

Company Registration No. 02708722 (England and Wales)

**REGULAR CLEANING SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# REGULAR CLEANING SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P H Carrigan C Goad	(Appointed 17 May 2022)
<b>Secretary</b>	P H Carrigan	
<b>Company number</b>	02708722	
<b>Registered office</b>	Aldworth House 1 Aldworth Grove London United Kingdom SE13 6HJ	
<b>Auditor</b>	Azets Audit Services 2nd Floor Regis House 45 King William Street London EC4R 9AN	

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# REGULAR CLEANING SERVICES LIMITED

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# **REGULAR CLEANING SERVICES LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors present the strategic report for the year ended 31 March 2022.

### **Fair review of the business**

The directors are pleased to report another successful year for the company. The company has continued to increase turnover and gross profit. Margins have been maintained and overheads controlled. The company has achieved an overall profit after taxation of £794,860 (2021: £780,255).

### **Principal risks and uncertainties**

The main risk to the company is the loss of a key contract. The risk is managed by maintaining regular contact with customers, in particular, the facilities managers who play a vital role in negotiating and operating the cleaning contracts for their companies.

The directors recognise that to maintain cleaning contracts it is vital to provide a high quality, value for money service and with this in mind the company ensures that all of its staff receive the best training available. A brand differentiation strategy through selective marketing has led to an increase in sales enquiries and consequent growth in new business prospects.

The directors are mindful of all key contracts which are due to be renewed in the coming year and will be striving to ensure they are retained by the company. In the event that the company does lose a significant contract it would inevitably have to be managed by reviewing staff levels.

### **Key performance indicators**

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board

P H Carrigan  
**Director**

15 September 2022

# REGULAR CLEANING SERVICES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their annual report and financial statements for the year ended 31 March 2022.

#### Principal activities

The principal activity of the company continued to be that of a cleaning contractors including commercial cleaning, window cleaning, specialist cleaning and green cleaning.

#### Results and dividends

The results for the year are set out on page 8.

Dividends had been paid in the year amounting to £323,155 (2021: £323,155).

#### Going Concern and COVID-19

COVID-19 has impacted the results for year ending 31st March 2022. Performance fluctuated throughout the first half of the reporting year as Government imposed legislation changed. A small amount of work is currently still suspended or at reduced service levels and we do not believe this work will return. Forecasts have been prepared following active engagement with clients to establish their current service requirements only.

We successfully grew our portfolio value with our largest client, and this is now on a new 5-year contract from December 2021. Pretender annual contract value £6.2m post tender £6.9m. We also successfully retendered further contracts with an annual value of £1.3m. In the year we grew our portfolio value with other framework agreement clients by 12% and within the last quarter of the year we added £1.1m from new clients.

The opening up of the economy has put pressure on the supply of labour but we have been working hard to make ourselves an employer of choice and now have 81% paid at or above £10.85, with over 60% paid at or above the LLW. The company has taken advantage of the Government's JRS Grant but has no loans or deferred tax payments outstanding. The balance sheet presents net current assets of over £3.2m which includes cash balances of £3.4m. The directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P H Carrigan

T R Carrigan

C Goad

(Resigned 17 May 2022)

(Appointed 17 May 2022)

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

## **REGULAR CLEANING SERVICES LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Disabled persons**

##### **Applications for employment by disabled persons**

Our recruitment and selection policy states that we are committed to the employment of people with disabilities who meet the minimum selection criteria for a vacancy.

##### **Policy on arrangements for able bodied people that develop disabilities**

Our Equal Opportunities Policy contains a code of good practice on disability which states that an individual who becomes disabled whilst in employment will receive support to ensure, wherever possible, they are able to continue in their role. This will involve whatever reasonable adjustments that can be made, in consultation with the individual. Again, in consultation with the individual, other positions will be considered, where the individual's skills and abilities match the requirements of the role, making reasonable adjustments wherever possible.

##### **Policy on training and career development of disabled people**

We ensure that training and career development is equally available to people with disabilities, tailored where practicable for their specific needs.

