
ATLAS FM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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ATLAS FM LIMITED

COMPANY INFORMATION

Directors	N J Earley R W Empson
Company secretary	T H Earley
Registered number	06883247
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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Introduction

The principal activity of the company continues to be that of a non-trading holding company. The principal activity of the subsidiaries continues to be that of providing office cleaning services.

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 2018 to date fully on track.

Principal risks and uncertainties

The group's primary financial instruments are bank overdrafts, trade debtors, trade creditors and intercompany balances. These arise directly from the group'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 group'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 group with reference to the following financial key performance indicators:

- The group's turnover increased by £15,997,371 to £53,185,268
- The group's gross profit increased by £5,383,877 to £14,737,697

This report was approved by the board on *27th September, 2018* and signed on its behalf.


N J Earley
Director

ATLAS FM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £3,145,252 (2016 - £2,301,152).

Dividends paid in the year amounted to £Nil (2016 - £Nil).

Directors

The directors who served during the year were:

N J Earley
R W Empson

Future developments

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

Employee involvement

The group 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.

ATLAS FM LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Disabled employees

It is the group'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 group.

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 and the Group'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 and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group 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 27th September, 2018 and signed on its behalf.



N J Earley
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS FM LIMITED

Opinion

We have audited the financial statements of Atlas FM Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company 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 Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's 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 Group 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 Group's or the parent 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATLAS FM 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

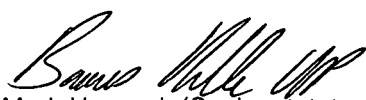
Auditors' responsibilities for the audit of the financial statements

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 (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants & Statutory Auditors

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date: 28 September 2018

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	53,185,268	37,187,897
Cost of sales		(38,447,571)	(27,834,077)
Gross profit		14,737,697	9,353,820
Distribution costs		-	119,737
Administrative expenses		(11,357,806)	(6,677,174)
Exceptional administrative expenses	13	101,071	(231,550)
Other operating income	5	5,000	-
Operating profit	6	3,485,962	2,564,833
Profit on disposal of investment		249,750	-
Interest receivable and similar income	10	12	2,430
Interest payable and expenses	11	(18,868)	(11,546)
Profit before taxation		3,716,856	2,555,717
Tax on profit	12	(571,604)	(254,565)
Profit for the financial year		3,145,252	2,301,152
Total comprehensive income for the year		3,145,252	2,301,152

The notes on pages 17 to 39 form part of these financial statements.

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	As restated 2016 £
Fixed assets			
Intangible assets	15	1,151,952	761,810
Tangible assets	16	909,313	432,613
		<u>2,061,265</u>	<u>1,194,423</u>
Current assets			
Stocks	18	55,997	132,623
Debtors: amounts falling due after more than one year	19	1,764,657	2,161,656
Debtors: amounts falling due within one year	19	24,715,095	10,753,901
Cash at bank and in hand	20	901,243	2,587,347
		<u>27,436,992</u>	<u>15,635,527</u>
Creditors: amounts falling due within one year	21	(18,541,922)	(9,026,256)
Net current assets		<u>8,895,070</u>	<u>6,609,271</u>
Total assets less current liabilities		<u>10,956,335</u>	<u>7,803,694</u>
Creditors: amounts falling due after more than one year	22	-	(3,414)
Provisions for liabilities			
Deferred taxation	24	(20,621)	(9,818)
		<u>(20,621)</u>	<u>(9,818)</u>
Net assets		<u><u>10,935,714</u></u>	<u><u>7,790,462</u></u>

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	25	40	40
Capital redemption reserve	26	160	160
Profit and loss account	26	10,935,514	7,790,262
		<u>10,935,714</u>	<u>7,790,462</u>

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

27th September, 2018



N J Earley
Director

The notes on pages 17 to 39 form part of these financial statements.

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	17	198	198
Current assets			
Debtors: amounts falling due within one year	19	500,000	500,000
Cash at bank and in hand	20	2	2
Net current assets		<u>500,002</u>	<u>500,002</u>
Total assets less current liabilities		<u>500,200</u>	<u>500,200</u>
Net assets		<u><u>500,200</u></u>	<u><u>500,200</u></u>
Capital and reserves			
Called up share capital	25	40	40
Capital redemption reserve	26	160	160
Profit and loss account		500,000	500,000
		<u>500,200</u>	<u>500,200</u>

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

27th September, 2018



N J Earley
Director

The notes on pages 17 to 39 form part of these financial statements.

