Cleaning Services Methodology

Introduction
The Industrial Cleaning Services Survey is part of the Services Sector Statistics plan of the European Union Commission, proposed for the purpose of achieving a harmonised set of company statistics. The methodology used follows the guidelines established by the Statistical Office of the European Communities (Eurostat) for services statistics. This survey covers the statistical study of group 74.7 of the National Classification of Economic Activities (CNAE-93) relating to activities performed by industrial cleaning companies dedicated fundamentally to the rendering of services to other companies. the survey researches a broad spectrum of services provided, such as: interior cleaning of buildings, cleaning of glass, cleaning of means of transport, disinfection, extermination of rodents, pest control of insects, chimney sweeping, security services, end of construction building cleaning, cleaning of façades, housekeeping services, gardening, maintenance of installations and rental and/or sale of machinery and/or products for industrial cleaning. For obtaining economics information, the most appropriate source is the actual accounts of participating companies, since in that way it is easier for them to respond and data obtained is made more uniform. For this reason, in the questionnaire economic information is requested adjusted to the General Accounting Plan. The periodicity of surveys referring to these activities is greater than one year.

Objectives
The main objective of the survey is to study structural and economic features of companies whose main activity is provision of industrial cleaning services. In order to achieve this, information is collected relating to the different features of companies, such as main activity, legal nature, activity period, premises, company property, variables on employment structure and accounting data such as expenditure, income, capital movements and taxes. The survey covers other objectives, which may be summarised as follows: to enable comparisons to be drawn between Spanish industrial cleaning services and those of other European Union countries, as well as generating a pattern of comparability with the rest of the sectors of the economy, mainly the services sector. To meet the information needs of different statistics users and be a useful instrument for National Accounts. To evaluate the quality of the directory used in the survey and the adaptation of the questionnaire to the reality of the sector studied.

Survey scope
POPULATION SCOPE
The population studied is made up of the companies whose main activity is one of the ones included in division 74.7 of the National Classification of Economic Activities 1993 (CNAE-1993). 74.7 Industrial cleaning activities 74.70 Industrial cleaning activities This class comprises: the interior cleaning of all types of buildings, including offices, factories, businesses, institutions and other business and professional buildings, as well as residential blocks.
cleaning. The cleaning of chimneys, fireplaces, ovens, incinerators, boilers, ventilation ducts and air extractors. This class also includes: disinfection, rat extermination and insect extermination of buildings, boats, trains. Cleaning of trains, buses, planes, etc. This class excludes Agricultural and livestock pest control Steam cleaning, sand blasting and similar of building exteriors Cleaning of recently built buildings - Washing of rugs and carpets and cleaning of hangings and curtains - Domestic service - Labour recruitment and provision of personnel

TIME SCOPE

The survey's reference period is the year 1995, except for the number of establishments and staff employed variables, which take 30 September 1995 as the reference date.

GEOGRAPHICAL SCOPE

All statistical units located in Spanish state territory are object of investigation.

Statistical units

The statistical unit can be defined as the element or component of the population under observation and investigation referred to in the tabulation of the data of the statistical aggregates obtained as a result of the surveys. It has been used as the only statistics for the company whose main activity is the provision of IT services described in the population scope. A company is also the informant unit, because, since it is perfectly defined and located, and since it has the accounting and employment data available, the response is provided and homogeneous information is obtained. The company is the smallest combination of legal units that constitutes an organisational unit that produces goods or services, and which has a certain degree of decision-making autonomy, especially in relation to the allocation of their current resources. A company may carry out one or more activities in one or several local units. A company can correspond to one single legal unit.

Company features

MAIN ACTIVITY

Production activity entitled economic activity is the result of a combination of resources that lead to the creation of specific goods or the provision of specific services that can be quantified monetarily An activity is characterised by product entries (goods and services), a production process and the products created. A company’s main activity is regarded as being that which contributes most to its added value, which in this survey is the provision of industrial cleaning services. Nevertheless, due to the difficulties faced by companies in calculating added value when various activities are carried out, the activity which generates the greatest turnover is considered the main activity or, failing that, the activity which employs the greatest number of persons. Companies may carry out activities other than that defined as the main activity, as
secondary activities. Secondary activities are generally carried out jointly with the main one, although in some cases it may be carried out independently and even in premises other than those given over to the main activity. Secondary activities on which information is obtained are those most closely tied to industrial cleaning services. It considers: - security services - end of construction building cleaning, cleaning of façades, housekeeping services, gardening, maintenance of installations and rental and/or sale of machinery and/or products for industrial cleaning - other services not previously mentioned.