##### **Employee involvement**

We have a commitment to maintain employee involvement throughout the business.

Employees are kept well informed through a network of managers. In addition a company newsletter and employee recognition scheme encourages communication between site based and Head Office based staff.

##### **Future developments**

The external commercial environment is expected to remain competitive. The directors are confident that a similar level of business will be maintained for the foreseeable future.

##### **Auditor**

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

##### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

P H Carrigan

**Director**

15 September 2022

## **REGULAR CLEANING SERVICES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors are responsible for preparing the annual 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 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.

# REGULAR CLEANING SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF REGULAR CLEANING SERVICES LIMITED

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#### Opinion

We have audited the financial statements of Regular Cleaning Services Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 March 2022 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.

#### 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 *Auditor's 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 UK, including the FRC'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

In 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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## **REGULAR CLEANING SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF REGULAR CLEANING SERVICES LIMITED**

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##### **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 strategic report and 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 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, 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.

##### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **REGULAR CLEANING SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF REGULAR CLEANING SERVICES LIMITED**

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

##### **Use of our report**

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

**Nicholas Parrett (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

15 September 2022

**Chartered Accountants**  
**Statutory Auditor**

2nd Floor  
Regis House  
45 King William Street  
London  
EC4R 9AN

## REGULAR CLEANING SERVICES LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	21,597,082	16,919,591
Cost of sales		(17,216,212)	(14,686,870)
<b>Gross profit</b>		4,380,870	2,232,721
Administrative expenses		(3,667,131)	(3,283,533)
Other operating income		243,834	2,012,000
<b>Operating profit</b>	<b>4</b>	957,573	961,188
Interest payable and similar expenses		(65)	-
<b>Profit before taxation</b>		957,508	961,188
Tax on profit	<b>7</b>	(162,648)	(180,933)
<b>Profit for the financial year</b>		794,860	780,255

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# REGULAR CLEANING SERVICES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		453,014		133,195
<b>Current assets</b>					
Stocks	10	9,134		32,017	
Debtors	11	3,950,409		2,611,281	
Cash at bank and in hand		3,453,936		3,515,281	
		<u>7,413,479</u>		<u>6,158,579</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(4,711,585)</u>		<u>(3,521,308)</u>	
<b>Net current assets</b>			2,701,894		2,637,271
<b>Total assets less current liabilities</b>			<u>3,154,908</u>		<u>2,770,466</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	13	36,050		22,842	
		<u>(36,050)</u>		<u>(22,842)</u>	
<b>Net assets</b>			<u>3,118,858</u>		<u>2,747,624</u>
<b>Capital and reserves</b>					
Called up share capital	15		9,940		9,940
Share premium account			61,911		61,911
Other reserves			606,010		606,010
Profit and loss reserves			2,440,997		2,069,763
<b>Total equity</b>			<u>3,118,858</u>		<u>2,747,624</u>

The financial statements were approved by the board of directors and authorised for issue on 15 September 2022 and are signed on its behalf by:

P H Carrigan  
Director

Company Registration No. 02708722

# REGULAR CLEANING SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2020</b>		9,940	61,911	606,010	1,612,663	2,290,524
<b>Year ended 31 March 2021:</b>						
Profit and total comprehensive income for the year		-	-	-	780,255	780,255
Dividends	8	-	-	-	(323,155)	(323,155)
<b>Balance at 31 March 2021</b>		9,940	61,911	606,010	2,069,763	2,747,624
<b>Year ended 31 March 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	794,860	794,860
Dividends	8	-	-	-	(423,626)	(423,626)
<b>Balance at 31 March 2022</b>		9,940	61,911	606,010	2,440,997	3,118,858

# REGULAR CLEANING SERVICES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	934,898	2,372,825
Interest paid		(65)	-
Income taxes paid		(180,277)	(183,585)
<b>Net cash inflow from operating activities</b>		754,556	2,189,240
<b>Investing activities</b>			
Purchase of tangible fixed assets		(392,275)	(75,501)
Proceeds on disposal of tangible fixed assets		-	3,301
<b>Net cash used in investing activities</b>		(392,275)	(72,200)
<b>Financing activities</b>			
Dividends paid		(423,626)	(323,155)
<b>Net cash used in financing activities</b>		(423,626)	(323,155)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(61,345)	1,793,885
Cash and cash equivalents at beginning of year		3,515,281	1,721,396
<b>Cash and cash equivalents at end of year</b>		3,453,936	3,515,281

