

CINTAS HOSPITALITY UK LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019
Company Registration No. 08069858 (England and Wales)



CINTAS HOSPITALITY UK LIMITED

COMPANY INFORMATION

Director	Mr William Todd McKeown
Company number	08069858
Registered office	c/o Squire Patton Boggs (UK) LLP Rutland House 148 Edmund Street Birmingham B3 2JR
Auditors	Blick Rothenberg Audit LLP Chartered Accountants and Statutory Auditor 1st Floor 7 - 10 Chandos Street London W1G 9DQ
Business address	2665 Kings Court Birmingham Business Park Birmingham West Midlands B37 7YE

CINTAS HOSPITALITY UK LIMITED

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CINTAS HOSPITALITY UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2019

The director presents his report and financial statements for the year ended 31 May 2019.

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of branded commercial apparel.

Director

The following director has held office since 1 June 2018:

Mr William Todd McKeown

Use of financial instruments and risk management

The overall objective of the director is to set policies that seek to reduce risk as far as possible without unduly affecting the company's flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk in respect of cash and cash equivalents is reduced by placing funds with institutions which have high credit ratings. Credit risk in respect of trade and other receivables is reduced by careful vetting of potential customers and by imposing appropriate credit limits.

Liquidity risk

Liquidity risk arises from the company's management of working capital. There is a risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company's policy is to ensure it always has sufficient cash and the company has access to funding from the ultimate parent company to allow it to meet its liabilities as they fall due. The principal liabilities of the company arise in respect of expenditure giving rise to trade and other payables. Cash flow is reviewed on a regular basis.

Foreign exchange risk

The company is exposed to foreign exchange risk as it trades in several currencies and therefore holds foreign currency balances, as well as having trade receivables and trade payables in foreign currency balances. The company does not undertake formal hedging, instead relying on matching movements in both financial assets and liabilities.

Auditors

Blick Rothenberg Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

CINTAS HOSPITALITY UK LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting statements unless he is 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 director is 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.

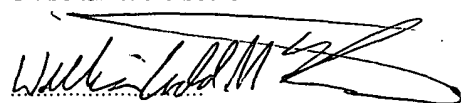
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies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

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



Mr William Todd McKeown
Director

06/02/2020
Date

CINTAS HOSPITALITY UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CINTAS HOSPITALITY UK LIMITED

Opinion

We have audited the financial statements of Cintas Hospitality UK Limited (the 'Company') for the year ended 31 May 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows 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 International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Company 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 related 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 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.

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.

CINTAS HOSPITALITY UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CINTAS HOSPITALITY UK LIMITED

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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.

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 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 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.

CINTAS HOSPITALITY UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CINTAS HOSPITALITY UK LIMITED

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.

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.

Blick Rothenberg Audit LLP

Daniel Burke (Senior Statutory Auditor)
for and on behalf of Blick Rothenberg Audit LLP
Chartered Accountants and Statutory Auditor

1st Floor
7 - 10 Chandos Street
London
W1G 9DQ

12/02/2020
Date

CINTAS HOSPITALITY UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2019

	Notes	2019 £	2018 £
Revenue	2	4,181,120	4,410,707
Cost of sales		(3,043,189)	(3,208,504)
Gross profit		1,137,931	1,202,203
Administrative expenses		(1,245,062)	(1,030,439)
Operating (loss)/profit	3	(107,131)	171,764
Finance costs	4	(486)	(1,727)
(Loss)/profit on activities before taxation		(107,617)	170,037
Tax expense	5	-	-
(Loss)/profit for the year	14	(107,617)	170,037
Total comprehensive profit/(loss) for the period		(107,617)	170,037
Attributable to parent's equity holders		(107,617)	170,037

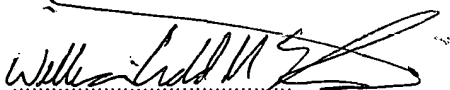
CINTAS HOSPITALITY UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2019

	Notes	2019 £	2018 £
Assets			
Non-current assets			
Property, plant and equipment	7	42,227	5,419
Current assets			
Inventories	8	2,475,851	1,999,049
Trade and other receivables	9	929,699	1,011,494
Cash and cash equivalents	10	1,517,258	1,440,880
Total assets		<u>4,965,035</u>	<u>4,456,842</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	11	3,245,373	2,629,563
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	13	3,535,811	3,535,811
Retained earnings	14	(1,816,149)	(1,708,532)
Total equity		<u>1,719,662</u>	<u>1,827,279</u>
Total equity and liabilities		<u>4,965,035</u>	<u>4,456,842</u>

