
ATLAS MANAGED INTEGRATED SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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ATLAS MANAGED INTEGRATED SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	N J Earley R Empson
COMPANY SECRETARY	N J Earley
COMPANY NUMBER	03063453
REGISTERED OFFICE	82 Hampton Road West Hanworth Middlesex TW13 6DZ
AUDITORS	Barnes Roffe LLP Chartered Accountants & Statutory Auditor 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

ATLAS MANAGED INTEGRATED SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently,
- make judgments and 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 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.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of industrial cleaning contractors.

BUSINESS REVIEW

The results for the year are set out on page 5.

RESULTS

The loss for the year, after taxation, amounted to £72,516 (2010 - profit £213,402).

DIRECTORS

The directors who served during the year were

N J Earley
R Empson

FUTURE DEVELOPMENTS

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

ATLAS MANAGED INTEGRATED SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other obligations

On average, trade creditors at the year end represented 5 (2010 - 8) day's purchases

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 group endeavours to retrain any member of staff who develops a disability while in the employment of the company

PROVISION 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

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 *20th August, 2012* and signed on its behalf



N J Earley
Director

ATLAS MANAGED INTEGRATED SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS MANAGED INTEGRATED SERVICES LIMITED

We have audited the financial statements of Atlas Managed Integrated Services Limited for the year ended 31 December 2011, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 Auditing Practices Board'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 Directors' report to identify material inconsistencies with the audited financial statements. 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 2011 and of its 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ATLAS MANAGED INTEGRATED SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS MANAGED INTEGRATED SERVICES LIMITED

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

Barnes Roffe CV

David Aston
Senior statutory auditor
for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Statutory Auditor
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

Date *18 September 2012*

ATLAS MANAGED INTEGRATED SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	1,473,776	5,977,577
Cost of sales		(1,138,480)	(4,655,976)
Exceptional cost of sales		(150,000)	-
Total cost of sales		(1,288,480)	(4,655,976)
GROSS PROFIT		185,296	1,321,601
Administrative expenses		(292,183)	(1,012,050)
OPERATING (LOSS)/PROFIT	3	(106,887)	309,551
Interest receivable and similar income		15	-
Interest payable and similar charges	7	(456)	(4,170)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(107,328)	305,381
Tax on (loss)/profit on ordinary activities	8	34,812	(91,979)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	(72,516)	213,402

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

ATLAS MANAGED INTEGRATED SERVICES LIMITED
REGISTERED NUMBER: 03063453

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	9		45,847		107,546
CURRENT ASSETS					
Stocks	10	3,000		13,000	
Debtors	11	803,262		1,817,197	
Cash at bank and in hand		97,736		1,017	
		903,998		1,831,214	
CREDITORS: amounts falling due within one year	12	(505,754)		(1,222,153)	
NET CURRENT ASSETS			398,244		609,061
NET ASSETS			444,091		716,607
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Capital redemption reserve	15		-		500,000
Profit and loss account	15		443,991		216,507
SHAREHOLDERS' FUNDS	16		444,091		716,607

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

20th August, 2012



N J Earley
Director

The notes on pages 7 to 14 form part of these financial statements

ATLAS MANAGED INTEGRATED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on the assumption that the company is a going concern

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Turnover is recognised on the date cleaning services are provided

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	25% straight line
Motor vehicles	-	30% reducing balance
Fixtures, fittings and equipment	-	15 - 20% reducing balance

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals 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 until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

ATLAS MANAGED INTEGRATED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year, in accordance with Financial Reporting Standard 17

2. TURNOVER

All turnover arose within the United Kingdom

3 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	13,773	39,408
- held under finance leases	-	9,268
Operating lease rentals		
- plant and machinery	38,575	218,738
- other operating leases	10,647	18,940
Loss on disposal of tangible fixed assets	15,848	334
Exceptional cost of sales	150,000	-

The company is the subject of an ongoing legal case relating to the non-disclosure of TUPE employment conditions that arose on the termination of a sales contract, as a result a provision of £150,000 has been made, being the directors' estimate of the cost of the case

ATLAS MANAGED INTEGRATED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

4. AUDITORS' REMUNERATION

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	5,250	5,000
Fees payable to the company's auditor and its associates in respect of		
All other services	939	810
	<u> </u>	<u> </u>

5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	889,496	2,935,253
Social security costs	50,997	217,632
Other pension costs	2,880	2,841
	<u>943,373</u>	<u>3,155,726</u>

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

	2011 No.	2010 No.
	<u>58</u>	<u>307</u>

6 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>-</u>	<u>97,501</u>
Compensation for loss of office	<u>-</u>	<u>30,000</u>

7. INTEREST PAYABLE

	2011 £	2010 £
On finance leases and hire purchase contracts	456	3,521
Other interest payable	-	649
	<u>456</u>	<u>4,170</u>

