

Registered number
05192644

Higher Purpose Cleaning Services Limited

Report and Accounts

31 July 2013

These accounts have not been subject to audit or any formal external scrutiny

Peter Brown & Co

Chartered Certified Accountants

Acomb Grange
Grange Lane
York
YO23 3QZ

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Higher Purpose Cleaning Services Limited
Report and accounts
Contents

	Page
Company information	2
Director's report	2
Statement of Directors' responsibilities	3
Accountants' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

Higher Purpose Cleaning Services Limited

Registered number: 05192644

Director's Report

The director presents his report and accounts for the year ended 31 July 2013.

Principal activities

The company's principal activity during the year continued to be the provision of cleaning services.

Directors

The following persons served as directors during the year:

T York

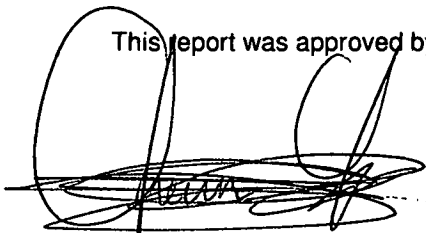
Third party indemnity provisions

The bank loan shown in the accounts of £34,737 is secured on properties owned personally by T.York, a director of the company.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 26 May 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'T York', is written over a horizontal line. The signature is stylized with loops and a long horizontal stroke.

T York
Director

Higher Purpose Cleaning Services Limited

Statement of Director's Responsibilities

The director is responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the director to prepare accounts for each financial year. Under that law the director has elected to prepare the accounts 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 accounts 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 accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the accounts comply with the Companies Act 2006. He is 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.

Higher Purpose Cleaning Services Limited

Report to the director on the preparation of the unaudited statutory accounts of Higher Purpose Cleaning Services Limited for the year ended 31 July 2013

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Higher Purpose Cleaning Services Limited for the year ended 31 July 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://rulebook.accaglobal.com/>

This report is made solely to the Board of Directors of Higher Purpose Cleaning Services Limited, as a body, in accordance with the terms of our engagement letter dated 30 July 2013. Our work has been undertaken solely to prepare for your approval the accounts of Higher Purpose Cleaning Services Limited and state those matters that we have agreed to state to the Board of Directors of Higher Purpose Cleaning Services Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed on their website <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Higher Purpose Cleaning Services Limited and its Board of Directors as a body for our work or for this report.

It is your duty, as set out on page 3, to ensure that Higher Purpose Cleaning Services Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Higher Purpose Cleaning Services Limited. You consider that Higher Purpose Cleaning Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Higher Purpose Cleaning Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



Peter Brown & Co
Chartered Certified Accountants
Acomb Grange
Grange Lane
York
YO23 3QZ

26 May 2014

Higher Purpose Cleaning Services Limited
Profit and Loss Account
for the year ended 31 July 2013

	Notes	2013 £	2012 £
Turnover		258,965	271,751
Cost of sales		118	(5,764)
Gross profit		<u>259,083</u>	<u>265,987</u>
Administrative expenses		(254,832)	(264,308)
Other operating income		1,708	-
Operating profit	3	<u>5,959</u>	<u>1,679</u>
Exceptional items: profit on the disposal of tangible fixed assets		2,302	-
		<u>8,261</u>	<u>1,679</u>
Interest receivable		803	2
Interest payable	4	(1,112)	(4,262)
Profit/(loss) on ordinary activities before taxation		<u>7,952</u>	<u>(2,581)</u>
Tax on profit/(loss) on ordinary activities	5	<u>(838)</u>	<u>(3,678)</u>
		7,114	(6,259)
Corporation tax recoverable on prior year adjustment		-	4,194
Profit/(loss) for the financial year		<u>7,114</u>	<u>(2,065)</u>

The notes on pages 7 to 15 form an integral part of these accounts

Higher Purpose Cleaning Services Limited
Balance Sheet
as at 31 July 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible assets	6	46,500	50,375
Tangible assets	7	<u>12,783</u>	<u>12,012</u>
		59,283	62,387
Current assets			
Stocks		678	-
Debtors	8	68,166	80,346
Cash at bank and in hand		<u>9,489</u>	<u>10,494</u>
		78,333	90,840
Creditors: amounts falling due within one year	9	(64,083)	(80,964)
Net current assets		<u>14,250</u>	<u>9,876</u>
Total assets less current liabilities		<u>73,533</u>	<u>72,263</u>
Creditors: amounts falling due after more than one year	10	(33,737)	(38,829)
Provisions for liabilities	11	-	(752)
Net assets		<u>39,796</u>	<u>32,682</u>
Capital and reserves			
Called up share capital	12	100	100
Share premium	13	43,500	43,500
Profit and loss account	14	(3,804)	(10,918)
Shareholders' funds		<u>39,796</u>	<u>32,682</u>

The director is satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Act.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.


