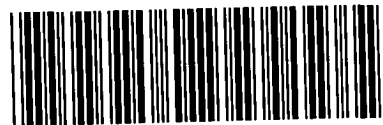

ATLAS FM LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

THURSDAY



AAE4CCRC

A21

30/09/2021

#388

COMPANIES HOUSE

ATLAS FM LIMITED

COMPANY INFORMATION

Directors	N J Earley R W Empson
Company secretary	T H Earley D A M Empson
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

ATLAS FM LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

As we are all aware, society endured an unprecedented pandemic in 2020 and this impacted on the performance of our business.

Sales reduced, and we did not see the growth we had expected, due to many clients either closing their premises fully or operating on a restricted footing. We were fortunate in so much as we are a critical front-line service provider with demand for regular services increasing where operations continued and an uplifted need for added-value, intensive sanitisation cleans. This largely offset the negative impact of client closures and suspensions and with an improved gross margin.

As in previous years we also continue to see 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 impact of Brexit on the labour market is now hitting hard and staff recruitment is a challenge. We work closely with our clients and are confident that with a pragmatic approach the difficult issues we all face will continue to be well managed. Our loyal staff ensure that the business continues to perform well despite the obvious challenges and trading during 2021 to date is 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 decreased from £113,706,234 to £109,998,165.
- The group's gross profit increased from £22,333,687 to £29,657,393.

ATLAS FM LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' statement of compliance with duty to promote the success of the Group

As the board at Atlas FM we are of course fully aware that we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole (why else would we be in business?) and to have regard to the long term effect of our decisions on the company and its stakeholders. This statement, which is largely unchanged from last year, as one would expect, addresses the ways in which we as a board approach this responsibility.

Atlas FM, through its operating companies, has provided cleaning, security and related facilities management services since formation in 1986 with the business still owned and overseen by its founders. We always have a mind to our long term and highly valued relationships with our employees, customers and suppliers along with any potential impact we might have on the wider economy and environment.

Our staff are our key asset and as such we ensure that they are treated fairly and with respect. Our high rate of staff retention speaks for itself. During this unprecedented time of global pandemic we have ensured that their interests have been at the forefront of our business management process and whilst we have gratefully benefited from the government's superb furlough scheme we have brought staff back into operational roles as quickly as possible, with the majority now being again gainfully employed and with limited job losses.

To state the obvious, without customers we would have no business and of course we ensure that our service levels are maintained both during normal times and through the course of the pandemic. We work closely with our client base and ensure that we tailor our services to their needs. Our business continues to thrive even during these difficult times which has been achieved by ensuring that we meet customer needs, something which is facilitated by our fantastic workforce.

Our suppliers are a key element of our service delivery chain and we ensure that we partner with the right businesses and have appropriate processes in place to manage and maintain strong relationships with these critical partners. We ensure that we pay our suppliers promptly.

We are fully cognisant of the potential impact of our business on the wider environment and the people we engage with. We follow up to date environmental and health and safety policy and practice with a team of dedicated qualified professionals employed to ensure we fulfil our responsibilities. Being a consistently profitable business we pay corporation tax along with the collection and transmission of the range or sales and payroll taxes, thus making a very significant direct financial contribution to the wider economy (in addition to the indirect impact of employment).

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments

We are hopeful that we have now emerged from an unprecedented period of incredible worry and concern for the world when the survival of all was in question. Thankfully we have benefitted from the brilliance of the scientific community and the creative and steadfast support of the government. For the business community that has allowed us to maintain our workforce largely intact and increasingly welcome back confident and loyal staff who in the main have been fully vaccinated and financially supported.


When the pandemic hit in March 2020 we were of course shell-shocked and worried as to what the future held. Fortunately, where clients continued to operate, our cleaning services were critical in keeping people safe which meant that sectors of our business continued to thrive and this offset the impact of the many closures that we saw in the retail, hospitality, leisure and general office sectors.

We did suffer along with others from the unavoidable stop-start impact of lockdowns but we are confident that the worst is behind us and we look forward to a strong economic recovery with all the benefits and opportunities that that brings.

Brexit had been largely forgotten during 2020 but it is now becoming clear that it will have a seriously negative impact on the availability of labour particularly in the service industry. Recruitment is proving to be very difficult and whilst we are confident that the ending of the government's excellent furlough scheme should bring people back to the market we expect that wage rate pressures will escalate and costs will inevitably rise; uplifting pay of course will be good news for staff who in our industry in particular have been historically under-paid. This will mean though that prices will have to increase and we will reluctantly have little choice than to negotiate new charging rates with our much-valued clients during the coming months.

