

REGISTERED NUMBER: 08941608 (England and Wales)

JK FRANCHISING LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014

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JK FRANCHISING LIMITED
COMPANY INFORMATION
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014

DIRECTORS: J A Cavanaugh Jr
J L Crawford

SECRETARY: Ms L M Rambo

REGISTERED OFFICE: 100 New Bridge Street
London
EC4V 6JA

REGISTERED NUMBER: 08941608 (England and Wales)

AUDITORS: Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

JK FRANCHISING LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014

The directors present their report with the financial statements of the company for the period 17 March 2014 to 31 December 2014.

INCORPORATION

The company was incorporated on 17 March 2014 and commenced trading on the same date.

PRINCIPAL ACTIVITY

The Company markets commercial cleaning services and commercial cleaning franchises. The Company provides the framework for franchisees to provide commercial cleaning services to a variety of commercial enterprises, including services to specialised markets such as hospitals and other health care businesses, hotels, schools and other educational institutions, and large event venues, such as athletic stadiums and arenas. This framework consists of the marketing and sale of janitorial services, training and operational support for franchisees, managerial expertise, and the use of a widely-recognised registered trademark.

DIRECTORS

The directors shown below have held office during the whole of the period from 17 March 2014 to the date of this report.

J A Cavanaugh Jr
J L Crawford

Both the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


JK FRANCHISING LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014

AUDITORS

The auditors, Wilkins Kennedy LLP, were appointed as first auditors to the company after the year end and under section 487(2) of the Companies Act 2006 will be deemed to have been re-appointed 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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

ON BEHALF OF THE BOARD:


.....
Director
J Crawford
Date: 9-24-2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JK FRANCHISING LIMITED

We have audited the financial statements of JK Franchising Limited for the period ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
JK FRANCHISING LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Wilkins Kennedy LLP

Paul Creasey (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Date: *24 September 2015*

JK FRANCHISING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014

	Notes	£
TURNOVER		804,688
Cost of sales		<u>(332,042)</u>
GROSS PROFIT		472,646
Administrative expenses		<u>(366,614)</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	106,032
Tax on profit on ordinary activities	3	<u>(22,168)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>83,864</u>

The notes form part of these financial statements


JK FRANCHISING LIMITED (REGISTERED NUMBER: 08941608)

**BALANCE SHEET
31 DECEMBER 2014**

	Notes	£
FIXED ASSETS		
Intangible assets	4	270,001
Tangible assets	5	484
		<u>270,485</u>
 CURRENT ASSETS		
Debtors	6	607,956
Cash at bank		199,492
		<u>807,448</u>
CREDITORS		
Amounts falling due within one year	7	(994,068)
		<u>(186,620)</u>
NET CURRENT LIABILITIES		
		<u>(186,620)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
		<u>83,865</u>
 CAPITAL AND RESERVES		
Called up share capital	9	1
Profit and loss account	10	83,864
		<u>83,865</u>
SHAREHOLDERS' FUNDS		
		<u>83,865</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 9-24-2015 and were signed on its behalf by:

Director 
J Crawford

The notes form part of these financial statements

JK FRANCHISING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company is cash positive, has a number of long-term contracts with its customers and enjoys the support of its parent company. As a consequence, the directors believe that the company is well placed to manage its business risks successfully and the directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting convention

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

Turnover

Turnover shown represents the value of services provided in the year exclusive of value added tax.

Franchise finders fees, management, marketing and accounting fees are recognised over the life of the contract as the services are delivered.

Supplies of equipment and other tangible assets are recognised when the items are delivered or title passes.

In respect of in-house cleaning services, turnover is recognised in line with the work provided.

Goodwill

Goodwill represents incentive fees paid to procure certain contracts and franchisees on the acquisition of the business and is being amortised over 3 years being the average life of the contracts acquired.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery etc - Straight line over 1 year

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at rates of exchange prevailing at the year end. Any gain or loss arising from change in exchange rates subsequent to date of the transaction is reported in the profit and loss account.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

JK FRANCHISING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014**

2. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation - owned assets	589
Goodwill amortisation	90,000
Operating lease rentals	<u>25,081</u>

Directors' remuneration and other benefits etc	<u>-</u>
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3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

	£
Current tax:	
UK corporation tax	<u>22,168</u>
Tax on profit on ordinary activities	<u>22,168</u>

4. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
Additions	<u>360,001</u>
At 31 December 2014	<u>360,001</u>
AMORTISATION	
Charge for period	<u>90,000</u>
At 31 December 2014	<u>90,000</u>
NET BOOK VALUE	
At 31 December 2014	<u>270,001</u>

JK FRANCHISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
Additions	1,073
At 31 December 2014	1,073
DEPRECIATION	
Charge for period	589
At 31 December 2014	589
NET BOOK VALUE	
At 31 December 2014	484

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	508,004
Other debtors	99,952
	607,956

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	25,981
Amounts owed to group undertakings	383,591
Taxation and social security	79,799
Other creditors	504,697
	994,068

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	£
Expiring:	
Within one year	12,771

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
1	Ordinary Shares	1	1

JK FRANCHISING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 17 MARCH 2014 TO 31 DECEMBER 2014**

10. RESERVES

	Profit and loss account £
Profit for the period	83,864
At 31 December 2014	<u>83,864</u>

11. ULTIMATE PARENT COMPANY

JAC Holdings LLC (incorporated in United States) is regarded by the directors as being the company's ultimate parent company.

The immediate parent company is Jani-King Inc, a company incorporated in Texas, United States. The smallest and largest group in which JK Franchising Limited results are consolidated is Jani-King International Inc which are available on request from 16885 Dallas Parkway, Addison, Texas, 75001.

12. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption available not to disclose transactions between entities whose voting rights are 100% controlled within the Jani-King International Inc group of companies.

The company owed £383,591 to its parent company at the year end. The amount is repayable on demand and is interest free.