T York

Director

Approved by the board on 26 May 2014

The notes on pages 7 to 15 form an integral part of these accounts

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Fixtures, Fittings, Plant and machinery	25% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

Goodwill

Goodwill is amortised over 20 years on a flat rate basis. However, in previous accounts, this amortisation had not been provided, so a prior year adjustment to cover this omission has been made in these accounts.

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

2 Prior Year Adjustments

A number of major errors of principle in the preparation of accounts for prior years were discovered in the process of preparing these accounts. These errors were fundamental and had occurred over a long time. These errors have, so far as is practicable, been adjusted as prior year adjustments by restating the prior year's accounts. However, having regard to the 'true and fair' principle, it has been decided to give fuller information in these accounts than would be required by the relevant standard, in order that the full effect of these errors may be understood. The errors go back well beyond the prior set of accounts, so many matters have simply been corrected by adjusting the opening reserves in the comparative figures.

3 Operating profit	2013	2012
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	253	4,004
Amortisation of goodwill	3,875	3,875
Directors' remuneration	-	24,000
Pension costs	1,062	1,062
	<u> </u>	<u> </u>

4 Interest payable	2013	2012
	£	£
Interest payable	1,112	4,262
	<u> </u>	<u> </u>

5 Taxation charged to the profit and loss account in the year	2013	2012
	£	£
UK corporation tax as originally charged for the year		3,620
UK corporation tax for the year	1,590	
UK Corporation tax recoverable on prior year adjustments		(4,194)
Deferred tax	(752)	58
	<u> </u>	<u> </u>
	838	(516)

The tax shown as recoverable is likely to be recovered in part from HMRC, and to the extent it is not recovered from HMRC, the director will seek to recover it from a third party, via litigation.

6 Intangible fixed assets	2013	2012
	£	£
Goodwill:		
Cost		
At 1 August 2012	77,500	77,500
At 31 July 2013	<u>77,500</u>	<u>77,500</u>
Amortisation		
At 1 August 2012	27,125	23,250
Provided during the year	3,875	3,875
At 31 July 2013	<u>31,000</u>	<u>27,125</u>
Net book value		
At 31 July 2013	<u>46,500</u>	<u>50,375</u>

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

Goodwill is being written off in equal annual instalments over its estimated economic life of 20 years. However, in the past, this amortisation was not accounted for and historical adjustments have been made, resulting in prior year adjustments to the accounts.

7 Tangible fixed assets

	Plant and machinery etc	Motor vehicles	Total
	£	£	£
Cost			
At 1 August 2012	3,493	49,669	53,162
Additions	1,024	-	1,024
Disposals	(2,302)	-	(2,302)
At 31 July 2013	<u>2,215</u>	<u>49,669</u>	<u>51,884</u>
Depreciation			
At 1 August 2012	2,481	38,669	41,150
Charge for the year	253	-	253
On disposals	(2,302)	-	(2,302)
At 31 July 2013	<u>432</u>	<u>38,669</u>	<u>39,101</u>
Net book value			
At 31 July 2013	<u>1,783</u>	<u>11,000</u>	<u>12,783</u>
At 31 July 2012	<u>1,012</u>	<u>11,000</u>	<u>12,012</u>

A recomputation of the historical writing down was undertaken and it transpired that the net book values of the motor vehicle assets should be £11,436, at 31st July 2013, if the writing down policy had been correctly applied, as compared with a net book value brought forward at 31st July 2012 of £11,000. The directors therefore resolved, for this year only, not to depreciate these assets, to bring the net book value nearly into line with the correct figure. If depreciation had been applied, it would be in the sum of £2,750.