We continue to financially manage our business conservatively and ensure that we do not have significant unavoidable fixed costs with minimal property and asset leases and we maintain sufficient working capital to allow us to operate with a minimum of financial stress. We are confident that we will continue to prosper during the coming period.

This report was approved by the board on *30th September, 2021* and signed on its behalf.


.....
N J Earley
Director

ATLAS FM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

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 £11,853,461 (2019 - £6,113,613).

Dividends paid in the year amounted to £1,111,111 (2019 - £1,111,111).

Directors

The directors who served during the year were:

N J Earley
R W Empson

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of carbon emissions in compliance with Streamline Energy and Carbon Reporting ("SECR")

The SECR methodology used in the following disclosures is as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" used in conjunction with Government GHG reporting conversion factors.

Energy	kWh
Vehicle fuel	3,130,518
Rail travel	2,241
Electricity	233,074
Gas	190,707
Total energy	3,556,540

Emissions	tCO2e
Vehicle fuel	532.0
Rail travel	1.2
Electricity	54.3
Gas	35.3
Total SECR emissions	622.8

Intensity metric

£m turnover	109.87
tCO2e per £m turnover	5.67

The Board is committed to reducing the environmental impact and contribution to climate change of the business. During the reporting year we have assessed and measured our carbon footprint, including some Scope 3 emissions, and have set up data collation and reporting mechanisms for this going forward.

Following our initial assessment of our carbon emissions, we have identified that the majority of them arise from Scope 3 activities such as travel on public transport, travel to sites, hotel stays and our supply chain impacts. In the forthcoming reporting year, we plan to:

- Refine our carbon data quality.
- Review the organisation and impact of our operational activities (e.g., travel to sites and hotel stays).
- Implement a 'Carbon Road Map' to outline how we can work towards Net Zero by 2050.
- Consider how we can start to monitor and measure emissions arising from our supply chain.

Future developments

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

Employees 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

Matters covered in the strategic report

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

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 other than those matters referred to in the strategic report.

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 30th September, 2021 and signed on its behalf.



.....
N J Earley
Director

ATLAS FM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 2020, 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 2020 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

When auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 MEMBERS OF ATLAS FM LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, are as follows:
 - Companies Act 2006.
 - FRS 102.
 - Tax legislation.
 - Employment legislation.
 - Health and Safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing supporting evidence where applicable;
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit; and
- As auditors of all group companies we were able to cover the above matters at a group and component level and thereby ensure the audit team were aware of the above matters across all group companies.

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

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates, were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



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: 30 September 2021

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	109,998,165	113,706,234
Cost of sales		(80,340,772)	(91,372,547)
Gross profit		29,657,393	22,333,687
Administrative expenses		(14,644,340)	(14,642,624)
Exceptional administrative expenses	15	(21,496)	181,882
Other operating income	5	10,000	-
Operating profit	6	15,001,557	7,872,945
Profit on disposal of investment		80,000	-
Interest receivable and similar income	10	901	1,052
Interest payable and expenses	11	(38,588)	(63,220)
Profit before taxation		15,043,870	7,810,777
Tax on profit	12	(3,190,409)	(1,697,164)
Profit for the financial year		11,853,461	6,113,613
Total comprehensive income for the year		11,853,461	6,113,613

The notes on pages 21 to 47 form part of these financial statements.

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	£	2020 £	2019 £
Fixed assets				
Intangible assets	16		1,921,612	2,617,137
Tangible assets	17		11,458,076	9,773,199
			<u>13,379,688</u>	<u>12,390,336</u>
Current assets				
Stocks	19	32,795	39,750	
Debtors: amounts falling due after more than one year	20	2,497,357	2,181,357	
Debtors: amounts falling due within one year	20	26,953,897	25,152,806	
Cash at bank and in hand	21	15,543,440	4,983,788	
		<u>45,027,489</u>	<u>32,357,701</u>	
Creditors: amounts falling due within one year	22	(27,972,475)	(25,014,346)	
Net current assets			<u>17,055,014</u>	<u>7,343,355</u>
Total assets less current liabilities			<u>30,434,702</u>	<u>19,733,691</u>
Creditors: amounts falling due after more than one year	23	(951,526)	(986,738)	
Provisions for liabilities				
Deferred taxation	26	(125,800)	(131,927)	
Net assets			<u>29,357,376</u>	<u>18,615,026</u>
Capital and reserves				
Called up share capital	27	40	40	
Capital redemption reserve	28	160	160	
Profit and loss account	28	29,357,176	18,614,826	
Equity attributable to owners of the parent Company			<u>29,357,376</u>	<u>18,615,026</u>
			<u>29,357,376</u>	<u>18,615,026</u>

ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30th September, 2021



N J Earley
Director

The notes on pages 21 to 47 form part of these financial statements.


ATLAS FM LIMITED
REGISTERED NUMBER: 06883247

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Investments	18		198		198
Current assets					
Debtors: amounts falling due after more than one year	20	2,497,357			
Debtors: amounts falling due within one year	20	25,058,363		1,500,000	
Cash at bank and in hand	21	2		2	
		<u>27,555,722</u>		<u>1,500,002</u>	
Creditors: amounts falling due within one year	22	(7,277,942)		(111,111)	
Net current assets			<u>20,277,780</u>		<u>1,388,891</u>
Total assets less current liabilities			<u>20,277,978</u>		<u>1,389,089</u>
Net assets			<u><u>20,277,978</u></u>		<u><u>1,389,089</u></u>
Capital and reserves					
Called up share capital	27		40		40
Capital redemption reserve	28		160		160
Profit and loss account brought forward		1,388,889		500,000	
Profit for the year		20,000,000		2,000,000	
Other changes in the profit and loss account		(1,111,111)		(1,111,111)	
		<u></u>		<u></u>	
Profit and loss account carried forward			<u>20,277,778</u>		<u>1,388,889</u>
			<u><u>20,277,978</u></u>		<u><u>1,389,089</u></u>

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

30th September, 2021



N J Earley
 Director

The notes on pages 21 to 47 form part of these financial statements.

ATLAS FM LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	40	160	18,614,826	18,615,026
Comprehensive income for the year				
Profit for the year	-	-	11,853,461	11,853,461
Total comprehensive income for the year	-	-	11,853,461	11,853,461
Dividends: Equity capital	-	-	(1,111,111)	(1,111,111)
Total transactions with owners	-	-	(1,111,111)	(1,111,111)
At 31 December 2020	40	160	29,357,176	29,357,376

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	40	160	13,612,324	13,612,524
Comprehensive income for the year				
Profit for the year	-	-	6,113,613	6,113,613
Total comprehensive income for the year	-	-	6,113,613	6,113,613
Dividends: Equity capital	-	-	(1,111,111)	(1,111,111)
At 31 December 2019	40	160	18,614,826	18,615,026

The notes on pages 21 to 47 form part of these financial statements.

ATLAS FM LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital redemption reserve	Profit and loss account
	£	£	£
At 1 January 2020	40	160	1,388,889
Comprehensive income for the year			
Profit for the year	-	-	20,000,000
	-	-	20,000,000
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends: Equity capital	-	-	(1,111,111)
	-	-	(1,111,111)
Total transactions with owners			
At 31 December 2020	40	160	20,277,778

	Total equity
	£
At 1 January 2020	1,389,089
Comprehensive income for the year	
Profit for the year	20,000,000
	20,000,000
Total comprehensive income for the year	
Contributions by and distributions to owners	
Dividends: Equity capital	(1,111,111)
	(1,111,111)
Total transactions with owners	
At 31 December 2020	20,277,978

ATLAS FM LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	40	160	500,000	500,200
Comprehensive income for the year				
Profit for the year	-	-	2,000,000	2,000,000
Total comprehensive income for the year	-	-	2,000,000	2,000,000
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,111,111)	(1,111,111)
Total transactions with owners	-	-	(1,111,111)	(1,111,111)
At 31 December 2019	40	160	1,388,889	1,389,089

The notes on pages 21 to 47 form part of these financial statements.

