

Clayfull Limited
Registered No: SC151828

Directors' Report and Financial Statements
For the period ended 31 December 2018

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Clayfull Limited
Directors' Report and Financial Statements
For the year ended 31 December 2018

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Clayfull Limited

Directors and Professional Advisers

DIRECTORS

Mr C Sander (resigned 31 December 2018)
Mrs Y M Monaghan
Mr T J Morris
Mr P J Semple
Mr P Egan (appointed 31 December 2018)

REGISTERED OFFICE

Unit 1
Sherwood Industrial Estate
Bonnyrigg
EH19 3LW

BANKERS

Bank of Scotland
Edinburgh
EH1 1WH

LAWYERS

Hill Dickinson LLP
No1 St Paul's Square
Liverpool
L3 9SJ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
No.1 Spinningfields
Hardman Square
Manchester
M3 3EB

Clayfull Limited

Strategic Report

For the year ended 31 December 2018

The Directors present their Strategic Report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company was the provision of laundering and linen hire services to the hotel industry.

On 28 July 2017 the Company was acquired by Johnson Service Group PLC.

On 1 December 2017 the Company sold its trade and assets to Johnsons Apparelmaster Limited, a fellow subsidiary of Johnson Service Group PLC for £6,340,000, resulting in a profit on disposal of £5,081,000. From that date the Company ceased trading.

The prior period financial statements were for the 16 month period ended 31 December 2017.

RESULTS AND KEY PERFORMANCE INDICATORS ('KPIs')

The Board monitors the performance and results of the Company against its strategy using the KPIs set out below. These KPIs have been selected as they are considered appropriate to measure the progress of the business towards achieving its strategy and objectives.

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Revenue (net of VAT)	-	7,550
Operating result / profit	-	604
Result / profit before taxation	-	4,853

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

The Company is not currently trading and is not expected to trade again in the foreseeable future.

There were no events after the period end that require disclosure in these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which the Company faces are consistent with those reported by the Parent Company, Johnson Service Group PLC. The principal risks and uncertainties, along with mitigating actions taken by the Company are set out on pages 28 to 31 of the Johnson Service Group PLC Annual Report and Accounts for the year ended 31 December 2018 which can be obtained from www.jsq.com.

The Strategic Report has been approved and is signed on behalf of the board by:



Y M Monaghan
Director
26 April 2019

Clayfull Limited

Directors' Report

For the year ended 31 December 2018

The Directors present their report and audited financial statements for the year ended 31 December 2018.

RESULTS AND DIVIDENDS

The Company's revenue and profit from trading operations for the year / period were as follows:

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Revenue (net of VAT)	-	7,550
Operating result / profit	-	604
Result / profit before taxation	-	4,853

The Directors consider the financial position of the Company at 31 December 2018 to be satisfactory.

The Directors do not recommend the payment of dividend (2017: £nil).

The profit for the financial period is £nil (2017: £4,785,000).

On 1 December 2017, the Company sold its trade and assets to Johnsons Apparelmaster Limited, a fellow subsidiary of Johnson Service Group PLC. From that date the Company ceased trading.

DIRECTORS

The Directors of the Company, who are listed on page 1, all held office throughout the year and up to the date of approving these financial statements with the exception of Chris Sander who retired on 31 December 2018 and was replaced by Peter Egan on the same date.

DIRECTORS' INDEMNITY

In accordance with the Articles of Association and to the extent permitted by the laws of Scotland, the Directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the Directors may not be indemnified, the Company maintained a qualifying directors' and officers' liability third party insurance policy throughout the financial period and up to the date of approval of these financial statements. Neither the indemnity nor the insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently. No claim was made under this provision during the period.

FINANCIAL RISK MANAGEMENT

The Company's principal asset is a receivable balance from its Parent Company Johnson Service Group PLC. This balance is non-interest bearing and is repayable on demand. The Company's principal risk relates to Johnson Service Group PLC's ability to repay this balance.

The policies set by the Parent Company are implemented by the Group Treasury function on behalf of the Company. Further details are set out on page 29 of the Johnson Service Group PLC Annual Report and Accounts for the year ended 31 December 2018 which can be obtained from www.jsq.com.

MATTERS DISCLOSED ELSEWHERE WITHIN THE FINANCIAL STATEMENTS

Required disclosures in relation to the business review and principal activities, the Company's key performance indicators, future developments and post balance sheet events and principal risks and uncertainties have been included within the Company's Strategic Report on page 2 of these financial statements.