Approved by the Board and authorised for issue on 06/02/2020



Mr William Todd McKeown
Director

Company Registration No. 08069858

CINTAS HOSPITALITY UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2019

	Note	Share capital £	Retained earnings £	Total equity £
Balance as at 1 June 2018		3,535,811	(1,708,532)	1,827,279
Comprehensive profit for the period	15	-	(107,617)	(107,617)
Balance as at 31 May 2019		<u>3,535,811</u>	<u>(1,816,149)</u>	<u>1,719,662</u>
		Share capital £	Retained earnings £	Total equity £
Balance as at 1 June 2017		3,535,811	(1,878,569)	1,657,242
Comprehensive profit for the period		-	170,037	170,037
Balance as at 31 May 2018		<u>3,535,811</u>	<u>(1,708,532)</u>	<u>1,827,279</u>

CINTAS HOSPITALITY UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

	£	2019 £	£	2018 £
Net cash flows from operating activities		120,737		417,522
Cash flows from investing activities				
Payments for property, plant and equipment	(43,873)		(2,224)	
Payments for intangible assets	-		-	
Net cash flows from investing activities		(43,873)		(2,224)
Cash flows from financing activities				
Interest paid	(486)		(1,727)	
Net cash flows from financing activities		(486)		(1,727)
Net increase in cash and cash equivalents		76,378		413,571
Cash and cash equivalents at 1 June 2018		1,440,880		1,027,309
Effects of exchange rate adjustments on the balance of cash held in foreign currencies		-		-
Cash and cash equivalents at 31 May 2019		<u>1,517,258</u>		<u>1,440,880</u>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2019		2018	
		£		£	
	Operating (loss)/profit	(107,131)		171,764	
	Depreciation of tangible assets	7,065		3,564	
	Bad debt provision movement	(106,240)		(95,985)	
	Credit note provision movement	(37,571)		7,209	
	Increase in stocks	(476,802)		(168,833)	
	Decrease in debtors	225,606		174,217	
	Increase in creditors within one year	615,810		325,586	
	Net cash inflow from operating activities	120,737		417,522	
2	Analysis of net funds	1 June 2018	Cash flow	Other non-cash changes	31 May 2019
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,440,880	76,378	-	1,517,258
	Bank deposits	-	-	-	-
	Net funds	1,440,880	76,378	-	1,517,258
3	Reconciliation of net cash flow to movement in net funds	2019		2018	
		£		£	
	Increase in cash in the year	76,378		413,571	
	Movement in net funds in the year	76,378		413,571	
	Opening net funds	1,440,880		1,027,309	
	Closing net funds	1,517,258		1,440,880	

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with accepted International Financial Reporting Standards (IFRSs), as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are presented in Great British Pounds (GBP), which is the company's functional currency.

Cintas Hospitality UK Limited is a limited company registered in England and Wales where it is domiciled for tax purposes.

The financial statements present information on the individual company only.

1.2 Use of judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are as follows:

Estimates and assumptions: The basis of estimates and assumptions are reviewed regularly. The changes in accounting estimates are reported in the period of the change in estimate.

Provisions for inventories: Inventories are regularly reviewed to ensure that cost is fully recoverable. Should it be considered that inventories are not fully recoverable then a provision is made to hold inventories at their net realisable value. At 31 May 2019 a provision of £174,194 (2018: £105,000) had been made against the stock holding.

Allowance for doubtful receivables: Trade and other receivables are regularly reviewed to assess collectability, and a provision is made against those in doubt. At 31 May 2019 a total provision of £97,505 (2018: £203,745) had been made against potential doubtful debts.

Useful lives of property, plant and equipment: The company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. No adjustment to the depreciation rates has been made in the current period.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(continued)

1.3 Use of judgements and estimates

Impairment of non-financial assets: The carrying amounts of the company's non-financial assets are reviewed to determine whether there is any indication of impairment when, as a result of events or changes in circumstances there are indications that the carrying amount is not recoverable. When the carrying amount of the non-financial assets exceeds their recoverable value, the assets are written down to their recoverable value. The recoverable value is assessed as the higher of the net selling price and the asset's value in use. The value in use is calculated from the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the risks specific to the asset. When the asset does not generate independent cash flows a recoverable value is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement for the period.