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	11,853,461	6,113,613
Adjustments for:		
Amortisation of intangible assets	1,465,498	1,376,799
Depreciation of tangible assets	910,575	906,192
Loss on disposal of tangible assets	(17,221)	70,851
Government grants	(10,000)	-
Interest payable	38,588	63,220
Interest received	(901)	(1,052)
Taxation charge	3,190,409	1,697,164
Decrease in stocks	6,955	1,530
(increase) in debtors	(2,117,091)	(1,456,278)
Increase in creditors	1,815,861	5,716,698
Corporation tax (paid)	(2,100,829)	(1,553,160)
Net cash generated from operating activities	15,035,305	12,935,577
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,552,533)	(7,842,044)
Sale of tangible fixed assets	42,441	75,530
Government grants received	10,000	-
Interest received	901	1,052
Acquisition of subsidiary	(839,342)	(1,939,064)
Cash acquired from acquisition	51,357	1,039,929
Net cash from investing activities	(3,287,176)	(8,664,597)

ATLAS FM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from financing activities		
New secured loans	(34,328)	1,026,604
Dividends paid	(1,111,111)	(1,111,111)
Interest paid	(38,588)	(63,220)
Net cash used in financing activities	(1,184,027)	(147,727)
Net increase in cash and cash equivalents	10,564,102	4,123,253
Cash and cash equivalents at beginning of year	4,979,338	856,085
Cash and cash equivalents at the end of year	15,543,440	4,979,338
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	15,543,440	4,983,788
Bank overdrafts		(4,450)
	15,543,440	4,979,338

The notes on pages 21 to 47 form part of these financial statements.

ATLAS-EM LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
4401 Cash at bank and in hand	4,983,788	10,559,652	15,543,440
4402 Bank overdrafts	(4,450)	4,450	-
4403 Debt due after 1 year	(986,738)	35,212	(951,526)
4404 Debt due within 1 year	(3,243,576)	(299,121)	(3,542,697)
	<u>749,024</u>	<u>10,300,193</u>	<u>11,049,217</u>

The notes on pages 21 to 47 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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's accounting policies (see note 3).

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.

2.3 Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

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

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Borrowing costs

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

2.10 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.

2.11 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.

2.12 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 2020**

2. Accounting policies (continued)

2.13 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.

2.14 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 bases:

Short-term leasehold property	- Over the life of the assets
Plant and machinery	- 33.33% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Office 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 2020

2. Accounting policies (continued)

2.15 Impairment of fixed assets and goodwill

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

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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 the Consolidated statement of comprehensive income.

2.18 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.

2.19 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.

2.20 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 2020

2. Accounting policies (continued)

2.21 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 profit or loss 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.

2.22 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 2020

2. Accounting policies (continued)

2.23 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 an expense 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 country of destination:

	2020 £	2019 £
United Kingdom	109,998,165	113,706,234
	<u>109,998,165</u>	<u>113,706,234</u>

All turnover relates to the principle activity of the group.

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Other operating income

	2020 £	2019 £
Government grants receivable	10,000	-
	<u>10,000</u>	<u>-</u>

6. Operating profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	910,575	906,192
Amortisation of intangible assets, including goodwill	1,465,498	1,376,799
(Profit)/loss on sale of tangible fixed assets	(17,221)	70,851
Defined contribution pension cost	535,497	966,749
Operating lease rentals- land and buildings	364,807	398,134
Operating lease rental- others	19,193	34,450
	<u>1,457,199</u>	<u>1,940,791</u>

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>6,800</u>	<u>6,650</u>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	-	8,890
Audit of subsidiaries	71,938	64,875
	<u>71,938</u>	<u>73,765</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £
Wages and salaries	65,046,384	76,197,764
Social security costs	8,831,451	8,471,571
Cost of defined contribution pension scheme	535,497	966,749
	<u>74,413,332</u>	<u>85,636,084</u>

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

	2020 £	2019 £
Directors	2	2
Administration	94	324
Operational	2,499	8,779
	<u>2,595</u>	<u>9,105</u>

The wages and salaries cost has been reduced by £13,100,947 (2019 - £Nil) as a result of government Covid-19 furlough grants received.

9. Directors' remuneration

During the year, no director received any emoluments (2019 - Nil).

During the year retirement benefits were accruing to no directors (2019 - Nil) in respect of defined benefit contribution pension schemes.

