Registration number 2035621

ULTIMATE CLEANERS (INDUSTRIAL) LIMITED

Directors report and financial statements

for the year ended 31 March 2017



M.A. Edwards Accountants Limited,
Chartered Accountants,
26, The Green,
Kings Norton,
Birmingham,
B38 8SD

ULTIMATE CLEANERS (INDUSTRIAL) LIMITED

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Strategic report
Year ended 31 March 2017

Principal risks and uncertainties
The principal risks are competition, exchange rates and instability abroad. We, however, consider that the risk of them affecting the business is low, and that we have more than sufficient resources to manage them, in the unlikely event that they occur.

Future developments
In the future the company intends to continue to improve the business and provide quality products.

Business review
Turnover has increased from £12,196,885 to £13,399,366 by 9.9%.The gross profit has increased from £3,510,256 to £3,259,333 by 7.7%. The gross profit percentage has fallen from 26.7% to 26.2%. Net profit has increased from £2,666,274 to £2,717,428 by 1.9%. The company has continued to perform well, although the fall in the gross profit percentage is disappointing. The low net profit increase is also disappointing and is partly due to the increased administrative expenses going from £593,059 to £792,828. The fixed assets have remained stable with small additions and some depreciation. Current assets have increased from £8,335,305 to £9,928,466 by 19%. Creditors have increased from £785,516 to £937,860 by 19%. The current ratio has remained stable at 10.6, and the liquid ratio has fallen slightly from 6.4 to 6.1. This shows that the financial position of the company is very good. Shareholders funds have increased from £9,347,811 to £10,764,055 by 15%. Overall the directors are pleased with the progress that the company has made during the year.

This report was approved by the board of directors on 26-06-17 and signed on behalf of the board by:

A.G. Jones
Director

Directors report
Year ended 31 March 2017

The directors present their report and the financial statements of the company for the year ended 31 March 2017.

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

A.G. Jones
A.G. Moreland
S.W. Potts

Dividends
Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the strategic report.
The review of the business, future developments and principal risks and uncertainties are included in the strategic report.

Directors responsibilities statement
The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

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

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

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

Auditor
Each of the persons who is a director at the date of approval of this report confirms that:
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Directors report (continued)
Year ended 31 March 2017

This report was approved by the board of directors on 26-06-17 and signed on behalf of the board by:



A.G. Moreland
Director

Independent auditor's report to the members of ULTIMATE CLEANERS (INDUSTRIAL) LIMITED Year ended 31 March 2017

We have audited the financial statements of ULTIMATE CLEANERS (INDUSTRIAL) LIMITED for the year ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of ULTIMATE CLEANERS (INDUSTRIAL) LIMITED (continued) Year ended 31 March 2017

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 the 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.

M.A. Edwards 13/7/2017

Michael Alan Edwards FCA (senior statutory auditor)

For and on behalf of
M A Edwards Accountants Limited,
Chartered Accountants and Statutory Auditor
26, The Green,
Kings Norton,
Birmingham,
B38 8SD

Statement of comprehensive income
Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	**4**	13,399,366	12,196,885
Cost of sales		(9,889,110)	(8,937,552)
Gross profit		3,510,256	3,259,333
Administrative expenses		(792,828)	(593,059)
Operating profit	**5**	2,717,428	2,666,274
Other interest receivable and similar income	**8**	113	71
Interest payable and similar expenses	**9**	-	(141)
Profit before taxation		2,717,541	2,666,204
Tax on profit	**10**	(545,297)	(537,295)
Profit for the financial year and total comprehensive income		2,172,244	2,128,909

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

Statement of financial position
31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	13	1,773,449		1,798,022	
			1,773,449		1,798,022
Current assets					
Stocks	14	4,179,999		3,289,691	
Debtors	15	3,043,006		2,691,165	
Cash at bank and in hand		2,705,461		2,354,449	
		9,928,466		8,335,305	
Creditors: amounts falling due within one year	16	(937,860)		(785,516)	
Net current assets			8,990,606		7,549,789
Total assets less current liabilities			10,764,055		9,347,811
Net assets			10,764,055		9,347,811
Capital and reserves					
Called up share capital	18		12		12
Profit and loss account	19		10,764,043		9,347,799
Shareholders funds			10,764,055		9,347,811

These financial statements were approved by the board of directors and authorised for issue on 26/6/17, and are signed on behalf of the board by:

A.G. Jones
Director

S.W. Potts
Director

Company registration number: 2035621

The notes on pages 11 to 20 form part of these financial statements.