LEGAL NATURE

This is the legal status under which the company operates. The following categories are considered: individual: includes those companies belonging to one or various individuals without the formalisation of the company or group appearing in the legal document. Included here are individual companies made up by free or independent professionals. Legal entity: those companies to which the law grants capacity to exert rights and assume obligations have legal personality. The following modalities are distinguished: Public Limited Company. Private Limited Company. Other legal statuses such as: general partnerships, limited partnerships, joint ownership, cooperatives, foundations, etc.

ACTIVITY PERIOD

The survey collects information on the seniority of companies and the intensity of their activity. The seniority is determined in relation to the number of years that the company has been carrying out its activity and the intensity is determined by understanding the number of months of activity during the reference year.

NUMBER OF PREMISES

The degree of multi-location of companies depends on the number of premises that these have in Spain. All structurally separate and independent enclosures not given over exclusively to a family dwelling and in which economic activities dependent on a company are or can be carried out are regarded as premises. Information is collected on the number of premises the company uses in order to carry out its activity, including those given over to secondary and auxiliary activities. 30th September 1995 is used as a reference date.

COMPANY PROPERTY

This includes companies' connection to others, as well as the features of company property. The company group brings together a number of companies that are legally or financially linked. The group of companies can involve a number of decision-making sources, mainly in terms of policies on production, sales and profits etc., and can standardise certain aspects of financial and tax system management. It consists of an economic unit, which can make choices that particularly affect the associated units making up the unit. Where the company investigated belongs to a group, the country where the group leader is based is requested, this being the legal parent company, which is not controlled by any other legal unit. Information is also collected on
the degree of participation of other companies in the capital stock of the companies studied, differentiating whether they are national, or foreign from different geographical areas, and showing the percentage of participation in each case.

Employment

OCCUPIED PERSONNEL

Employed staff is considered to be all persons working in the observation unit, producing goods, providing services or carrying out auxiliary activities. Employed staff includes: owners working for the company, active partners, as well as unpaid family assistance. - Persons who work outside the company, but who are part of the company and are paid by the company. - Persons absent for a short period such as, for example, sick leave, paid holiday or exceptional leave. Staff on strike. Part time employees. Not included as employees: - persons with restricted permission, such as retired persons or those in the army, unless they are truly working in the company. – Staff who work at the company's premises, but rely on another company for their salary. - Staff who work on commission without receiving a fixed salary from the company. Independent professionals and, generally, those linked to the company by a commercial contract. - Members of the Board of Directors who do not really work for the company. Different staff classifications are established in accordance with different criteria. a) By remuneration: - unpaid staff: made up by persons who direct or actively participate in company work without receiving fixed remuneration or salary. Included are owners, partners who are active within the company, freelance workers and family assistance. Not included are partners that solely provide capital, nor family members of the owner who do not actively participate in the company. - Paid staff: this consists of those employees linked to the company by a labour contract and who are paid fixed or periodic amounts in the form of a wage, salary, commission, efficiency wage or payments in kind. Within the paid staff group, we distinguish between permanent paid personnel, who are those persons with a contract or indefinite employment connection with the company and temporary paid personnel, who are those persons that have fixed term contracts. b) By their functions in the company. Company staff are classified by area of work in which they carry out their functions, these being: -Executives, administrative workers. Technicians. Workers and apprentices. - Other: training and other staff dedicated to functions not mentioned above. c) By type of working day: Staff employed full-time. - Staff employed part-time: this category includes all forms of part-time work, such as half-day work, work limited to a number of days per week, etc. d) By nationality of origin. Staff are classified in accordance with nationality held at the time of the survey: Spanish. - Belonging to rest of the European Union. - The rest of the world. e) According to age groups: - under 25 years old. - From 25 to 40 years old. - Over 40 years old. f) Staff affiliated to the company entitled to be subrogated subcontractor. For all previous staff classifications, the reference date taken is 30th September 1995.