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	40	160	7,790,262	7,790,462
Comprehensive income for the year				
Profit for the year	-	-	3,145,252	3,145,252
Total comprehensive income for the year	-	-	3,145,252	3,145,252
Total transactions with owners	-	-	-	-
At 31 December 2017	40	160	10,935,514	10,935,714

The notes on pages 17 to 39 form part of these financial statements.

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	200	-	10,489,110	10,489,310
Comprehensive income for the year				
Profit for the year	-	-	2,301,152	2,301,152
Total comprehensive income for the year	-	-	2,301,152	2,301,152
Purchase of own shares	-	160	(5,000,000)	(4,999,840)
Shares redeemed during the year	(160)	-	-	(160)
Total transactions with owners	(160)	160	(5,000,000)	(5,000,000)
At 31 December 2016	40	160	7,790,262	7,790,462

The notes on pages 17 to 39 form part of these financial statements.

ATLAS FM LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	40	160	500,000	500,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	40	160	500,000	500,200
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 17 to 39 form part of these financial statements.

ATLAS FM LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	200	-	4,000,000	4,000,200
Comprehensive income for the year				
Profit for the year	-	-	1,500,000	1,500,000
Total comprehensive income for the year	-	-	1,500,000	1,500,000
Contributions by and distributions to owners				
Purchase of own shares	-	160	(5,000,000)	(4,999,840)
Shares redeemed during the year	(160)	-	-	(160)
Total transactions with owners	(160)	160	(5,000,000)	(5,000,000)
At 31 December 2016	40	160	500,000	500,200

The notes on pages 17 to 39 form part of these financial statements.

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	3,145,252	2,301,152
Adjustments for:		
Amortisation of intangible assets	760,012	465,932
Depreciation of tangible assets	362,431	310,637
Loss/(profit) on disposal of tangible assets	15,878	(10,191)
Interest payable	18,868	11,546
Interest received	(12)	(2,430)
Taxation charge	571,604	254,565
Decrease/(increase) in stocks	76,626	(84,164)
Increase in debtors	(13,563,749)	(1,103,177)
Increase in creditors	5,551,254	4,525,930
Corporation tax paid	(349,803)	(238,322)
Other gain on financing	(250,000)	-
Net cash (used in)/generated from operating activities	(3,661,639)	6,431,478
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(163,078)
Sale of intangible assets	250	-
Purchase of tangible fixed assets	(855,562)	(571,213)
Sale of tangible fixed assets	303	16,103
Interest received	12	2,430
HP interest paid	-	(1,777)
Acquisition of subsidiary	(1,035,000)	(546,567)
Cash acquired from acquisition	130,986	-
Net cash used in investing activities	(1,759,011)	(1,264,102)

ATLAS FM LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from financing activities		
New secured loans	3,750,000	-
New finance leases	3,414	-
Interest paid	(18,868)	(9,769)
Purchase of own shares	-	(5,000,000)
Net cash generated from/(used in) financing activities	3,734,546	(5,009,769)
Net (decrease)/increase in cash and cash equivalents	(1,686,104)	157,607
Cash and cash equivalents at beginning of year	2,587,347	2,429,740
Cash and cash equivalents at the end of year	901,243	2,587,347
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	901,243	2,587,347
	901,243	2,587,347

The notes on pages 17 to 39 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

Atlas FM 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 group 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 Group management to exercise judgment in applying the Group accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

Turnover is recognised on the date the service is supplied.

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2.5 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Consolidated 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.

2.7 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.11 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 the Group's share 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 Consolidated statement of comprehensive income over its useful economic life of 3 years.

Other intangible assets

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..

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 33.33% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line
Computer equipment	- 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 Consolidated statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet 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 balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 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. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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 profit or loss.

2.16 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.