1.4 Revenue

Revenue represents amounts receivable for goods net of VAT and trade discounts. Consideration received from customers is only recorded as revenue to the extent that the company has performed its contractual obligations in respect of that consideration.

1.5 Intangible fixed assets

Acquired goodwill is subjected to an annual impairment review carried out by the director.

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Cost includes the purchase price as well as directly attributable costs associated with bringing the asset into use. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	33% straight line
Furniture and fittings	33% straight line

1.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value on a weighted average basis. Cost is composed of the purchase of both finished goods and materials, and the freight costs related to carriage in.

1.9 Pensions

The company contributes to a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(continued)

1.10 Deferred taxation

The corporation tax liability is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in another period. The corporation tax liability for the period is calculated using the current ruling tax rate.

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is almost certain that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

1.12 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

1.13 Cash and cash equivalents

For the purposes of the financial statements cash and cash equivalents are defined as cash at bank, treasury deposits and cash in hand.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(continued)

1.14 Financial instruments

Financial assets: The company classifies its financial assets as loans and receivables as discussed below:

Cash and cash equivalents: These include cash in hand, deposits held at call with banks and bank overdrafts. Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables: These include amounts due to the company, stated at their original invoiced value, small sundry debtors and prepayments. No discounting is applied as the interest to be recognised from discounting future receipts over the short credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities: The company classifies its financial liabilities as financial liabilities measured at amortised cost. The company's financial liabilities at amortised cost include trade payables and other borrowings.

Trade and other payables: These are initially recognised at fair value and then carried at amortised cost. These arise from the receipt of goods and services. The short credit period means that any interest is not considered to be material.

2 Revenue and (loss)/profit on ordinary activities before taxation

Class of business	Revenue	
	2019	2018
	£	£
Sale of branded apparel	3,815,287	4,109,026
Carriage	365,833	301,681
	<u>4,181,120</u>	<u>4,410,707</u>

3 Expenses by nature

	2019	2018
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of property, plant and equipment	7,065	3,564
(Profit)/loss on foreign exchange transactions	54,251	(4,620)
Employee benefit costs	12,889	11,361
Operating lease rentals	68,861	55,452
Auditors' remuneration	12,500	12,500
	<u></u>	<u></u>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

4	Interest payable	2019	2018
		£	£
	On bank loans and overdrafts	486	1,727
		<u> </u>	<u> </u>
5	Taxation	2019	2018
	Total current tax	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(107,617)	170,037
		<u> </u>	<u> </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2018 - 19.00%)	(20,447)	32,307
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	1,416	9,536
	Depreciation add back	1,342	677
	Capital allowances	(8,486)	(606)
	Other tax adjustment	26,175	(41,914)
		<u> </u>	<u> </u>
		20,447	(32,307)
		<u> </u>	<u> </u>
	Current tax charge for the year	-	-
		<u> </u>	<u> </u>

The company has estimated losses of £ 1,569,897 (2018 - £ 1,374,319) available for carry forward against future taxable profits.

The UK tax rate will fall to 17% from 1 April 2020.

Based on the company's results for the year there is a potential deferred tax asset of £291,411 (2018: £274,062). This has not been recognised as it is not certain that the company will generate profits against which to utilise this asset.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

6 Goodwill

	Goodwill £
Cost	
At 1 June 2017	69,686
Additions	-
	<hr/>
At 1 June 2018 & at 31 May 2019	69,686
	<hr/>
Amortisation	
At 1 June 2017	69,686
Impairment	-
	<hr/>
At 1 June 2018 & at 31 May 2019	69,686
	<hr/>
Carrying amount	
At 31 May 2019	-
	<hr/> <hr/>
At 31 May 2018	-
	<hr/> <hr/>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

7 Property, plant and equipment

	Office equipment £	Furniture and fittings £	Total £
Cost			
At 1 June 2017	16,688	-	16,688
Additions	2,224	-	2,224
At 31 May 2018	18,912	-	18,912
Additions	21,202	22,671	43,873
Disposals	-	-	-
At 31 May 2019	40,114	22,671	62,785
Depreciation			
At 1 June 2017	9,929	-	9,929
Charge for the year	3,564	-	3,564
At 31 May 2018	13,493	-	13,493
On disposals	-	-	-
Charge for the year	4,652	2,413	7,065
At 31 May 2019	18,145	2,413	20,558
Carrying amount			
At 31 May 2018	5,419	-	5,419
At 31 May 2019	21,969	20,258	42,227