Clayfull Limited

Directors' Report (continued)

For the year ended 31 December 2018

INDEPENDENT AUDITORS

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The Board are satisfied with the independence, objectivity and effectiveness of the Auditors, and accordingly, confirm their reappointment.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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.

The Directors 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.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



Y M Monaghan
Director
26 April 2019

Clayfull Limited

Registered in Scotland Number: SC15182

Clayfull Limited

Independent Auditors' Report to the Members of Clayfull Limited

For the year ended 31 December 2018

Report on the audit of the financial statements

Opinion

In our opinion, Clayfull Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; the Statement of Significant Accounting Policies; and the Notes to the Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent

Clayfull Limited
Independent Auditors' Report to the Members of Clayfull Limited
(continued)
For the year ended 31 December 2018

Reporting on other information (continued)

material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Clayfull Limited

**Independent Auditors' Report to the Members of Clayfull Limited
(continued)**

For the year ended 31 December 2018

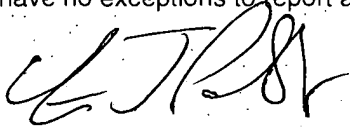
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Graham Parsons (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
26 April 2019

Clayfull Limited
Statement of Comprehensive Income
For the year ended 31 December 2018

Note	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
1 REVENUE	-	7,550
Cost of sales	-	(4,571)
GROSS RESULT / PROFIT	-	2,979
- Distribution costs	-	(1,192)
- Administrative expenses	-	(1,191)
- Other operating income	-	8
2 OPERATING RESULT / PROFIT	-	604
Impairment loss on tangible assets	-	(781)
8 Profit on disposal of trade and assets	-	5,081
5 Finance costs	-	(51)
RESULT / PROFIT BEFORE TAXATION	-	4,853
6 Tax on result / profit	-	(68)
RESULT / PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR / PERIOD	-	4,785

All of the principal activities of the Company are classified as discontinued.

Clayfull Limited
Balance Sheet
As at 31 December 2018

	As at 31 December 2018 £000	As at 31 December 2017 £000
Note		
CURRENT ASSETS		
7 Trade and other receivables	6,340	6,340
	6,340	6,340
NET ASSETS	6,340	6,340
CAPITAL AND RESERVES		
9 Share capital	81	81
Share premium	15	15
Capital redemption reserve	2	2
Retained earnings	6,242	6,242
TOTAL EQUITY	6,340	6,340

The notes on pages 15 to 18 are an integral part of these financial statements. The financial statements on pages 8 to 18 were approved by the Board of Directors on 26 April 2019 and signed on its behalf by:



Y M Monaghan
Director

Clayfull Limited
Registered Number: SC151828

Clayfull Limited
Statement of Changes in Equity
For the year ended 31 December 2018

	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 September 2016	83	17	-	1,523	1,623
Profit and total comprehensive income for the period	-	-	-	4,785	4,785
Purchase of own shares	(2)	(2)	2	(66)	(68)
Balance at 31 December 2017	81	15	2	6,242	6,340
Balance at 1 January 2018	81	15	2	6,242	6,340
Result and total comprehensive income for the year	-	-	-	-	-
Balance at 31 December 2018	81	15	2	6,242	6,340

Clayfull Limited

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2018

BASIS OF PREPARATION

The principal activity of Clayfull Limited was the provision of laundering and linen hire services to the hotel industry. The Company is a private company limited by shares, incorporated and domiciled in the UK. The Company's registered number is SC151828. The address of its registered office is Unit 1, Sherwood Industrial Estate, Bonnyrigg, EH19 3LW.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the information presented, unless otherwise stated.

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006 (the 'Act'). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared on a going concern basis, as the Directors confirm that they have reasonable expectation that the Company has adequate resources to continue in operational existence for a period of greater than 12 months from the date of approving these financial statements.

The Company is a qualifying entity for the purposes of FRS 101. Note 11 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (Statement of cash flows)
 - 16 (statement of compliance with all IFRS), and
 - 111 (cash flow information)
- IAS 7, 'Statement of cash flows'
- Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- IFRS 7, 'Financial Instruments, Disclosures'
- The requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets'

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The following new standards, and amendments to standards, have been adopted by the Company for the first time for the financial year beginning on 1 January 2018:

- IFRS 9, Financial Instruments;

The adoption of these standards did not have a material impact on the Company's financial statements.