2.17 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow 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 Consolidated 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments in applying the above accounting policies that have had the most significant effect on the amount recognised in the financial statements:

1. Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.
2. Determine whether other debtors which mainly consist of amounts due from connected companies are recoverable.
3. Tangible and intangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

Analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sales attributable to the principal activity	53,185,268	37,187,897
	<u>53,185,268</u>	<u>37,187,897</u>

All turnover arose within the United Kingdom.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Other operating income

	2017 £	2016 £
Net rents receivable	5,000	-
	<u>5,000</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	362,431	310,637
Amortisation of intangible assets, including goodwill	760,012	465,932
Loss/(Profit) on disposal of tangible fixed assets	15,878	(10,191)
Defined contribution pension cost	96,942	67,757
Operating lease rentals- land and buildings	294,806	232,884
Operating lease rental- others	42,239	39,687
Stock recognised as an expense/(income)	2,731,933	1,629,899
	<u>2,059,355</u>	<u>1,183,467</u>

7. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	<u>25,965</u>	<u>17,050</u>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	42,307	44,250
All other services	15,786	4,015
	<u>58,093</u>	<u>48,265</u>

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Employees

	2017 £	2016 £
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	31,846,995	27,553,709
Social security costs	4,107,745	1,128,572
Cost of defined contribution scheme	96,942	69,800
	<u>36,051,682</u>	<u>28,752,081</u>
	2017 No.	2016 No.
The average monthly number of employees, including the director, during the year was as follows:		
Directors	2	2
Administration	671	206
Operational	2,419	2,653
	<u>3,092</u>	<u>2,861</u>

9. Directors' remuneration

During the year, no director received any emoluments (2016 - Nil).

During the year retirement benefits were accruing to no directors (2016 - Nil) in respect of defined benefit contribution pension schemes.

10. Interest receivable

	2017 £	2016 £
Other interest receivable	12	2,430
	<u>12</u>	<u>2,430</u>

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	18,261	1,760
Other loan interest payable	-	5,226
Finance leases and hire purchase contracts	-	1,777
Other interest payable	607	2,783
	<u>18,868</u>	<u>11,546</u>

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	491,841	254,600
Adjustments in respect of previous periods	68,960	(35)
Total current tax	<u>560,801</u>	<u>254,565</u>
Deferred tax		
Origination and reversal of timing differences	10,803	-
Total deferred tax	<u>10,803</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>571,604</u>	<u>254,565</u>

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>3,716,856</u>	<u>2,555,717</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	706,203	511,144
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	113,791	(307,502)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,716	31,138
Capital allowances for year in excess of depreciation	(6,707)	(16,414)
Adjustments to tax charge in respect of prior periods	68,960	(35)
Other timing differences leading to an increase in taxation	29,871	20,045
Non-taxable income	(47,500)	300,000
Losses utilised	(312,732)	(297,123)
Pension fund	-	13,255
Deferred tax movement	10,803	-
Tax rate differences	7,182	22
Over provision in current year	17	35
Total tax charge for the year	<u>571,604</u>	<u>254,565</u>

Factors that may affect future tax charges

A subsidiary company has approximately £939,967 (2016 - £1,095,500) of non-trading loan relationship losses available for offset against future trading profits arising in that company.

A subsidiary company has approximately £533,210 (2016 - £2,121,000) trading losses available for offset against future trading profits arising in that company.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Exceptional items

	2017 £	2016 £
(Release of Provision) / Provision for related party bad debts	(101,071)	231,550
	<u>(101,071)</u>	<u>231,550</u>

14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £Nil (2016 - £1,500,000).

15. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 January 2017	3,415,115	(311,134)	3,103,981
Additions	1,150,154	-	1,150,154
At 31 December 2017	<u>4,565,269</u>	<u>(311,134)</u>	<u>4,254,135</u>
Amortisation			
At 1 January 2017	2,653,305	(311,134)	2,342,171
Charge for the year	760,012	-	760,012
At 31 December 2017	<u>3,413,317</u>	<u>(311,134)</u>	<u>3,102,183</u>
Net book value			
At 31 December 2017	<u>1,151,952</u>	<u>-</u>	<u>1,151,952</u>
At 31 December 2016	<u>761,810</u>	<u>-</u>	<u>761,810</u>

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

16. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost					
At 1 January 2017	498,940	763,262	133,533	54,072	48,516
Additions	106,917	697,199	32,358	14,993	4,095
Disposals	-	(59,838)	-	-	-
At 31 December 2017	605,857	1,400,623	165,891	69,065	52,611
Depreciation					
At 1 January 2017	425,314	441,125	124,260	54,072	20,939
Charge for the year	44,859	297,942	10,905	833	7,892
Disposals	-	(43,407)	-	-	-
At 31 December 2017	470,173	695,660	135,165	54,905	28,831
Net book value					
At 31 December 2017	135,684	704,963	30,726	14,160	23,780
At 31 December 2016	73,626	322,137	9,273	-	27,577

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. Tangible fixed assets (continued)

