

Churngold Remediation Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 May 2013



A2J7Z5TE

A17

18/10/2013

#391

COMPANIES HOUSE

Registered Company No 02761171

Churngold Remediation Limited

COMPANY INFORMATION

DIRECTORS

A R Brown (Managing Director)
H J Ventham (Environmental Director)
R K McCabe (Director)

SECRETARY

R N Tredwin

REGISTERED OFFICE

St Andrews House
St Andrews Road
Avonmouth
Bristol
BS11 9DQ

BANKERS

Lloyds TSB Bank plc
61 Gloucester Road
Bristol
BS34 5JH

SOLICITORS

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55 - 61 Victoria Street
BRISTOL
BS1 6AD

Churngold Remediation Limited

REPORT OF THE DIRECTORS *(continued)*

The directors present their report and the financial statements of the company for the year ended 31 May 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be the remediation of contaminated sites throughout the UK

This year has seen a further positive trading result and reduction in debt levels

DIRECTORS

The directors who served the company during the year and following the year end were as follows

H J Ventham
R K McCabe
A R Brown

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

Baker Tilly UK Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

Churngold Remediation Limited

REPORT OF THE DIRECTORS *(continued)*

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD



R N Tredwin
Secretary

4 October 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURNGOLD REMEDIATION LIMITED

We have audited the financial statements on pages 6 to 14 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

Baker Tilly UK audit LLP

HEATHER WHEELHOUSE (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Date

4 October

2013

Churngold Remediation Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2013

	Note	2013 £000	2012 £000
TURNOVER	2	1,541	1,511
Cost of sales		(1,049)	(1,193)
		<u>492</u>	<u>318</u>
GROSS PROFIT			
Administrative expenses		(281)	(240)
		<u>211</u>	<u>78</u>
OPERATING PROFIT	3		
Interest payable and similar charges	6	(3)	(6)
		<u>208</u>	<u>72</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	7	-	-
		<u>208</u>	<u>72</u>
PROFIT FOR THE FINANCIAL YEAR	17	<u>208</u>	<u>72</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

Churngold Remediation Limited

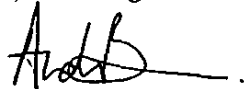
BALANCE SHEET

as at 31 May 2013

	Note	2013 £000	2012 £000
FIXED ASSETS			
Tangible assets	8	-	3
CURRENT ASSETS			
Debtors	9	283	764
Cash at bank and in hand		139	110
		422	874
CREDITORS amounts falling due within one year	10	456	911
		(34)	(37)
NET CURRENT LIABILITIES		(34)	(34)
TOTAL ASSETS LESS CURRENT LIABILITIES		-	208
CREDITORS amounts falling due after more than one year	11	(34)	(242)
CAPITAL AND RESERVES			
Called-up share capital	16	16	16
Profit and loss account	17	(50)	(258)
SHAREHOLDERS DEFICIT	18	(34)	(242)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

These financial statements on pages 6 to 14 were approved by the directors and authorised for issue on 4 October 2013, and are signed on their behalf by



A R Brown
Director

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013

1 PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

The principal accounting policies of the company have remained unchanged from the previous year

GOING CONCERN

Despite trading profitably during the year, the company has net liabilities of £50,000 at 31 May 2013. However, the directors consider, based on confirmations received, that the company has sufficient resources available in terms of both bank and related party funding to justify preparing the financial statements on a going concern basis

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

TURNOVER

Turnover is the total amount receivable for goods and services provided, net of VAT and trade discounts. In the case of long term contracts, turnover represents the sales value of work done in the year

FIXED ASSETS

All fixed assets are initially recorded at cost

DEPRECIATION

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

Plant & Machinery - over 3 to 5 years (straight line)

Motor Vehicles – over 2 to 7 years (straight line)

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

PENSION COSTS

The company contributes to the personal pensions of all employees. Contributions are charged to the profit and loss account as incurred

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date

LONG-TERM CONTRACTS

Turnover and related costs on each long-term contract are recorded in the profit and loss account as contract activity progresses. Turnover is calculated on the basis of the value of the work done

Attributable profit is calculated for each contract by reference to the contract's cumulative turnover, total contract value and total profit estimated for the completed contract. Full provision is made for losses on a contract immediately they can be foreseen. The value of work completed at the year end and for which no sales invoice has been raised or no certification paid is included in amounts recoverable on long-term contracts

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below

	2013 £000	2012 £000
United Kingdom	<u>1,541</u>	<u>1,511</u>

3 OPERATING PROFIT

Operating profit is stated after charging

	2013 £000	2012 £000
Depreciation of owned fixed assets	3	3
Auditor's remuneration		
Audit fees – Baker Tilly UK Audit LLP	3	3
Non-audit fees – Baker Tilly Tax and Accounting Limited	1	1
Operating lease costs		
Plant and equipment	201	120
Land and buildings	<u>11</u>	<u>11</u>

4 DIRECTORS AND EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2013 No	2012 No
Number of management staff	3	3
Number of service staff	<u>4</u>	<u>4</u>
	<u>7</u>	<u>7</u>

The aggregate payroll costs of the above were

	2013 £000	2012 £000
Wages and salaries	233	219
Social security costs	<u>25</u>	<u>23</u>
	<u>258</u>	<u>242</u>

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

5 DIRECTORS

Remuneration in respect of directors was as follows

	2013 £000	2012 £000
Emoluments receivable	<u>72</u>	<u>75</u>

The number of directors who accrued benefits under company pension schemes was as follows.