Clayfull Limited

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2018

FORWARD LOOKING STATEMENTS

The terms 'expect', 'should be', 'will be', 'is likely to' and similar expressions identify forward looking statements.

Although the Board believes that the expectations reflected in these forward looking statements are reasonable, such statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently expressed or implied in such forward looking statements.

Factors which may cause future outcomes to differ from those foreseen in forward looking statements include, but are not limited to: general economic conditions and business conditions in the Company's markets; exchange and interest rate fluctuations; customers' and clients' acceptance of its products and services; the actions of competitors; and legislative, fiscal and regulatory developments.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Figures within the financial statements are expressed in thousands (£'000).

REVENUE RECOGNITION

Revenue represents the fair value of consideration received or receivable for the sale of goods and services supplied in the ordinary course of the Company's activities, and is stated exclusive of VAT and similar taxes, and after eliminating sales within the Company.

EMPLOYEE BENEFITS

Pension costs

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

Bonus plans

The Company recognises an expense and a liability for bonuses based on the profit attributable to the Company as appropriate and other pre-determined performance criteria. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

LEASED ASSETS

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable in respect of operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amounts of the Company's trade and other receivables on the Balance Sheet are denominated in Sterling (2017: Sterling).

Under IFRS 9, effective from 1 January 2018, the Company elected to use the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that result from transactions that are within the scope of IFRS 15, irrespective of whether they contain a significant financing component or not.

Under IFRS 9, the Company continues to establish a provision for impairment of trade receivables when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. In addition, IFRS 9 requires the Company to consider forward looking information and the probability of default when calculating expected credit losses. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Company considers reasonable and

Clayfull Limited

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2018

TRADE AND OTHER RECEIVABLES (continued)

supportable customer-specific and market information about past events, current conditions and forecasts of future economic conditions when measuring expected credit losses.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement within 'administrative costs'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative costs' in the Income Statement.

FINANCIAL ASSETS

Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise receivables from the Parent Company.

TAXATION

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

In the course of preparing these financial statements, no judgements have been made by the Company in the process of applying the Company's accounting policies.

SOURCES OF ESTIMATION AND UNCERTAINTY

The Company makes estimates and assumptions concerning the future. Whilst such estimates and assumptions are believed to be reasonable under the circumstances, the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Clayfull Limited

Statement of Significant Accounting Policies (continued)

For the year ended 31 December 2018

SOURCES OF ESTIMATION AND UNCERTAINTY (continued)

a) Recoverability of receivables

Judgement is required in determining the recoverability of receivables. Management considers factors including the nature of the balance, the financial position of the Group entity with whom the balance is held, the ageing profile of receivables and historical experience. See note 7 for the net carrying amount of the receivables.

Clayfull Limited

Notes to the Financial Statements

For the year ended 31 December 2018

1 REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the Company. All revenue is within the United Kingdom.

2 OPERATING RESULT / PROFIT

	Year to 31 December 2018 £000	Period to 31 December 2017 £000
Operating result / profit is stated after charging / (crediting):		
Employee benefits expense	-	3,535
Depreciation of property, plant and equipment	-	1,153
Operating leases	-	198
Profit on disposal of property, plant and equipment	-	(1)
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the Company's financial statements	-	8
Other services	-	2

For the year ended 31 December 2018, auditors' remuneration is borne by Johnson Service Group PLC, the ultimate Parent Company of Clayfull Limited.

3 EMPLOYEE BENEFIT EXPENSE

	Year to 31 December 2018 £000	Period to 31 December 2017 £000
Staff costs during the year / period were as follows:		
Wages and salaries	-	3,232
Social security costs	-	269
Other pension costs	-	34
	-	3,535

The average monthly number of persons (including Directors) employed by the Company during the year / period was:

	Year to 31 December 2018 Number	Period to 31 December 2017 Number
Administration	-	10
Distribution	-	22
Production	-	96
	-	128

From 1 December 2017, the Company had no employees. For the period to 31 December 2017, the average employee numbers relates to the period from 1 September 2016 to 30 November 2017.

