

COMPANY REGISTRATION NUMBER 5678546

COLE SERVICES LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2016

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Chartered Certified Accountants & Statutory Auditor

Printing House
66 Lower Road
Harrow
HA2 0DH

Cole Services Limited

Financial Statements

Year ended 31st December 2016

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Cole Services Limited

Directors' Report

Year ended 31st December 2016

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

Directors

The directors who served the company during the year were as follows:

Mr M J Fitzpatrick

Mr L R McKidd

Mrs C M Pryce

Mr M Buckingham

(Resigned 31st December 2016)

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 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Cole Services Limited

Directors' Report *(continued)*

Year ended 31st December 2016

This report was approved by the board of directors on 25th August 2017 and signed on behalf of the board by:


Mr M J Fitzpatrick
Director

Registered office:
Cardinal House
Bury Street
Ruislip
HA4 7GD

Cole Services Limited

Independent Auditor's Report to the Members of Cole Services Limited

Year ended 31st December 2016

We have audited the financial statements of Cole Services Limited for the year ended 31st December 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The 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 FRS 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 auditor's 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 auditor

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 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 31st 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.

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.

Cole Services Limited

Independent Auditor's Report to the Members of Cole Services Limited *(continued)*

Year ended 31st December 2016

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; and
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Gary Redmond Till
Senior Statutory Auditor

For and on behalf of
Abbots
Chartered Certified Accountants & statutory auditor
Printing House
66 Lower Road
Harrow
HA2 0DH

25th August 2017

Cole Services Limited

Statement of Income and Retained Earnings

Year ended 31st December 2016

		2016	2015
	Note	£	£
Turnover	4	1,500,900	1,420,648
Cost of sales		596,224	642,479
Gross profit		904,676	778,169
Administrative expenses		615,255	478,409
Operating profit	5	289,421	299,760
Interest payable and similar expenses	7	19,269	30,205
Profit before taxation		270,152	269,555
Tax on profit	8	54,184	54,676
Profit for the financial year and total comprehensive income		<u>215,968</u>	<u>214,879</u>
Retained earnings at the start of the year		1,007,990	793,111
Retained earnings at the end of the year		<u>1,223,958</u>	<u>1,007,990</u>

All the activities of the company are from continuing operations.

The notes on pages 7 to 16 form part of these financial statements.

Cole Services Limited

Statement of Financial Position

31st December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	9	5,572	5,572
Tangible assets	10	1,093,719	1,122,542
		<u>1,099,291</u>	<u>1,128,114</u>
Current assets			
Debtors	11	222,077	409,771
Cash at bank and in hand		278,257	123,743
		<u>500,334</u>	<u>533,514</u>
Creditors: amounts falling due within one year	12	257,622	419,780
Net current assets		242,712	113,734
Total assets less current liabilities		<u>1,342,003</u>	<u>1,241,848</u>
Creditors: amounts falling due after more than one year	13	–	109,748
Provisions			
Taxation including deferred tax	15	117,945	124,010
Net assets		<u>1,224,058</u>	<u>1,008,090</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	1,223,958	1,007,990
Members funds		<u>1,224,058</u>	<u>1,008,090</u>

These financial statements were approved by the board of directors and authorised for issue on 25th August 2017, and are signed on behalf of the board by:


 Mr M J Fitzpatrick
 Director

Company registration number: 5678546

The notes on pages 7 to 16 form part of these financial statements.

Cole Services Limited

Notes to the Financial Statements

Year ended 31st December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Cardinal House, Bury Street, Ruislip HA4 7GD.

The principal activity of the company during the year was the hire and maintenance of motor vehicles and plant.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity meets the conditions of being defined as a small company under Companies Act 2006. In accordance with the small companies' regime, the company is exempt from the requirements to prepare a strategic report and cash flow statement.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, Fittings and Equipment	- 25% reducing balance
Motor vehicles	- 15% - 35% Straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Hire and maintenance of motor vehicles and plant	<u>1,500,900</u>	<u>1,420,648</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	404,022	348,134
Gains on disposal of tangible assets	<u>(30,006)</u>	<u>(96,007)</u>

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>9,006</u>	<u>7,000</u>

7. Interest payable and similar expenses

	2016	2015
	£	£
Interest on banks loans and overdrafts	214	473
Interest on obligations under finance leases and hire purchase contracts	<u>19,055</u>	<u>29,732</u>
	<u>19,269</u>	<u>30,205</u>

8. Tax on profit

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	60,249	–
Deferred tax:		
Origination and reversal of timing differences	<u>(6,065)</u>	<u>54,676</u>
Tax on profit	<u>54,184</u>	<u>54,676</u>