	Total £
Cost	
At 1 January 2017	1,498,323
Additions	855,562
Disposals	(59,838)
At 31 December 2017	<u>2,294,047</u>
Depreciation	
At 1 January 2017	1,065,710
Charge for the year	362,431
Disposals	(43,407)
At 31 December 2017	<u>1,384,734</u>
Net book value	
At 31 December 2017	<u>909,313</u>
At 31 December 2016	<u>432,613</u>

17. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Atlas Cleaning Limited	Ordinary	100 %	Cleaning services
Atlas Contractors Limited	Ordinary	100 %	Cleaning services
Atlas Managed Integrated Services Limited	Ordinary	100 %	Cleaning services
Comprehensive Cleaning Services Limited	Ordinary	100 %	Cleaning services
Comprehensive Cleaning Services (Leisure) Limited	Ordinary	100 %	Dissolved on 31 October 2017
Atlas FM Services Limited	Ordinary	100 %	Dissolved on 31 October 2017

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

17. Fixed asset investments (continued)

The country of incorporation for all of the above subsidiaries is England & Wales.

Atlas Managed Integrated Services Limited, Comprehensive Cleaning Services Limited, Comprehensive Cleaning Services (Leisure) Limited, Atlas FM Services Limited are wholly owned subsidiaries of Atlas Contractors Limited.

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2017	198
At 31 December 2017	198
Net book value	
At 31 December 2017	198
At 31 December 2016	198

18. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Consumables	55,997	132,623	-	-
	<u>55,997</u>	<u>132,623</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

19. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Due after more than one year				
Other debtors	1,764,657	2,161,656	-	-
	<u>1,764,657</u>	<u>2,161,656</u>	<u>-</u>	<u>-</u>
	Group 2017 £	Group As restated 2016 £	Company 2017 £	Company 2016 £
Due within one year				
Trade debtors	17,440,838	7,601,622	-	-
Amounts owed by group undertakings	-	-	500,000	500,000
Other debtors	7,156,050	3,150,997	-	-
Prepayments and accrued income	118,207	1,282	-	-
	<u>24,715,095</u>	<u>10,753,901</u>	<u>500,000</u>	<u>500,000</u>

20. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	901,243	2,587,347	2	2
	<u>901,243</u>	<u>2,587,347</u>	<u>2</u>	<u>2</u>

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Creditors: Amounts falling due within one year

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Bank loans	3,750,000	-	-	-
Trade creditors	1,543,679	580,044	-	-
Corporation tax	416,841	205,843	-	-
Other taxation and social security	4,722,034	1,857,850	-	-
Obligations under finance lease and hire purchase contracts	3,414	-	-	-
Other creditors	7,663,529	6,302,355	-	-
Accruals and deferred income	442,425	80,164	-	-
	<u>18,541,922</u>	<u>9,026,256</u>	<u>-</u>	<u>-</u>

Bank loans and overdrafts are secured by:-

1) A mortgage debenture dated 3 July 1993 incorporating a fixed and floating charge over all current and future assets of the company.

2) A cross guarantee dated 30 July 1993 (refer to note 29 for further details).

22. Creditors: Amounts falling due after more than one year

	Group 2017 £	<i>Group 2016 £</i>	Company 2017 £	<i>Company 2016 £</i>
Other creditors	-	3,414	-	-
	<u>-</u>	<u>3,414</u>	<u>-</u>	<u>-</u>

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

23. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>26,361,545</u>	<u>12,914,275</u>	<u>500,000</u>	<u>500,000</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>12,960,622</u>	<u>6,885,813</u>	<u>-</u>	<u>-</u>

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

Financial liabilities measured at amortised cost comprise obligations under finance lease and hire purchase contracts, bank loan, trade creditors, amounts owed to group undertakings and other creditors.

24. Deferred taxation

Group

	2017 £
At beginning of year (as restated)	9,818
Charged to profit or loss	10,803
At end of year	<u><u>20,621</u></u>

At end of year

	Group 2017 £	Group 2016 £
Accelerated capital allowances	20,621	9,818
	<u><u>20,621</u></u>	<u><u>9,818</u></u>

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

25. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
20 Ordinary A shares of £1 each	20	20
20 Ordinary B shares of £1 each	20	20
	<hr/>	<hr/>
	40	40
	<hr/>	<hr/>

26. Reserves

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased.