ULTIMATE CLEANERS (INDUSTRIAL) LIMITED

Statement of changes in equity
Year ended 31 March 2017

	Called up share capital	Profit and loss account	**Total**
	£	£	£
At 1 April 2015	12	7,770,890	7,770,902
Profit for the year		2,128,909	2,128,909
Total comprehensive income for the year	-	2,128,909	2,128,909
Dividends paid and payable		(552,000)	(552,000)
Total investments by and distributions to owners	-	(552,000)	(552,000)
At 31 March 2016 and 1 April 2016	12	9,347,799	9,347,811
Profit for the year		2,172,244	2,172,244
Total comprehensive income for the year	-	2,172,244	2,172,244
Dividends paid and payable		(756,000)	(756,000)
Total investments by and distributions to owners	-	(756,000)	(756,000)
At 31 March 2017	12	10,764,043	10,764,055

ULTIMATE CLEANERS (INDUSTRIAL) LIMITED

Statement of cash flows
Year ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the financial year	2,172,244	2,128,909
Adjustments for:		
Depreciation of tangible assets	49,668	46,524
Other interest receivable and similar income	(113)	(71)
Interest payable and similar expenses	-	141
Gain/(loss) on disposal of tangible assets	(1,200)	(8,500)
Tax on profit	545,297	537,295
Accrued expenses/(income)	(12,615)	(4,687)
Changes in:		
Stocks	(890,308)	11,164
Trade and other debtors	(351,841)	(287,458)
Trade and other creditors	91,739	(75,801)
Cash generated from operations	1,602,871	2,347,516
Interest paid	-	(141)
Interest received	113	71
Tax paid	(557,295)	(553,316)
Net cash from operating activities	1,045,689	1,794,130
Cash flows from investing activities		
Purchase of tangible assets	(25,095)	(29,500)
Proceeds from sale of tangible assets	1,200	8,500
Net cash used in investing activities	(23,895)	(21,000)
Cash flows from financing activities		
Proceeds from borrowings	85,218	(40,431)
Equity dividends paid	(756,000)	(552,000)
Net cash used in financing activities	(670,782)	(592,431)
Net increase/(decrease) in cash and cash equivalents	351,012	1,180,699
Cash and cash equivalents at beginning of year	2,354,449	1,173,750
Cash and cash equivalents at end of year	2,705,461	2,354,449

Notes to the financial statements
Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Victoria House,Colliery Road,Wolverhampton,WV1 2RD.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation
The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.
The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102
The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 22.

Turnover
Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation
The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.
Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.
Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

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

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

Depreciation

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

Freehold property	- 2%	p.a. Straight line basis.
Plant and machinery	- 15%	p.a. Straight line basis.
Motor vehicles	- 20%	p.a. Straight line basis.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

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

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	13,399,366	12,196,885

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

5. Operating profit

Operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible assets	49,668	46,524
(Gain)/loss on disposal of tangible assets	(1,200)	(8,500)
Cost of stocks recognised as an expense	9,250,799	8,416,464
Impairment of trade debtors	156,903	-
Fees payable for the audit of the financial statements	10,200	10,000

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
Directors	3	3
Sales and admin.	13	11
Warehouse and drivers	13	11
	29	25

The aggregate payroll costs incurred during the year were:

	2017	2016
	£	£
Wages and salaries	623,435	518,888
Social security costs	59,804	43,384
Other pension costs	14,788	10,686
	698,027	572,958

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	68,010	62,184

8. Other interest receivable and similar income

	2017	2016
	£	£
Bank deposits	113	-
Other interest receivable and similar income	-	71
	113	71

9. Interest payable and similar expenses

	2017	2016
	£	£
Bank loans and overdrafts	-	141

10. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	545,297	537,295
Tax on profit	545,297	537,295

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%).