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

Regular Cleaning Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Aldworth House, 1 Aldworth Grove, London, United Kingdom, SE13 6HJ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

COVID-19 has impacted the results for year ending 31st March 2022. Performance fluctuated throughout the first half of the reporting year as Government imposed legislation changed. A small amount of work is currently still suspended or at reduced service levels and it is not anticipated that this work will return. Forecasts have been prepared following active engagement with clients to establish their current service requirements only.

The company grew its portfolio value with its largest client, and has a new 5-year contract from December 2021, as well as growing its portfolio value with other framework agreement clients by 12% and within the last quarter of the year adding £1.1m from new clients.

The opening up of the economy has put pressure on the supply of labour but management have been working hard to make the company an employer of choice and now have 81% paid at or above £10.85, with over 60% paid at or above the LLW.

The company has taken advantage of the Government's JRS Grant but has no loans or deferred tax payments outstanding. The balance sheet presents net current assets of over £3.2m which includes cash balances of £3.4m. The directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

#### **1.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of discounts, rebates, VAT and other sales related taxes. The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over goods sold;
- the amount of revenue can be measured reliably
- it is probable that the
- the costs incurred or to be incurred

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

Revenue from a contract for the provision of services is recognised in the period 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 company 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.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to property	25% straight line
Plant and equipment	33% straight line
Fixtures and fittings	15% straight line
Office equipment	33% straight line
Motor vehicles	33% straight line
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

No significant judgements or accounting estimates have been made by the company in preparing these financial statements.

### 3 Turnover and other revenue

All turnover arose within the United Kingdom.

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover and other revenue		(Continued)	
	2022	2021	
	£	£	
<b>Other significant revenue</b>			
Grants received	205,083	2,012,000	

Income from grants represents amounts receivable from the job retention scheme claimed by the company for staff that were furloughed due to COVID-19. Under the scheme employers can claim 80% of a furloughed employee's wages up to £2,500 plus associated employer's costs.

4 Operating profit		2022	2021
		£	£
Operating profit for the year is stated after charging/(crediting):			
Government grants	(205,083)	(2,012,000)	
Fees payable to the company's auditor for the audit of the company's financial statements	7,900	7,250	
Depreciation of owned tangible fixed assets	72,456	71,009	
(Profit)/loss on disposal of tangible fixed assets	-	4,013	
Operating lease charges	80,000	60,000	

Income from government grants represents amounts receivable from the job retention scheme claimed by the company for staff that were furloughed due to COVID-19. Under the scheme employers can claim 80% of a furloughed employee's wages up to £2,500 plus associated employer's costs.

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Cleaners	714	733
Senior management and directors	9	9
Area manager, supervisor & admin staff	49	47
Total	772	789

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	14,194,769	13,035,563
Social security costs	1,128,212	946,390
Pension costs	249,823	216,199
	<u>15,572,804</u>	<u>14,198,152</u>

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	<u>18,880</u>	<u>18,880</u>

### 7 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>149,440</u>	<u>180,301</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>13,208</u>	<u>632</u>
Total tax charge	<u>162,648</u>	<u>180,933</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>957,508</u>	<u>961,188</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	181,927	182,626
Tax effect of expenses that are not deductible in determining taxable profit	14,318	(1,693)
Adjustments in respect of prior years	(25)	-
Permanent capital allowances in excess of depreciation	<u>(33,572)</u>	<u>-</u>
Taxation charge for the year	<u>162,648</u>	<u>180,933</u>