8 Debtors

	2013	2012
	£	£
Trade debtors	12,347	42,255
Recoverable corporation tax	12,580	12,580
S415 tax on overdrawn director's loan	8,352	2,539
Other debtors, including director's loan account.	<u>34,887</u>	<u>22,972</u>
	<u>68,166</u>	<u>80,346</u>

The tax shown as recoverable is likely to be recovered in part from HMRC, and to the extent it is not recovered from HMRC, the director will seek to recover it from a third party, via litigation.

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

9 Creditors: amounts falling due within one year	2013	2012
	£	£
Bank loans and overdrafts	4,000	18,584
Obligations under finance lease and hire purchase contracts	2,747	3,662
Trade creditors	18,396	27,258
Corporation tax	5,316	3,620
Other taxes and social security costs	24,041	24,070
S415 tax on overdrawn director's loan	8,352	2,539
Unpaid Pension Contributions	1,231	1,231
	<u>64,083</u>	<u>80,964</u>

10 Creditors: amounts falling due after one year	2013	2012
	£	£
Bank loans	33,737	36,082
Obligations under finance lease and hire purchase contracts	-	2,747
	<u>33,737</u>	<u>38,829</u>

11 Provisions for liabilities

Deferred taxation:	2013	2012
	£	£
<i>Source of provision</i>		
Accelerated capital allowances	-	752

	2013	2012
	£	£
<i>Movement in provision</i>		
At 1 August	752	694
Deferred tax charge in profit and loss account	(752)	58
At 31 July	<u>-</u>	<u>752</u>

12 Share capital	Nominal value	2013 Number	2013	2012
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	<u>100</u>	<u>100</u>

The authorised share capital is 10,000 ordinary shares of £1

13 Share premium	2013	2012
	£	£
At 1 August 2012	43,500	43,500
At 31 July 2013	<u>43,500</u>	<u>43,500</u>

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

14 Profit and loss account	2013	2012
	£	£
Brought Forward at 1 August 2012	(10,918)	(6,408)
Prior year profit adjustments relating to before 1st August 2011	-	(41,931)
Director's loan adjustments relating to before 1st August 2011	-	31,100
Corporation tax recoverable on prior year adjustments		8,386
Adjusted balance at 1 August 2012	(10,918)	(8,853)
Profit/(loss) for the year	7,114	(6,259)
Corporation tax recoverable on prior year adjustments		4,194
Dividends	-	(9,500)
Director's loan adjustments relating to year to 31st July 2012		9,500
At 31 July 2013	(3,804)	(10,918)

15 Dividends	2013	2012
	£	£
<i>Dividends for which the company became liable during the year:</i>		
Dividends paid during the year	-	9,500
<i>Analysis of dividends by type:</i>		
Equity dividends	-	9,500

See note 21 relating to unlawful dividends

16 Pension commitments

There is a liability arising for the coming year under a stakeholder pension scheme of £1,062 (2012 - 1,062).

17 Loans to directors

Description and conditions	B/fwd	Paid	Repaid	C/fwd
	£	£	£	£
<i>T York</i>				
Loan brought forward from prior year - bearing interest at official rate-repaid within nine months	13,983	-	(13,983)	-
Loan brought forward from prior year - bearing interest at official rate-unpaid after nine months	8,522	-	-	8,522
Loan advanced in current year - bearing interest at official rate	-	24,887	-	24,887
	<u>22,505</u>	<u>24,887</u>	<u>(13,983)</u>	<u>33,409</u>

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

The loans were made within the provisions of the Companies Act 2006 and bear interest at the official rate.

18 Related party transactions

	2013	2012
	£	£
Amounts written off in the period	-	-

During the year, the company purchased consumable materials from a sole trader business operated by Mr T.York, in the sum of £3,029 (2012- £3,314). These purchases were at normal market prices. The company sold immaterial amounts to the sole trader. Following the prior year adjustments to the director's loan account, there were no amounts owing to or from the sole trader business at 31st July 2013 and 31st July 2012.

19 Ultimate controlling party

The ultimate controlling party is Mr T York, who owns all the issued share capital.

20 Prior Year Adjustments

Errors in prior year's bank analyses were identified, which affect the previously stated profits as indicated below, by reducing the profits and the reserves

	£
Year ended 31st July 2010	3,496
Year ended 31st July 2011	185
Year ended 31st July 2012	8,554
Total reduction in reserves brought forward	12,235

The relevant adjustments have been made in the accounts, both to the reserves and the assets and liabilities, and the comparative accounts have been restated accordingly.