	2013 No	2012 No
Money purchase schemes	<u>1</u>	<u>1</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
Interest payable on bank borrowing	<u>3</u>	<u>6</u>

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £000	2012 £000
Current tax		
UK Corporation tax based on the results for the year at 24% (2012 26%)	-	-
(Over)/under provision in prior year	-	-
Total current tax	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2012 26%)

	2013 £000	2012 £000
Profit on ordinary activities before taxation	<u>208</u>	<u>72</u>
Profit on ordinary activities by rate of tax	50	18
Capital allowances for period in excess of depreciation	(1)	(1)
Losses utilised	<u>(49)</u>	<u>(17)</u>
Total current tax (note 7(a))	<u>-</u>	<u>-</u>

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

8 TANGIBLE FIXED ASSETS

	Plant & Machinery £000
Cost	
At 1 June 2012	304
Additions	-
At 31 May 2013	<u>304</u>
Depreciation	
At 1 June 2012	301
Charge for the year	3
At 31 May 2013	<u>304</u>
Net Book Value	
At 31 May 2013	-
At 31 May 2012	<u>3</u>

9 DEBTORS

	2013 £000	2012 £000
Trade debtors	91	235
Amounts owed by related undertakings	40	116
Amounts recoverable on contracts	86	282
Amounts owed by group undertakings	58	58
Other debtors	5	70
Prepayments and accrued income	3	3
	<u>283</u>	<u>764</u>

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £000	2012 £000
Trade creditors	174	305
Other taxation and social security	43	6
Other creditors	27	28
Amounts owed to related undertakings	31	471
Accruals and deferred income	181	101
	<u>456</u>	<u>911</u>

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £000	2012 £000
Other creditors	-	208

12 PENSIONS

The company operates a defined contribution scheme for the benefit of all employees. The assets of the scheme are administered by trustees in a fund independent from the company.

13 LEASING COMMITMENTS

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	Land & Buildings £000	Other Items £000	Land & Buildings £000	Other Items £000
Operating leases which expire Within 1 year	-	-	6	-
	-	-	6	-

14 CONTINGENT LIABILITIES

There are contingent liabilities in respect of performance guarantees entered into in the normal course of business amounting to £nil as at 31 May 2013 (2012 £nil). The performance bond provider holds a letter of cross guarantee between the company, its parent undertaking and Churngold Construction Holdings Limited. Additionally, the bank holds a letter of cross guarantee and debenture between the company, its ultimate parent undertaking and Churngold Construction Holdings Limited in respect of bank borrowings.

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Churngold Remediation Holdings Limited group of companies

During the year, the company undertook the following transactions and had amounts owing to/from members of the Churngold Construction Holdings Limited group, Churngold Waste and Recycling Limited and Churngold Recycling Limited entities where J R Ancell is both a director and one of the beneficiaries of the Ancell Trust, of which the Bourse Trust Company Limited is the Trustee and able to exercise more than 20% of the votes at 31 May 2013, and JWS Churngold Limited where J R Ancell was previously a director and had an interest in more than 20% of the voting rights

	Purchases £000	Sales £000	Owed to £000	Owed by £000
2013				
Churngold Waste Recycling Limited	31	-	-	-
Churngold Construction Limited	258	1	27	-
Churngold Surfacing Limited	-	4	4	-
Churngold Recycling Limited	4	21	-	40
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2012				
Churngold Construction Limited	463	110	259	115
Churngold Surfacing Limited	-	4	-	-
Churngold Recycling Limited	191	5	212	1
JWS Churngold Limited	-	87	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 SHARE CAPITAL

	No	2013 £000	No	2012 £000
Allotted, called up and fully paid Ordinary shares of £1 each	15,823	16	15,823	16
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 PROFIT AND LOSS ACCOUNT

	2013 £000	2012 £000
Balance brought forward	(258)	(330)
Profit for the financial year	208	72
	<u> </u>	<u> </u>
Balance carried forward	(50)	(258)
	<u> </u>	<u> </u>

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 May 2013

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS DEFICIT

	2013 £000	2012 £000
Profit for the financial year	208	72
Opening shareholder's deficit	(242)	(314)
	<hr/>	<hr/>
Closing shareholder's deficit	(34)	(242)
	<hr/>	<hr/>

19 CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 May 2013 or 31 May 2012

20 ULTIMATE PARENT COMPANY AND CONTROLLING RELATED PARTY

The company is a wholly owned subsidiary of Churngold Remediation Holdings Limited

Churngold Remediation Holdings Limited represents the smallest and largest group into which the results of the company are consolidated. Group financial statements are available at the registered office of this company.

The directors consider that the ultimate controlling party is Bourse Trust Company Limited, as Trustee of the Ancell Trust, by virtue of the majority shareholding in the ultimate parent company.