	2017	2016
	£	£
Profit before taxation	2,717,541	2,666,204
Profit multiplied by rate of tax	543,508	533,241
Effect of capital allowances and depreciation	1,789	4,054
Tax on profit	545,297	537,295

11. Earnings per share

Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of shares used in the calculation of basic earnings/(loss) per share are as follows:

	2017	2016
	£	£
Profit for the year attributable to the owners of the company	2,172,244	2,128,909

Diluted earnings/(loss) per share

The earnings/(loss) and weighted average number of shares used in the calculation of diluted earnings/(loss) per share are as follows:

	2017	2016
	£	£
Earnings/(loss) used in calculation of basic earnings/(loss) per share	2,172,244	2,128,909

12. Dividends

Equity dividends

	2017	2016
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	756,000	552,000

13. Tangible assets

	Freehold property	Plant and machinery	Motor vehicles	**Total**
	£	£	£	£
Cost				
At 1 April 2016	1,895,857	103,207	141,723	2,140,787
Additions	-	9,100	15,995	25,095
Disposals	-	-	(14,750)	(14,750)
At 31 March 2017	1,895,857	112,307	142,968	2,151,132
Depreciation				
At 1 April 2016	170,631	99,707	72,427	342,765
Charge for the year	18,959	2,115	28,594	49,668
Disposals	-	-	(14,750)	(14,750)
At 31 March 2017	189,590	101,822	86,271	377,683
Carrying amount				
At 31 March 2017	1,706,267	10,485	56,697	1,773,449
At 31 March 2016	1,725,226	3,500	69,296	1,798,022

14. Stocks

	2017	2016
	£	£
Finished goods and goods for resale	4,179,999	3,289,691

15. Debtors

	2017	2016
	£	£
Trade debtors	3,026,430	2,675,997
Prepayments and accrued income	16,576	15,168
	3,043,006	2,691,165

16. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	227,175	145,289
Accruals and deferred income	67,367	79,982
Corporation tax	245,297	257,295
Social security and other taxes	181,232	171,379
Director loan accounts	216,789	131,571
	937,860	785,516

Included in trade creditors is approximately £176,987 (2016 £109,835) in respect of goods for which ownership will not pass until payment is made.

17. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £14,788 (2016: £10,686).

18. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	12	12	12	12

19. Reserves

The only reserve is the profit and loss reserve. This includes the accumulated retained profits less losses from previous and the current years.

20. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2017	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
A.G. Jones	(43,857)	-	(28,406)	(72,263)
A.G. Moreland	(43,857)	-	(28,406)	(72,263)
S.W. Potts	(43,857)	-	(28,406)	(72,263)
	(131,571)	-	(85,218)	(216,789)

2016	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
A.G. Jones	(57,334)	13,477	-	(43,857)
A.G. Moreland	(57,334)	13,477	-	(43,857)
S.W. Potts	(57,334)	13,477	-	(43,857)
	(172,002)	40,431	-	(131,571)

R.A. Jones, wife of the director A.G. Jones, received a salary of £10,480 and J.N. Moreland, wife of the director A.G. Moreland, received a salary of £25,750.

21. Controlling party

The shareholdings of £1 ordinary shares are :-

	No. of Shares
A.G. Jones - director	2
R.A. Jones - wife	2
A.G. Moreland - director	2
J.N. Moreland - wife	2
S.W. Potts - director	4

No one person controls the company. The directors and their wives control the company.

22. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

Reconciliation of equity
No transitional adjustments were required.

Reconciliation of profit or loss for the year
No transitional adjustments were required.