STAFF EMPLOYED BY QUARTER DURING 1995
Staff may vary throughout the year due to the needs of the companies, or their opening or closing over the period. Taking the number of employed persons on the last day of each quarter, the average for employed persons is calculated, giving an overview of employment evolution over the course of the year.

**HOURS WORKED BY EMPLOYED STAFF**

This covers the number of hours actually worked by all employed staff over the course of the year. They do not necessarily coincide with those shown in labour agreements. This variable includes normal hours plus overtime hours, short breaks, night shifts and working on holidays, etc. It does not comprise holiday periods, public holidays, sick leave, mealtimes and time given over to commuting to work.

**STAFF TRAINING**

It includes the number of hours that all employed staff have given over to professional training, within or outside the company, over the course of the year.

**Purchases and expenditure**

Purchases of goods and services represent the value of all goods that are different from the investment assets and all services bought during the reference year for resale in the state in which they were acquired or following transformation and integration into sold products, or for the current operating of the company. The purchases of goods and services are valued at acquisition price excluding charged and deductible VAT.

**PURCHASES**

They are divided into: - Purchases of goods. Value of the goods acquired by the company to resell them in the same state in which they were acquired without subjecting them to transformation. Purchases of raw materials. Value of goods acquired for their transformation during the productive process. Net purchases of other supplies. Value of purchases of supplies such as fuel, spare parts, packaging, office material, etc. These products are characterised by being storable. Returns of and taxes on purchases. This comprises the value of returns of and taxes for purchases made by the company. Returns of purchases to suppliers normally for non-fulfilment of the conditions of the order. These are discounts and similar which come about due to having reached a specific turnover. - Work undertaken by other companies Value of work that, forming part of the production process itself, is ordered and carried out by other companies or professionals. Purchases of merchandise and work carried out by other companies form purchasing of goods and services for resale. Companies have been asked for information relating to net purchases from the different headings shown, in other words, the result of subtracting the values of corresponding returns and taxes from the value of each purchase.
EXTERNAL SERVICES EXPENDITURE

This is expenditure by the company incurred for services of a varied nature received from third parties. The following are considered: - Expenditure on research and development by these services entrusted to other companies. - Leasing and royalties. Value of payments accrued from renting chattel and estate used by the company or fixed or variable amounts which are met through the entitlement to use the different expressions of industrial property. - Repairs and maintenance. Maintenance expenditure by third parties on goods including tangible assets. - Transport. Expenditure by the company for transport by third parties, where it is not appropriate to include them in the purchasers’ price of the purchasing of goods. - Insurance premiums. Amounts paid for non-corporate insurance premiums. Including insurance for burglary and robbery, fire, multi-risk, vehicles, etc. - Supplies. Value of expenditure by the company on acquiring non-storable supplies: electricity, water, gas, etc.. - Other services. This comprises the value of expenditure corresponding to other external services not included in the previous points. Including: - Independent professional services. Amount that is paid to professionals for services provided to the company. This does not include fees and payments to independent professionals carrying out work forming part of the actual production process of a company. - Bank services and similar. Amounts paid for banking services and similar, which are not considered financial expenditure. - Advertising, propaganda and public relations. Expenditure on these. - Other services. These comprise travel expenses, staff allowances, staff transport by means other than those of the company and office expenditure not included in other accounts.

STAFF COSTS

These comprise all remuneration made to all employees in payment of their work, as well as compulsory and optional corporate costs borne by the company. Personnel costs are made up of: Gross wages and salaries. Payments, in cash or in kind, with which the company remunerates the work of its employees, without discounting taxes, employee social security contributions and other worker obligations retained at source by the employer company. This does not include payments made to professionals or independent collaborators associated with the company via a commercial company, travel expenses for company staff, Social Security contributions and company pensions schemes, or payments which the company continues to make in case of illness, accident or maternity, considered under the following headings. Indemnities. Amounts paid to company staff to compensate for damages, specifically compensations for dismissal, illness, early retirement, etc. - Social Security contributions paid for by the company. Covers obligatory contributions the company makes directly to Social Security, on behalf of its employees, for various services rendered. Other corporate charges. This section includes: Contributions to complementary pension systems. Covers the sum of contributions paid into pension plans or similar systems that cover retirement, disability or death, referred to the company personnel, paid by the company by way of collective or contractual agreements or voluntarily. Other social costs. Corporate expenses incurred, by the company in compliance with
a legal or voluntary disposition, for its employees. Including subsidies to company stores and canteens, maintenance of schools and vocational training schools, study grants, bonus paid for life insurance contracts, accidents, illness, etc.