10. Interest receivable

	2020 £	2019 £
Other interest receivable	901	1,052
	<u>901</u>	<u>1,052</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	33,078	52,114
Other loan interest payable	-	6,366
Finance leases and hire purchase contracts	31	-
Other interest payable	5,479	4,740
	<u>38,588</u>	<u>63,220</u>

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	3,188,586	1,665,658
Adjustments in respect of previous periods	18,996	(15)
Total current tax	<u>3,207,582</u>	<u>1,665,643</u>
Deferred tax		
Origination and reversal of timing differences	(17,173)	31,521
Total deferred tax	<u>(17,173)</u>	<u>31,521</u>
Taxation on profit on ordinary activities	<u>3,190,409</u>	<u>1,697,164</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	15,063,870	7,810,777
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	2,862,135	1,484,048
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	255,397	282,423
Capital allowances for year differing from depreciation	61,043	(49,055)
Adjustments to tax charge in respect of prior periods	18,996	(15)
Other timing differences leading to an (decrease)/increase in taxation	20,110	(36,645)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(10,099)	27,046
Losses utilised	-	(42,758)
Deferred tax movement	(17,173)	31,521
Under/(over) provision in current year	-	599
Total tax charge for the year	3,190,409	1,697,164

Factors that may affect future tax charges

The group has approximately £942,732 (2019 - £939,967) of non-trading loan relationship losses available for offset against future trading profits arising in that company.

The group has approximately £1,326 (2019 - £646,422) trading losses available for offset against future trading profits arising in that company.

13. Dividends

	2020 £	2019 £
Dividends paid	1,111,111	1,111,111
	1,111,111	1,111,111

The directors had an interest in dividends of £1,000,000 (2019 - £1,000,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Exceptional items

	2020 £	2019 £
Provision for related-party bad debts	21,496	-
CVA liability written back	-	(142,417)
DLA written back	-	(39,465)
	<u>21,496</u>	<u>(181,882)</u>

15. 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.

16. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 January 2020	9,158,862	(311,134)	8,847,728
Additions	769,973	-	769,973
At 31 December 2020	<u>9,928,835</u>	<u>(311,134)</u>	<u>9,617,701</u>
Amortisation			
At 1 January 2020	6,541,725	(311,134)	6,230,591
Charge for the year	1,465,498	-	1,465,498
At 31 December 2020	<u>8,007,223</u>	<u>(311,134)</u>	<u>7,696,089</u>
Net book value			
At 31 December 2020	<u>1,921,612</u>	<u>-</u>	<u>1,921,612</u>
At 31 December 2019	<u>2,617,137</u>	<u>-</u>	<u>2,617,137</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Intangible assets (continued)

Goodwill arising on consolidation is being amortised over the directors' estimate of its useful life of 3 years. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost					
At 1 January 2020	8,307,975	31,011	1,437,117	2,211,528	385,600
Additions	2,112,633	-	137,391	198,240	101,283
Acquisition of subsidiary	-	-	54,304	90,306	113,962
Disposals	-	-	(38,800)	(82,609)	(58,526)
At 31 December 2020	10,420,608	31,011	1,590,012	2,417,465	542,319
Depreciation					
At 1 January 2020	-	-	799,970	1,470,695	341,080
Charge for the year on owned assets	-	-	319,752	484,870	99,647
Acquisition of subsidiary	-	-	50,231	35,306	104,896
Disposals	-	-	(34,727)	(67,820)	(52,168)
At 31 December 2020	-	-	1,135,226	1,923,051	493,455
Net book value					
At 31 December 2020	10,420,608	31,011	454,786	494,414	48,864
At 31 December 2019	8,307,975	31,011	637,147	740,833	44,520

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Tangible fixed assets (continued)

	Office equipment £	Total £
Cost		
At 1 January 2020	113,778	12,487,009
Additions	2,986	2,552,533
Acquisition of subsidiary	-	258,572
Disposals	-	(179,935)
At 31 December 2020	116,764	15,118,179
Depreciation		
At 1 January 2020	102,065	2,713,810
Charge for the year on owned assets	6,306	910,575
Acquisition of subsidiary	-	190,433
Disposals	-	(154,715)
At 31 December 2020	108,371	3,660,103
Net book value		
At 31 December 2020	8,393	11,458,076
At 31 December 2019	11,713	9,773,199

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	10,420,608	8,307,975
Short leasehold	31,011	31,011
	10,451,619	8,338,986

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2020	198
At 31 December 2020	198

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
Enterprise Support Services UK Limited *	Ordinary	100%	Cleaning services
Clientcare Cleaning Limited *	Ordinary	100%	Cleaning services
Clientcare Group Limited *	Ordinary	100%	Dormant
Green Sky Cleaning Limited *	Ordinary	100%	Cleaning Services
Atlas Commercial Property Investments Limited	Ordinary	100%	Property investment and real estate services
Atlas Facilities Management Limited	Ordinary	100%	Cleaning services
QX Services Limited *	Ordinary	100%	Cleaning services
Sussex Cleaning and Care Limited *	Ordinary	100%	Cleaning services

All subsidiaries have a registered office at 82 Hampton Road West, Hanworth, Middlesex, TW13 6DZ.