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

8. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	<u>270,152</u>	<u>269,555</u>
Profit on ordinary activities by rate of tax	54,030	53,911
Effect of expenses not deductible for tax purposes	154	758
Effect of capital allowances and depreciation	13,577	(57,064)
Utilisation of tax losses	(7,512)	–
Rounding on tax charge	–	2,395
Deferred tax	<u>(6,065)</u>	<u>54,676</u>
Tax on profit	<u>54,184</u>	<u>54,676</u>

9. Intangible assets

	Intangibles
	£
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>5,572</u>
Amortisation	
At 1 Jan 2016 and 31 Dec 2016	<u>–</u>
Carrying amount	
At 31st December 2016	<u>5,572</u>

Cole Services Limited

Notes to the Financial Statements (continued)

Year ended 31st December 2016

10. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1st January 2016	6,813	1,894,757	1,901,570
Additions	–	390,873	390,873
Disposals	–	(125,038)	(125,038)
At 31st December 2016	<u>6,813</u>	<u>2,160,592</u>	<u>2,167,405</u>
Depreciation			
At 1st January 2016	4,887	774,141	779,028
Charge for the year	482	403,540	404,022
Disposals	–	(109,364)	(109,364)
At 31st December 2016	<u>5,369</u>	<u>1,068,317</u>	<u>1,073,686</u>
Carrying amount			
At 31st December 2016	<u>1,444</u>	<u>1,092,275</u>	<u>1,093,719</u>
At 31st December 2015	<u>1,926</u>	<u>1,120,616</u>	<u>1,122,542</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31st December 2016	<u>743,877</u>
At 31st December 2015	<u>835,008</u>

11. Debtors

	2016 £	2015 £
Trade debtors	118,728	129,613
Amounts owed by group undertakings	50,574	229,212
Prepayments and accrued income	52,775	50,946
	<u>222,077</u>	<u>409,771</u>

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

12. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	66,172	67,798
Accruals and deferred income	12,465	9,250
Corporation tax	60,249	–
Social security and other taxes	2,988	317
Obligations under finance leases and hire purchase contracts	109,748	336,415
Other creditors	6,000	6,000
	<u>257,622</u>	<u>419,780</u>

13. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Obligations under finance leases and hire purchase contracts	–	<u>109,748</u>

14. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2016	2015
	£	£
Not later than 1 year	111,460	351,389
Later than 1 year and not later than 5 years	–	111,951
	<u>111,460</u>	<u>463,340</u>
Less: future finance charges	(1,712)	(17,177)
Present value of minimum lease payments	<u>109,748</u>	<u>446,163</u>

15. Provisions

	Deferred tax (note 16)
	£
At 1st January 2016	124,010
Additions	(6,065)
At 31st December 2016	<u>117,945</u>

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 15)	<u>117,945</u>	<u>124,010</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	<u>117,945</u>	<u>124,010</u>

17. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

18. Reserves

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses.

19. Contingencies

There is a guarantee between Cole Services Limited and Ashley Industrial Properties Limited of £2,281,200 payable on demand in favour of National Westminster Bank Plc.

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

20. Related party transactions

The company was under the control of VGC Group Limited for the current and previous years. Cole Services Limited was a 95% owned subsidiary of VGC Group Limited however, during the

Transactions entered into during the year, under normal commercial terms, with other related companies in which there were common directors and shareholdings were as follows:-

VGC Group Limited

At the balance sheet date £95 (2015 - £95) was owed by VGC Group Limited in respect of a short term interest free loan.

V.G. Clements (Contractors) Limited

Included in turnover is £535,972 (2015 - £458,811) invoiced by Cole Services Limited and included in cost of sales is £9,164 (2015: £22,292) invoiced by V. G. Clements (Contractors) Limited.

At the balance sheet date £nil (2015 - £125) was owed by V.G. Clements (Contractors) Limited in respect of a short term interest free loan.

V.G. Clements Limited

Included in turnover is £287,355 (2015 - £347,579) invoiced by Cole Services Limited.

V.G.C. Construction Limited

Included in turnover is £16,869 (2015 - £16,528) invoiced by Cole Services Limited.

V.G.C. Personnel Limited

Included in turnover is £4,898 (2015 - £12,696) invoiced by Cole Services Limited and included in administrative expenses is £ (2015 - £nil) invoiced by V. G. C Personnel Limited.

VGC Services Limited

Included in turnover is £46,654 (2015 - £45,295) invoiced by Cole Services Limited and included in cost of sales and administrative expenses is £98,603 (2015 - £82,236) and £63,595 (2015 - £140,838) respectively for amounts recharged by VGC Services Limited.

At the balance sheet date £50,479 (2015 - £228,992) was owed by VGC Services Limited in respect of a short term interest free loan.

Cole Enterprises Limited

Included in administrative expenses is £12,000 (2015 - £12,000) invoiced by Cole Enterprises Limited.

Cole Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

21. Controlling party

100% of the share capital is owned by VGC Group Limited. The directors consider this to be the ultimate parent company.

The group consolidated accounts can be obtained from the company's registered office; the address is stated on page 2 of these accounts.