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Dividends

	2022 £	2021 £
Final paid	423,626	323,155

### 9 Tangible fixed assets

	Improvements to property £	Plant and equipment £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 2021	317,500	205,588	131,254	267,442	143,673	1,065,457
Additions	298,175	-	28,431	65,669	-	392,275
Disposals	(308,482)	(159,801)	(96,775)	(166,223)	-	(731,281)
At 31 March 2022	307,193	45,787	62,910	166,888	143,673	726,451
<b>Depreciation and impairment</b>						
At 1 April 2021	312,615	202,773	112,181	229,403	75,290	932,262
Depreciation charged in the year	4,885	1,126	5,171	28,531	32,743	72,456
Eliminated in respect of disposals	(308,482)	(159,801)	(96,775)	(166,223)	-	(731,281)
At 31 March 2022	9,018	44,098	20,577	91,711	108,033	273,437
<b>Carrying amount</b>						
At 31 March 2022	298,175	1,689	42,333	75,177	35,640	453,014
At 31 March 2021	4,885	2,815	19,073	38,039	68,383	133,195

### 10 Stocks

	2022 £	2021 £
Raw materials and consumables	9,134	32,017

### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,604,035	2,233,929
Other debtors	183,933	298,563
Prepayments and accrued income	162,441	78,789
	3,950,409	2,611,281

# REGULAR CLEANING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,142,162	639,226
Corporation tax	149,464	180,301
Other taxation and social security	954,470	648,178
Other creditors	1,197,898	1,027,466
Accruals and deferred income	1,267,591	1,026,137
	<u>4,711,585</u>	<u>3,521,308</u>

### 13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	<u>36,050</u>	<u>22,842</u>
<b>Movements in the year:</b>		2022 £
Liability at 1 April 2021		22,842
Charge to profit or loss		13,208
Liability at 31 March 2022		<u>36,050</u>

### 14 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>249,823</u>	<u>216,199</u>

The company operates two defined contribution pension schemes. The schemes' assets are held separately from those of the company in independently administered funds. The pension charge reflected in these financial statements represents contributions payable by the company to the funds.

Outstanding contributions at the year end were £60,969 (2021: £50,020).

## REGULAR CLEANING SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 15 Share capital

	2022	2021
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
6,800 'A' Ordinary Shares of £1 each	6,800	6,800
2,130 'B' Ordinary Shares of £1 each	2,130	2,130
10 'F' Ordinary Shares of £1 each	10	10
10 'J' Ordinary Shares of £1 each	10	10
10 'K' Ordinary Shares of £1 each	10	10
10 'L' Ordinary Shares of £1 each	10	10
10 'M' Ordinary Shares of £1 each	10	10
10 'N' Ordinary Shares of £1 each	10	10
10 'O' Ordinary Shares of £1 each	10	10
10 'P' Ordinary Shares of £1 each	10	10
10 'Q' Ordinary Shares of £1 each	10	10
10 'R' Ordinary Shares of £1 each	10	10
10 'S' Ordinary Shares of £1 each	10	10
200 'T' Ordinary Shares of £1 each	200	200
200 'U' Ordinary Shares of £1 each	200	200
200 'V' Ordinary Shares of £1 each	200	200
300 'W' Ordinary Shares of £1 each	300	300
	<u>9,940</u>	<u>9,940</u>

#### 16 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	49,039	79,789
Between two and five years	15,510	14,576
	<u>64,549</u>	<u>94,365</u>

#### 17 Directors' transactions

Dividends totalling £362,100 (2021: £271,575) were paid in the year in respect of shares held by the company's directors.

#### 18 Ultimate controlling party

The ultimate controlling party is P Carrigan.



## REGULAR CLEANING SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 19 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	794,860	780,255
<b>Adjustments for:</b>		
Taxation charged	162,648	180,933
Finance costs	65	-
(Gain)/loss on disposal of tangible fixed assets	-	4,013
Depreciation and impairment of tangible fixed assets	72,456	71,009
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	22,883	(12,627)
(Increase)/decrease in debtors	(1,339,128)	1,853,740
Increase/(decrease) in creditors	1,221,114	(504,498)
<b>Cash generated from operations</b>	<b>934,898</b>	<b>2,372,825</b>

#### 20 Analysis of changes in net funds

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	3,515,281	(61,345)	3,453,936

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.