Errors in prior year's provision for amortisation of goodwill were identified, which affect the previously stated profits as indicated below, by reducing the profits and the reserves

	£
Year ended 31st July 2006	3,875
Year ended 31st July 2007	3,875
Year ended 31st July 2008	3,875
Year ended 31st July 2009	3,875
Year ended 31st July 2010	3,875
Year ended 31st July 2011	3,875
Year ended 31st July 2012	3,875
Total reduction in reserves brought forward	27,125

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

The relevant adjustments have been made in the accounts, both to the reserves and the assets and liabilities, and the comparative accounts have been restated accordingly.

Errors in prior year's provision for accruals not accounted for were identified, which affect the previously stated profits as indicated below, by reducing the profits and the reserves

	£
Year ended 31st July 2012	8,543
Total reduction in reserves brought forward	<u>8,543</u>

Errors in prior year's accounting for stock for were identified, which affect the previously stated profits as indicated below, by reducing the profits and the reserves

Year ended 31st July 2011	15,000
Total reduction in reserves brought forward	<u>15,000</u>

In the course of the year ended 31st July 2011, the company ceased to hold material stocks, due to a change in its operating practices. However, due to an apparent misunderstanding between the directors and their then accountants, the directors mistakenly believed that fixed assets should be included in trading stocks, and advised figures to the accountants accordingly. Analytical review of the accounts to 31st July 2011 compared to those to 31st July 2010 should have revealed an anomaly on gross profit percentage, but this was apparently not noted by either the accountants or the directors. This error was perpetuated in the year to 31st July 2012, and the prior year accounts have been restated accordingly.

Overall summary of prior year adjustments

Year ended 31st July 2006	3,875
Year ended 31st July 2007	3,875
Year ended 31st July 2008	3,875
Year ended 31st July 2009	3,875
Year ended 31st July 2010	7,371
Year ended 31st July 2011	19,060
Year ended 31st July 2012	20,972
Total reduction in reserves brought forward	<u>62,903</u>

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

21 Director's loan account and unlawful dividends

A review of past years has shown that dividends have apparently been accounted for when it now appears to have been unlawful to issue dividends. This problem has been exacerbated by the effect of the prior year adjustments that have been identified. The consequence of this is that to the extent that any dividends might have been unlawful, they must be reversed and debited to the director's loan account.

The effect of this is as follows:-

Year ended 31st July	Profits/(Loss) as originally declared after tax	Prior Year Adjustments including tax relief	Dividend paid	Unlawful dividend
Year ended 31st July 2006	(1,719)	(3,100)	-	-
Year ended 31st July 2007	9,454	(3,100)	-	-
Year ended 31st July 2008	17,845	(3,100)	-	-
Year ended 31st July 2009	20,165	(3,100)	(13,000)	-
Year ended 31st July 2010	(15,502)	(5,897)	(14,900)	(14,900)
Year ended 31st July 2011	7,448	(15,248)	(16,200)	(16,200)
Year ended 31st July 2012	14,714	(16,778)	(9,500)	(9,500)
Totals	52,405	(50,323)	(53,600)	(40,600)

This causes the reserves and director's loan account balances to be restated as:-

	Reserves as restated after prior year adjustments and tax relief	Reserves as revised after reversing unlawful dividends	Director's loan as originally declared	Director's loan as revised
Year ended 31st July 2010	(15,954)	(1,053)	45,354	30,454
Year ended 31st July 2011	(25,053)	(8,853)	36,818	4,665
Year ended 31st July 2012	(20,417)	(10,917)	25,608	(14,992)

This is summarised as follows:-

Profits as originally declared after tax	52,405
Prior year adjustments after tax	(50,323)
Dividends paid	(53,600)
Unlawful dividends reversed	40,600
Reserves as adjusted at 31st July 2012	(10,918)

Higher Purpose Cleaning Services Limited
Notes to the Accounts
for the year ended 31 July 2013

In addition to the above adjustments, the debtor due from a sole trader business operated by the director was transferred to the debit of the director's loan account at 31st July 2012. The adjustment was £9,146 which together with another identified credit adjustment of £1,633 increased the overdrawn balance as restated to £22,505

A provision for tax payable on the overdrawn director's loan account is included in the tax liabilities for the prior year. Provision has been made for interest on this loan account, at the official rate.