Clayfull Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2018

4 DIRECTORS' REMUNERATION

	Year to 31 December 2018 £000	Period to 31 December 2017 £000
Remuneration for qualifying services	-	262
Company pension contributions to defined contribution schemes	-	10
	-	272

Retirement benefits are accruing to no Directors under a defined contribution scheme during the year (Period to 31 December 2017: 2).

Highest Paid Director

	Year to 31 December 2018 £000	Period to 31 December 2017 £000
Remuneration for qualifying services	-	234
Company pension contributions to defined contribution schemes	-	8
	-	242

5 FINANCE COSTS

	Year to 31 December 2018 £000	Period to 31 December 2017 £000
Bank loans and overdrafts	-	(10)
Finance charges payable under finance leases and hire purchase contracts	-	(33)
Interest payable on loan from Parent Company	-	(8)
	-	(51)

6 TAX ON RESULT / PROFIT

	Year to 31 December 2018 £000	Period to 31 December 2017 £000
Current tax		
UK corporation tax charge for the year / period at 19% (2017: 19.44%)	-	119
Adjustments in respect of prior periods	-	-
Current tax charge for the year / period	-	119
Deferred tax		
Origination and reversal of temporary differences	-	(51)
Deferred tax credit for the year / period	-	(51)
Total taxation charge included in the Statement of Comprehensive Income	-	68

Clayfull Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2018

6 TAX ON RESULT / PROFIT (continued)

The taxation charge for the year / period is the same as (2017: lower than) the standard rate of UK corporation tax. The differences are explained below:

	Year to 31 December 2018 £000	Period to 31 December 2017 £000
Profit before taxation per the Statement of Comprehensive Income	-	4,853
Profit before taxation multiplied by the standard rate of UK corporation tax of 19% (2017: 19.44%)	-	943
Factors affecting taxation charge for the year / period:		
Change in tax rates	-	4
Tax effect of expenses not deductible for tax purposes	-	109
Non-taxable income	-	(988)
Total taxation charge for the year / period	-	68

The income tax charge for the year / period is based on the effective United Kingdom statutory rate of Corporation Tax for the period of 19% (2017: 19.44%).

Deferred income taxes at the balance sheet date have been measured at the tax rate expected to be applicable at the date the deferred income tax assets and liabilities are realised. Management has performed an assessment, for all material deferred income tax assets and liabilities, to determine the period over which the deferred income tax assets and liabilities are forecast to be realised, which has resulted in an average deferred income tax rate of 17.5% (2017: 18%) being used to measure all deferred tax balances as at 31 December 2018.

7 TRADE AND OTHER RECEIVABLES

	As at 31 December 2018 £000	As at 31 December 2017 £000
Amounts due from Parent Company	6,340	6,340

Amounts due from the Parent Company are unsecured, non-interest bearing and are repayable on demand. It is considered that the Parent Company has sufficient facility in order to repay the amounts due were they to be demanded by the Company at the balance sheet date. As such, no impairment is required.

Clayfull Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2018

8 PROFIT ON DISPOSAL OF TRADE AND ASSETS

On 1 December 2017 the trade and assets of the business were sold to Johnsons Apparelmaster Limited, a fellow subsidiary of Johnson Service Group PLC. The net assets sold, consideration received and the resulting profit on disposal are shown in the table below.

	£000
Assets and liabilities disposed of:	
Property, Plant and Equipment	1,570
Textile Rental Items	584
Trade and other receivables	881
Cash	208
Amounts owed to Parent company	(378)
Trade and other payables	(1,044)
Borrowings	(494)
Current income tax liability	(119)
Deferred income tax asset	51
Net assets disposed of	1,259
Consideration	6,340
Profit on disposal	5,081

The consideration has been left outstanding as an intercompany balance.

9 SHARE CAPITAL

Ordinary shares of £1 each

	As at 31 December 2018 £000	As at 31 December 2017 £000
Issued and fully paid		
Number of shares 80,831 (2017: 80,831)	81	81

10 RELATED PARTY TRANSACTIONS

There were no related party transactions in the year ended 31 December 2018.

11 ULTIMATE PARENT COMPANY

The Company's immediate and ultimate parent undertaking, which is the parent undertaking of the smallest and largest group to consolidate these financial statements, and ultimate controlling party is Johnson Service Group PLC. Copies of the Parent's consolidated Financial Statements may be obtained from The Secretary, Johnson Service Group, Johnson House, Abbots Park, Monks Way, Preston Brook, Cheshire, WA7 3GH.