* Companies which are indirectly controlled by Atlas FM Limited.

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Stocks

	Group 2020 £	Group 2019 £
Consumables	30,250	30,250
Finished goods and goods for resale	2,545	9,500
	<u>32,795</u>	<u>39,750</u>

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

20. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Other debtors	2,497,357	2,181,357	2,497,357	-
	<u>2,497,357</u>	<u>2,181,357</u>	<u>2,497,357</u>	<u>-</u>
Due within one year				
Trade debtors	20,305,005	18,730,426	-	-
Amounts owed by group undertakings	-	-	20,288,677	1,500,000
Other debtors	5,835,935	6,280,451	4,769,686	-
Prepayments and accrued income	812,957	141,929	-	-
	<u>26,953,897</u>	<u>25,152,806</u>	<u>25,058,363</u>	<u>1,500,000</u>

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	15,543,440	4,983,788	2	2
Less: bank overdrafts	-	(4,450)	-	-
	<u>15,543,440</u>	<u>4,979,338</u>	<u>2</u>	<u>2</u>

22. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	-	4,450	-	-
Bank loans	40,750	39,866	-	-
Trade creditors	1,640,649	1,582,179	-	-
Amounts owed to group undertakings	-	-	7,166,831	-
Corporation tax	2,025,765	919,012	-	-
Other taxation and social security	12,191,272	6,173,403	-	-
Other creditors	11,618,634	15,759,964	111,111	111,111
Accruals and deferred income	455,405	535,472	-	-
	<u>27,972,475</u>	<u>25,014,346</u>	<u>7,277,942</u>	<u>111,111</u>

The company has given a mortgage debenture, dated 5 November 2014, to Natwest Bank PLC. The debenture is secured by a fixed and floating charge over all current and future assets of the company.

Bank loans and overdrafts are additionally secured by a cross guarantee dated 30 July 1993 (refer to note 31 for further details).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	Group 2020	Group 2019
	£	£
Bank loans	951,526	986,738
	951,526	986,738

The company has given a mortgage debenture, dated 5 November 2014, to Natwest Bank PLC. The debenture is secured by a fixed and floating charge over all current and future assets of the company.

Bank loans and overdrafts are additionally secured by a cross guarantee dated 30 July 1993 (refer to note 31 for further details).

24. Loans

	Group 2020	Group 2019
	£	£
Amounts falling due within one year		
Bank loans	40,750	39,866
	40,750	39,866
Amounts falling due 1-2 years		
Bank loans	41,000	29,867
	41,000	29,867
Amounts falling due 2-5 years		
Bank loans	910,526	956,871
	910,526	956,871
	992,276	1,026,604

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

25. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>26,140,940</u>	<u>27,192,234</u>	<u>25,058,363</u>	<u>1,500,000</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>13,300,033</u>	<u>18,373,197</u>	<u>7,277,942</u>	<u>111,111</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 bank loans and overdrafts, trade creditors, amounts owed to group undertakings and other creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

26. Deferred taxation**Group**

	2020 £	2019 £
At beginning of year	(131,927)	(100,406)
Charged/(credited) to the Consolidated statement of comprehensive income	17,173	(31,521)
Arising on business combinations	(11,046)	-
At end of year	(125,800)	(131,927)

	Group 2020 £	Group 2019 £
Accelerated capital allowances	125,800	131,927
	125,800	131,927

27. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
20 Ordinary A shares of £1 each	20	20
20 Ordinary B shares of £1 each	20	20
	40	40

The declaration of a dividend in respect of one class of share shall not compel a dividend at the same rate to be declared in respect of the other class of share.

The Ordinary 'A' and 'B' shares rank *pari passu* in all other respects.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

28. 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.