ALLOCATIONS FOR DEPRECIATION OF FIXED ASSETS

These comprise financial year instalments for amortising the annual systematic depreciation of tangible and intangible assets by applying them to the production process.

OTHER EXPENDITURE

Financial expenditure. They cover costs caused via external financing of the company. Including: interest accrued during the financial year from fixed-income values, regardless of the expiry period and the way in which the aforementioned interests are applied. Value of interest on loans received and other debts pending amortisation. Interests on discounts and other effects. Discounts on prompt payment sales granted by the company to its customers. Losses incurred on the disposal of fixed or variable rate securities. Losses resulting from definite losses from loans. Negative exchange rate differences; losses resulting from modifications in the exchange rate for fixed-yield securities, loans, debts and cash in foreign currencies. Other types of financial expenditure not previously included. Extraordinary expenditure. Losses and expenditure of significant amounts, taking into account company activity, fall outside its ordinary activities and are not expected to occur frequently: expenditure resulting from floods, fires and other accidents, fiscal or criminal penalties or fines etc.

Stocks

Stocks include the value of all goods which are the property of the company except capital goods. These include stocks of goods, raw materials and other supplies. They are valued at acquisition price, or at production cost, if they are produced by the company itself. Stocks are entered into the accounts minus VAT. Stocks are requested at the beginning and end of the reference year.

Income

This block includes operating and non-operating income for the company during 1995.

TURNOVER

It is composed of several sections: net turnover. This comprises the amounts invoiced by the company for rendering services and selling goods and products which are the object of the company's business. Includes all taxes that are placed on invoiced goods or services with the exception of VAT having an effect on clients. It also includes any other expenditure attributable to the customer, such as transport, packaging etc. sales refunds are deducted, as are taxes on sales. Not deducted are cash discounts, nor discounts for prompt
payment. Turnover does not include the sale of fixed assets or operating subsidies. - Breakdown of turnover by service rendered or activities carried out.

1. Industrial cleaning services 1.1 Interior cleaning of buildings 1.2 Window cleaning 1.3 Cleaning of means of transport 1.4 Disinfection, rat extermination and insect extermination 1.5 Chimney sweeping 1.6 Other industrial cleaning services 2. Other activities 2.1 Security services 2.2 End of construction building cleaning 2.3 Cleaning of façades 2.4 Domestic service 2.5 Gardening 2.6 Maintenance of installations 2.7 Rental and/or sale of machinery and/or products for industrial cleaning 2.8 Other services - Breakdown of turnover by the type of client. On the one hand, it percentage distribution of the net amount of the turnover according to the type of client. Distinction is made between: Households. Companies. Industries (including construction). Health services (public and private). Other services Public Administrations. Conversely, the percentage of turnover corresponding to the company's main client is requested.

OTHER OPERATING INCOME

This section includes operating income originating from the following concepts: - Tasks performed by the company on fixed assets. These are those carried out by the company for its non-fixed assets by means of equipment and personnel. This may affect fixed assets, both tangible and intangible. Operating subsidies. These are transfer amounts granted to the company by Public Administrations with the objective of ensuring minimal profitability, compensating operation deficit facilitating sufficient remuneration of production factors. Not included are those carried out by own partners or companies in the group, multigroup or associates. Nor are included those quantities received under the form of tax exemption of help for investment - Other management income. This section includes operating income not already covered, such as: Income from property not used in operations: that obtained from letting chattels or estate granted to third parties. Royalties received from concessions: fixed or variable amounts which are met through the entitlement to use the different expressions of industrial property. Income from commissions: fixed or variable amounts as a counter provision to mediation services carried out accidentally. Income from services to the staff: due to services such as company stores, transport, dwellings, etc., provided to staff by the company. Miscellaneous operating income: caused by the temporary provision of certain services to other companies or individuals (transport, repairs, advice, reports, etc.)