8 Inventories

	2019 £	2018 £
Finished goods	2,475,851	1,999,049

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

9	Trade and other receivables	2019	2018
		£	£
	Trade receivables	903,508	984,485
	Receivables from related parties	1	1
	Other receivables	19,041	19,083
	Prepayments	7,149	7,925
		<u>929,699</u>	<u>1,011,494</u>

10	Cash and cash equivalents	2019	2018
		£	£
	Cash at bank	<u>1,517,258</u>	<u>1,440,880</u>

Cash and cash equivalents are made up of cash deposits held in current accounts of an 'A' rated banking institution. Several currency accounts are held.

11	Trade and other payables	2019	2018
		£	£
	Trade payables	221,618	201,533
	Payables to related parties	2,891,978	2,186,784
	Other payables	35,837	31,182
	Accruals	95,940	210,064
		<u>3,245,373</u>	<u>2,629,563</u>

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

12 Financial instruments

The company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

Principal financial instruments

The principal financial instruments used by the company, from which the financial instrument risk arises, are as follows:

	2019 £	2018 £
Financial assets		
Loans and receivables		
Trade and other receivables	903,509	994,050
Cash and cash equivalents	1,517,258	1,440,880
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables	(3,203,496)	(2,587,686)

The fair value of the company's financial instruments is considered to be materially equal to their carrying amount in the Statement of Financial Position due to their relatively short-term nature and simple composition.

Equity instruments

The equity of the company is comprised of its share capital and retained loss. In managing its capital the company's objectives are to provide a return for its equity shareholders through distributions and capital growth.

13 Share capital	2019 £	2018 £
Allotted, called up and fully paid		
3,535,811 Ordinary shares of £1 each	3,535,811	3,535,811

The fully paid ordinary shares have full voting, dividend and capital distribution rights. They do not confer any right of redemption. Each £1 share carries one vote.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2018	(1,708,532)
Loss for the year	(107,617)
Balance at 31 May 2019	<u>(1,816,149)</u>

15 Financial commitments

At 31 May 2019 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2020:

	Land and buildings	
	2019	2018
	£	£
Operating leases which expire:		
Within one year	60,000	-
Between two and five years	210,000	-
	<u>270,000</u>	<u>-</u>

A total operating lease charge of £68,861 (2018: £55,452) has been recognised as an expense in the statement of comprehensive income.

16 Director's remuneration

The director of the company received no remuneration from the company in the current or prior period. He instead received remuneration from the ultimate parent company, Cintas Corporation. No recharge of his salary is made to Cintas Hospitality UK Limited.

CINTAS HOSPITALITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2019 Number	2018 Number
Administration and sales	16	13

Employment costs

	2019 £	2018 £
Wages and salaries	681,890	678,644
Social security costs	128,127	65,520
Other pension costs	11,011	25,886
	821,028	770,050

Included in the above is £116,306 (2018: £182,453) of key management personnel remuneration.

18 Control

The immediate parent company in the current and prior period is Cintas Netherlands B.V., a company incorporated in the Netherlands. The ultimate parent company in the current and prior period is Cintas Corporation, a publically listed company incorporated in the United States. Copies of the publically available annual report are obtainable from its registered address, Cintas Corporation, PO Box 625737, Cincinnati, Ohio 45262.

19 Related party relationships and transactions

During the year the company undertook significant transactions with its ultimate parent company, Cintas Corporation. Cintas Hospitality UK Limited purchased stock from Cintas Corporation totalling £1,293,486 (2018: £903,549). Cintas Hospitality UK Limited made repayments to Cintas Corporation of £588,292 (2018: £458,608) during the year. All transactions are charged on an arms-length basis; however indefinite payment terms have been allowed to Cintas Hospitality UK Limited in order to support the company until it becomes profitable. Interest of £nil (2018: £nil) was charged on the intercompany loan during the year. As at the reporting date Cintas Hospitality UK Limited owed a balance of £2,891,978 (2018: £2,186,784) to Cintas Corporation.