29. Business combinations

Acquisition of Sussex cleaning and care limited on 01 March 2020

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	46,450	-	46,450
	<u>46,450</u>	<u>-</u>	<u>46,450</u>
Current Assets			
Stocks	12,497	-	12,497
Debtors	414,049	-	414,049
Cash at bank and in hand	51,265	-	51,265
Total Assets	<u>524,261</u>	<u>-</u>	<u>524,261</u>
Creditors			
Due within one year	(271,157)	-	(271,157)
Due after more than one year	(6,278)	-	(6,278)
Total Identifiable net assets	<u>246,826</u>	<u>-</u>	<u>246,826</u>
Goodwill			700,000
Total purchase consideration			<u>946,826</u>

ATLAS FM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

29. Business combinations (continued)

Consideration

	£
Cash	750,000
Deferred consideration	196,826
Total purchase consideration	946,826

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	750,000

The results of Sussex cleaning and care limited on 01 March 2020 since acquisition are as follows:

	Current period since acquisition £
Turnover	2,099,729
Profit for the period since acquisition	101,474

ATLAS FM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Acquisition of QX Services Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Tangible	11,300	-	11,300
	<u>11,300</u>	<u>-</u>	<u>11,300</u>
Stocks	2,061	-	2,061
Debtors	50,786	-	50,786
Cash at bank and in hand	92	-	92
Total assets	<u>64,239</u>	<u>-</u>	<u>64,239</u>
Creditors			
Due within one year	(49,228)	-	(49,228)
Deferred tax	(1,300)	-	(1,300)
Total identifiable net assets	<u>13,711</u>	<u>-</u>	<u>13,711</u>

	£
Goodwill	75,631
Total identifiable net assets	13,711
Total purchase consideration	<u>89,342</u>

Consideration

	£
Cash	54,342
Deferred consideration	35,000
Total cash consideration	<u>89,342</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Cash outflow on acquisition

Purchase consideration settled in cash, as above

£

54,342

Net cash outflow on acquisition

54,342

30. 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 and Atlas FM Limited. At the year end the potential liability of Atlas Cleaning Limited was £Nil (2019 - £Nil).

31. 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 for the year is shown in note 8. The amount outstanding to the pension fund at the year was £239,909 (2019 - £342,663).

32. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	141,849	128,750
Later than 1 year and not later than 5 years	196,000	1242,188
	<u>337,849</u>	<u>370,938</u>

	Group 2020 £	Group 2019 £
Not later than 1 year	976	6,047
Later than 1 year and not later than 5 years	-	976
	<u>976</u>	<u>7,023</u>

The Company had no commitments under the non-cancellable operating leases as at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

33. 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.

At the year end, the group owed £1,194,684 (2019 - £1,615,664) to a director and their spouse.

At the year end, the group owed £2,304,966 (2019 - £1,583,059) to a director.

At the year end, the group owed £111,111 (2019 - £111,111) to a close family member of a director.

During the year, the group made rental payments of £120,000 (2019 - £120,000) for the rent of the properties owned by the 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 company at the year end was £2,502,338 (2019 - £2,181,357) due to the loan being novated at Atlas FM Limited, the parent company. During the year there was a recharge of expenses of £36,000 (2019 - £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 was £3,434,374 of which £852,395 has been provided for as a bad debt (2019 - £3,418,200 of which £852,395 has been provided for as a bad debt).

Deeproose Developments Limited

The group has made loans to Deeproose Developments Limited, a company in which the directors have a beneficial interest. The balance owing to the company at the year end was £1,884,077 of which £1,882,217 has been provided for as a bad debt (2019 - £1,884,007 of which £1,882,217 has been provided as a bad debt).

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 2020 was £2,190,879 of which £2,190,879 has been provided for as a bad debt previously (2019 - £2,190,879 of which £2,190,879 had been provided for).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

33. Related party transactions (continued)

Earley Developments Limited

The group has made loans to and received loans from Earley Developments Limited, a company in which N J Earley, a director has a beneficial interest. The balance owing from the company at the year end was £79,583 (2019 - £98,148).

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 company at the year end was £1,146,505 (2019 - £1,228,687). During the year, the group was also charged rent of £100,600 (2019 - £87,600) by Atlas Commercial Property Limited.

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 company at the year end was £1,041,202 (2019 - £1,115,588).

Hayes Hygiene Limited

The group has made purchases of £1,582,597 (2019 - £440,312) from a company under common control. Included within trade creditors is an amount of £100,375 (2019 - £92,160) which was outstanding at the year end.

34. Controlling party

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