OTHER INCOME

This section covers:

Financial income. They cover the total value of financial income obtained by the company during the reference year. Including: income for the company from shares in the capital of other companies, accrued during the financial year. Negotiable fixed interest shares, loans and credits on behalf of the company, accrued during the financial year. Loan interest and credit during the financial year. Discounts for prompt payment awarded to the company by suppliers, regardless of whether or not they are included in the invoice. Profit from the
transfer of fixed- or variable-yield securities. Profit resulting from modifications in the exchange rate for fixed-yield securities, loans, debts and cash in foreign currencies. Other types of financial expenditure not previously included. - Extraordinary income Value of income of a significant amount which may not be regarded as periodic when assessing the company's future operating results. Those that fall outside ordinary activities typical of the company, and which are not expected to occur frequently, are considered extraordinary income. This includes income from the reinstatement of credits that were amortised in the past for definite losses.

Exports and imports

Exports comprise all goods, new or used, which permanently leave the country's economic territory against payment or free of charge, bound for the rest of the world and services rendered by resident units to non-resident units. They are valued at FOB value. Imports include goods, new or used, which permanently enter the country's economic territory against payment or free of charge from the rest of the world, as well as services rendered by non-resident units to resident units. They are valued at CIF prices. Both in exports and in imports a distinction is made between those carried out with European Union countries and those made to countries belonging to the rest of the world.

Capital transactions

These include values of acquisition and sales operations, carried out during the financial year, on financial appropriations destined to be used in the company activity on a long-term basis. It also includes improvements, transformations and repairs that prolong normal useful life or increase the productivity of existing fixed capital. It excludes running repair and maintenance costs. Goods acquired are valued at acquisition price, if bought from third parties and at production cost, if they are produced by the company itself, including installation costs and all possible rights and taxes but excluding charged and deductible VAT and financing costs. Goods sold are valued at the price actually obtained, excluding VAT having an effect on sales.

Tangible assets

When acquiring and selling tangible assets, the following are taken into account: land and natural goods. Constructions and technical installations. Machinery, tools, other installations and furniture - Information processing equipment - Transport elements - Other tangible fixed assets

Intangible assets

Distinction is made between: - Research and development - Industrial property Trade fund Computer applications Rights on goods acquired under a leasing system - Other intangible fixed assets

Taxes
Value Added Tax (VAT). Two types of regime are considered: the company operates under the simplified scheme; in this case, the value of VAT paid to the Inland Revenue is included. b) The company operates under the general scheme; charged VAT and deductible paid VAT are requested. Charged VAT is what companies charge their clients and deductible paid VAT is what the companies pay their suppliers for the purchase of goods and services that can be deducted. Transactions carried out within the Autonomous Community of Canarias are not affected by VAT; in this case the taxes corresponding to the General Indirect Tax in the Canary Islands (GITC) are requested. Other taxes. These include: economic activities tax (IAE), charged for business and professional activities during the financial year. Taxes linked to imports, such as such as customs duties or taxes and any other type of tax or duty levied on imported products. Other taxes linked to production not already covered, such as for example taxes on operating vehicles, stamp duties and registration, tax on real estate goods, taxes paid to Public Administrations for specific social benefits, etc.

**Economic groups**

**PRODUCTION VALUE**

Production value measures the cost of goods and services produced by the company during the financial year. The production value is defined as turnover, plus or minus the variations of the stocks of finished and semi-finished products and and on the goods and services purchased for resale, minus the purchases of goods and services for resale, plus the capitalised production, plus immobilised production.

**GROSS ADDED VALUE AT MARKET PRICES**

This is calculated as the difference between production value and operating costs other than those destined for resale: purchases of raw materials, other supplies and external services expenditure.

**GROSS ADDED VALUE AT FACTORS COST**

This is calculated using the gross added value at market prices, deducting taxes linked to production and adding operating subsidies.

**GROSS OPERATING SURPLUS**

This is the difference between the gross added value at factor cost and staff costs.

**FINANCIAL SURPLUS**

It is calculated by deducting the financial costs from financial income.

**GROSS FORMATION OF FIXED CAPITAL**

Its value is obtained by subtracting transfers of tangible and intangible fixed assets, carried out during the financial year.