ATLAS MANAGED INTEGRATED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

8. TAXATION

	2011 £	2010 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(39,000)	95,500
Adjustments in respect of prior periods	330	(10)
Total current tax	<u>(38,670)</u>	<u>95,490</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	3,858	(3,511)
Tax on (loss)/profit on ordinary activities	<u>(34,812)</u>	<u>91,979</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - *higher than*) the standard rate of corporation tax in the UK of 26% (2010 - 28%) The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	<u>(107,328)</u>	<u>305,381</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	(27,905)	85,507
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	205	6,072
Capital allowances for year in excess of depreciation	(3,238)	3,511
Adjustments to tax charge in respect of prior periods	330	(10)
Overprovision	-	410
Changes in provisions leading to a decrease in the tax charge	(5,200)	-
Changes in the rate of corporation tax	(2,862)	-
Current tax (credit)/charge for the year (see note above)	<u>(38,670)</u>	<u>95,490</u>

Factors that may affect future tax charges

There were no material factors that may affect future tax charges

ATLAS MANAGED INTEGRATED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

9. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 January 2011	163,831	235,513	95,968	495,312
Additions	7,421	-	748	8,169
Disposals	-	(165,524)	(33,834)	(199,358)
At 31 December 2011	<u>171,252</u>	<u>69,989</u>	<u>62,882</u>	<u>304,123</u>
Depreciation				
At 1 January 2011	155,322	165,723	66,721	387,766
Charge for the year	4,971	5,526	3,276	13,773
On disposals	-	(115,355)	(27,908)	(143,263)
At 31 December 2011	<u>160,293</u>	<u>55,894</u>	<u>42,089</u>	<u>258,276</u>
Net book value				
At 31 December 2011	<u>10,959</u>	<u>14,095</u>	<u>20,793</u>	<u>45,847</u>
At 31 December 2010	<u>8,509</u>	<u>69,790</u>	<u>29,247</u>	<u>107,546</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Motor vehicles	<u>-</u>	<u>21,626</u>

10. STOCKS

	2011 £	2010 £
Finished goods and goods for resale	<u>3,000</u>	<u>13,000</u>

ATLAS MANAGED INTEGRATED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

11. DEBTORS

	2011 £	2010 £
Trade debtors	340,621	1,789,053
Other debtors	453,623	5,206
Prepayments and accrued income	2,810	12,872
Deferred tax asset (see note 13)	6,208	10,066
	<u>803,262</u>	<u>1,817,197</u>

**12. CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	-	3,219
Trade creditors	266,304	441,504
Corporation tax	-	31,149
Social security and other taxes	29,494	277,993
Other creditors	-	415,795
Accruals and deferred income	209,956	52,493
	<u>505,754</u>	<u>1,222,153</u>

A balance of account guarantee is in place from South Midlands Group Plc in favour of monies owed to Barclays Bank Plc with regards to Atlas Managed Integrated Services Limited

13 DEFERRED TAX ASSET

	2011 £	2010 £
At beginning of year	10,066	6,555
(Charge for)/released during year	(3,858)	3,511
	<u>6,208</u>	<u>10,066</u>

The deferred tax asset is made up as follows

	2011 £	2010 £
Decelerated capital allowances	10,066	10,066
Utilised	(3,858)	-
	<u>6,208</u>	<u>10,066</u>

ATLAS MANAGED INTEGRATED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

14. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 January 2011	500,000	216,507
Loss for the year		(72,516)
Dividends Equity capital		(200,000)
Transfer between Capital redemption reserve and P/L account	(500,000)	500,000
	<u>-</u>	<u>443,991</u>
At 31 December 2011		

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	716,607	1,003,205
(Loss)/profit for the year	(72,516)	213,402
Dividends (Note 17)	(200,000)	(500,000)
	<u>444,091</u>	<u>716,607</u>
Closing shareholders' funds		

17. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	<u>200,000</u>	<u>500,000</u>

18. 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 £2,880 (2010 - £2,841). The amount outstanding to the pension fund at the year was £Nil (2010 - £Nil).

ATLAS MANAGED INTEGRATED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

19. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date		
Within 1 year	<u>7,800</u>	<u>10,960</u>

20. RELATED PARTY TRANSACTIONS

The company is 100% owned within the group for which consolidated financial statements are prepared and is therefore exempt from disclosing transactions with other group companies under FRS 8

At the year end the company was owed £414,438 (2010 - £395,691 owed to) by Atlas Cleaning Limited, a company under the control of common directors

During the year Atlas Cleaning Limited provided a payroll bureau service in relation to staff costs to the company amounting to £943,673 (2010 - £3,110,726)

21. POST BALANCE SHEET EVENTS

On 28 March 2012, the entire share capital of the ultimate parent undertaking was acquired by Atlas FM Limited in a share for share exchange

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Prior to 28 March 2012 the ultimate parent undertaking was Atlas Contractors Limited, incorporated in England and Wales, by virtue of its 100% shareholding. The directors are of the opinion that there was no individual controlling party of Atlas Contractors Limited

Consolidated accounts for Atlas Contractors Limited are available at Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ. This is the only group company for which consolidated group accounts are prepared

As of 28 March 2012, the ultimate parent undertaking is Atlas FM Limited, a company incorporated in England and Wales. The directors are of the opinion that there is no individual controlling party of Atlas FM Limited