Profit and loss account

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

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

27. Business combinations

Acquisition of Cheshunt Group Limited on 1st February 2017

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Tangible fixed asset	43,558	43,558
	<u>43,558</u>	<u>43,558</u>
Stocks	4,550	4,550
Debtors	1,021,094	1,021,094
Cash at bank and in hand	130,986	130,986
Total assets	1,200,188	1,200,188
Creditors		
Due within one year	(811,653)	(811,653)
Due more than one year	(6,684)	(6,684)
Total identifiable net assets	381,851	381,851
Goodwill		1,150,154
Total purchase consideration		1,532,005
Consideration settled as:		
		£
Cash		1,035,000
Debt instruments		264,500
Deferred consideration		232,505
Total purchase consideration		1,532,005
Cash outflow on acquisition		
		£
Purchase consideration settled in cash, as above		1,035,000
Net cash outflow on acquisition		1,035,000

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

27. Business combinations (continued)

The results of Cheshunt Group Limited on 1st February 2017 since its acquisition are as follows:

	Current period since acquisition £
Turnover	<u>3,246,283</u>
Profit for the year	<u>509,019</u>

28. Contingent liabilities

The company has provided an intercompany guarantee covering Atlas Cleaning Limited, Atlas Contractors Limited, Atlas Managed Integrated Services Limited, Atlas Facilities Management Limited, Atlas FM Limited and Atlas FM Services Limited. At the year end the potential liability of Atlas Cleaning Limited was £3,750,000 (2016 - £Nil).

29. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £96,942 (2016 - £69,800). The amount outstanding to the pension fund at the year was £ 68,760 (2016 - £65,000).

30. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Not later than 1 year	122,438	120,000
Later than 1 year and not later than 5 years	480,000	480,000
Later than 5 years	-	360,000
	<u>602,438</u>	<u>960,000</u>

31. Related party transactions

The group has taken advantage of the exemption allowed by FRS102, not to disclose any transactions with other wholly owned subsidiaries that are included in the consolidated financial statements of Atlas FM Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

31. Related party transactions (continued)

At the year end the group owed £2,499,206 (2016 - £3,469,744) to N J Earley, a director, and his spouse.

At the year end the group owed £62,496 (2016 - £704,413) to R W Empson, a director.

During the year, the group made rental payments of £130,000 (2016 - £130,000) for the rent of properties owned by N J Earley and R W Empson, directors.

Uniform Express Limited

During the year under review the group traded with Uniform Express Limited, a company in which the directors have a beneficial interest. The balance owing to the group at the year end was £1,764,657 (2016 - £2,161,657). During the year there was a recharge of expenses of £36,000 (2016 - £36,000).

Atlas New Homes Limited

The group has advanced funds to Atlas New Homes Limited, a company owned and controlled by the directors, N J Earley and R W Empson. The amount due from Atlas New Homes Limited at the year end amounted to £2,457,565 of which £852,395 has been provided for as a bad debt (2016 - £2,226,852 of which £852,395 had been provided for).

Deeprise Developments Limited

The group has made loans to Deeprise Developments Limited, a company in which the directors have a beneficial interest. The balance owing to the group at the year end was £1,862,353 of which £1,860,493 has been provided as bad debt (2016 - £1,860,493 which had been fully provided for).

Atlas Industrial Engineering Limited

The group has advanced funds to Atlas Industrial Engineering Limited, a company owned and controlled by the directors, N J Earley and R W Empson. The amount outstanding at 31 December 2017 was £2,190,879 of which £2,190,879 has been provided for as a bad debt (2016 - £2,190,879 of which £1,962,656 had been provided for).

Earley Developments Limited

The group has made loans to Earley Developments Limited, a company in which N J Earley, a director, has a beneficial interest. The balance owing to the group at the year end was £113,717 (2016 - £113,517).

Atlas Commercial Property Limited

The group has made loans to Atlas Commercial Property Limited, a company in which N J Earley, a director, has a beneficial interest. The balance owing to the group at the year end was £340,426 (2016 - £366,754).

Atlas Living Limited

The group has made loans to Atlas Living Limited, a company in which N J Earley, a director, has a beneficial interest. The balance owing to the group at the year end was £1,235,570 (2016 - £1,234,634).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

31. Related party transactions (continued)

Key Management Compensation

Only directors are considered to be key management and therefore the remuneration of key management is as disclosed for directors.

32. Controlling party

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

33. Restatement of prior year figures

The prior year balance sheet has been restated to reclassify other provisions amounting to £11,032 to deferred taxation. There has been no effect on the profit and loss account.