.15 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.

2.16 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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 of the lease.

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.17 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.

2.18 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.

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 judgements in applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

1. Bad debt provision is made based on the company's assessment of the year end trade debtors and their knowledge of the clients and their ability to repay amounts that are due.

ATLAS CONTRACTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Sales attributable to the principal activity	56,391,486	48,886,961
	<u>56,391,486</u>	<u>48,886,961</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	56,391,486	48,886,961
	<u>56,391,486</u>	<u>48,886,961</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Amortisation of intangible assets, including goodwill	34,152	111,932
	<u>34,152</u>	<u>111,932</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	12,000	11,150
	<u>12,000</u>	<u>11,150</u>

7. Employees

The average employee numbers during the year, including directors was 2 (2018 - 2).

8. Directors' remuneration

Directors' remuneration during the year was £Nil (2018 - £Nil).

ATLAS CONTRACTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Income from investments

	2019 £	2018 £
Dividends received from unlisted investments	-	1,147,948
	<u>-</u>	<u>1,147,948</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	14,987	21,740
Other interest payable	3,488	-
	<u>18,475</u>	<u>21,740</u>

11. Impairment against investments and intangibles

	2019 £	2018 £
Impairments provided against fixed asset investments	1,080	2,212,836
Impairments provided against intangible assets	-	77,670
	<u>1,080</u>	<u>2,290,506</u>

12. Dividends

	2019 £	2018 £
Dividends paid	1,000,000	-
	<u>1,000,000</u>	<u>-</u>

ATLAS CONTRACTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	300,900	372,981
Total current tax	<u>300,900</u>	<u>372,981</u>
Taxation on profit on ordinary activities	<u>300,900</u>	<u>372,981</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>1,857,365</u>	<u>1,449,473</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	352,899	275,400
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(49,643)	238,353
Capital allowances for year in excess of depreciation	(2,318)	(2,858)
Utilisation of tax losses	-	(101,310)
Over provision in current year tax charge	(38)	-
Group relief	-	(36,604)
Total tax charge for the year	<u>300,900</u>	<u>372,981</u>

Factors that may affect future tax charges

The are no factors that may materially affect future tax charges.

ATLAS CONTRACTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Exceptional items

	2019 £	2018 £
Investment impairment reversal	296,512	-
	<u>296,512</u>	<u>-</u>

15. Intangible assets

	Goodwill £
Cost	
At 1 January 2019	1,580,533
At 31 December 2019	<u>1,580,533</u>
Amortisation	
At 1 January 2019	1,546,381
Charge for the year	34,152
At 31 December 2019	<u>1,580,533</u>
Net book value	
At 31 December 2019	<u>-</u>
<i>At 31 December 2018</i>	<u>34,152</u>

The goodwill cost of £1,580,533 (2018 - £1,580,533) relates to externally acquired goodwill arising from the purchase of cleaning businesses.

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2019	375,389	2,666	111,853	489,908
At 31 December 2019	375,389	2,666	111,853	489,908
Depreciation				
At 1 January 2019	375,389	2,666	111,853	489,908
At 31 December 2019	375,389	2,666	111,853	489,908
Net book value				
At 31 December 2019	-	-	-	-
At 31 December 2018	-	-	-	-

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	5,559,064
Additions	2,339,064
Disposals	(1,573,910)
At 31 December 2019	<u>6,324,218</u>
Impairment	
At 1 January 2019	3,200,789
Charge for the year	32,054
Impairment on disposals	(1,573,910)
Reversal of impairment losses	(296,512)
At 31 December 2019	<u>1,362,421</u>
Net book value	
At 31 December 2019	<u>4,961,797</u>
At 31 December 2018	<u>2,358,275</u>

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Atlas Managed Integrated Services Limited	England and Wales	Ordinary	100%
Enterprise Support Services UK Limited	England and Wales	Ordinary	100%
Clientcare Cleaning Limited	England and Wales	Ordinary	100%
Clientcare Group Limited	England and Wales	Ordinary	100%
Green Sky Cleaning Limited	England and Wales	Ordinary	100%
Crystal Cleaning Solutions Limited	England and Wales	Ordinary	100%
Force UK Limited	England and Wales	Ordinary	100%
Apple Blossom Cleaning Services Limited	England and Wales	Ordinary	100%
Zonecloth Limited	England and Wales	Ordinary	100%

The principal activity of all the subsidiary undertakings during the year was the provision of cleaning services. Clientcare Group Limited was dormant during the year.

ATLAS CONTRACTORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Debtors

	2019 £	2018 £
Trade debtors	10,743,017	10,600,804
Other debtors	361,838	3,176
	<u>11,104,855</u>	<u>10,603,980</u>

19. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	341,562	13,151
	<u>341,562</u>	<u>13,151</u>

20. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	5,484
Amounts owed to group undertakings	7,360,816	3,202,292
Corporation tax	50,861	372,981
Other taxation and social security	447,049	448,561
Other creditors	652,054	1,640,121
Accruals and deferred income	12,000	11,150
	<u>8,522,780</u>	<u>5,680,589</u>

Included within other creditors is an amount of £Nil (2018 - £927,119) relating to the company's invoice discounting arrangement. This is secured against by a fixed and floating charge against the assets of the company.

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>11,104,855</u>	<u>10,603,980</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>8,012,870</u>	<u>4,847,897</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

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

22. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

23. Reserves

Profit and loss account

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

24. Contingent liabilities

There is an intercompany guarantee in place covering the company, Atlas Managed Intergrated Services Limited, Atlas Facilities Management Limited, Atlas FM Limited and Atlas Cleaning Limited. At the year end, the cumulative potential liability on bank loans and overdrafts was £Nil (2018 - £Nil).

The company has given a debenture from the date of 30 July 1993 to its bankers with security over all assets of the company in the form of a debenture.

ATLAS CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. Related party transactions

The company has taken advantage of the exemption in FRS 102 Section 33: Related party disclosures from the requirement to disclose transactions with other wholly owned group companies.

During the year under review the company traded with Uniform Express Limited, a company in which the directors have a beneficial interest. During the year sales of £19,923 (2018 - £Nil) were made to the company. The balance owed by the company at the year end was £2,383 (2018 - £Nil).

26. 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 2019. 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 are of the opinion that there is no ultimate controlling party.