

# Churngold Remediation Limited

## UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 May 2016



Registered Company No. 02761171

# Churngold Remediation Limited

## COMPANY INFORMATION

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### DIRECTORS

A R Brown (Managing Director)  
H J Ventham (Environmental Director)  
R K McCabe (Director)  
S R J Dyke (Commercial Director)  
R N V Mead (Finance Director)

### REGISTERED OFFICE

St Andrews House  
St Andrews Road  
Avonmouth  
Bristol  
BS11 9DQ

### SOLICITORS

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

# Churngold Remediation Limited

## REPORT OF THE DIRECTORS

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The directors present their report and the financial statements of the company for the year ended 31 May 2016.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

### 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  
S R J Dyke  
R N V Mead (Appointed 23 November 2015)

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £270,000 (2015: loss of £31,000). No dividend is proposed.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies regime.

BY ORDER OF THE BOARD



R N V Mead  
Director

9<sup>th</sup> September 2016

**Churngold Remediation Limited**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**for the year ended 31 May 2016**

	Note	2016 £000	2015 £000
TURNOVER	2	2,487	836
Cost of sales		(1,773)	(655)
GROSS PROFIT		714	181
Administrative expenses		(413)	(209)
OPERATING PROFIT/(LOSS)	3	301	(28)
Interest payable and similar charges	6	(2)	(3)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		299	(31)
Tax on profit/(loss) on ordinary activities	7	(29)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		270	(31)
RETAINED EARNINGS AT 1 JUNE		(47)	(16)
RETAINED EARNINGS AT 31 MAY		223	(47)

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**  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 May 2016

	Note	2016 £000	2015 £000
<b>FIXED ASSETS</b>			
Tangible assets	8	-	1
<b>CURRENT ASSETS</b>			
Debtors	9	1,077	179
Cash at bank and in hand		-	-
		1,077	179
<b>CREDITORS: amounts falling due within one year</b>	10	(838)	(211)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		239	(32)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		239	(31)
<b>CREDITORS: amounts falling due after more than one year</b>		-	-
		239	(31)
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	16	16
Profit and loss account		223	(47)
<b>SHAREHOLDERS' FUNDS / (DEFICIT)</b>		239	(31)

For the financial year ended 31 May 2016, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions available to companies subject to the small companies' regime.

These unaudited financial statements were approved by the directors and authorised for issue on 9<sup>th</sup> September 2016, and are signed on their behalf by:

  
S R J Dyke  
Director

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

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### 1. PRINCIPAL ACCOUNTING POLICIES

#### GENERAL INFORMATION

Churngold Remediation Limited ('the Company') is a private company limited by shares incorporated in England. The registered office address of the Company is as detailed on Page 1.

#### BASIS OF ACCOUNTING

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"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

#### FIRST TIME ADOPTION OF FRS 102

These financial statements are the first financial statements the Company has prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS 102. The financial statements of the Company for the year ended 31 May 2015 were prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

#### 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, and is recognised in accordance with the long term contracts policy below.

#### 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 certain employees. Contributions are charged to the profit and loss account as incurred.

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

#### 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 in the balance sheet. 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.

### 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:

	2016 £000	2015 £000
United Kingdom	2,487	836

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	2016 £000	2015 £000
Operating lease costs:		
Plant and equipment	235	91
Land and buildings	-	9

### 4. DIRECTORS AND EMPLOYEES

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

	2016 No	2015 No
Number of management staff	2	2
Number of service staff	3	2
	5	4

The aggregate payroll costs of the above were:

	2016 £000	2015 £000
Wages and salaries	306	201
Social security costs	28	27
Pension	47	12
	381	240

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

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### 5. DIRECTORS

Remuneration in respect of directors was as follows:

	2016 £000	2015 £000
Emoluments receivable	207	157
Pensions	41	4
	<u>248</u>	<u>161</u>

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

	2016 No	2015 No
Money purchase schemes	<u>2</u>	<u>2</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £000	2015 £000
Interest payable on bank borrowing	<u>2</u>	<u>3</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2016 £000	2015 £000
Current tax:		
UK Corporation tax based on the results for the year at 20% (2015: 20.83%)	32	-
Total current tax	<u>32</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences (note 11)	(3)	-
Tax on profit on ordinary activities	<u>29</u>	<u>-</u>



**Churngold Remediation Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 May 2016

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8. TANGIBLE FIXED ASSETS

	Plant & Machinery £000
Cost	
At 1 June 2015	89
Additions	1
At 31 May 2016	90
Depreciation	
At 1 June 2015	88
Charge for the year	2
At 31 May 2016	90
Net Book Value	
At 31 May 2016	-
At 31 May 2015	1

9. DEBTORS

	2016 £000	2015 £000
Trade debtors	214	82
Amounts owed by related undertakings	6	13
Amounts recoverable on contracts	720	20
Amounts owed by group undertakings	64	61
Prepayments and accrued income	5	3
Other debtors	68	-
	1,077	179

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Bank overdraft	76	93
Trade creditors	591	29
Other taxation and social security	10	16
Amounts owed to related undertakings	19	61
Accruals and deferred income	110	12
Corporation tax	32	-
	838	211

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

### 11. DEFERRED TAXATION

The movement in the deferred taxation asset during the period was:

	2016 £000
Profit and loss account movement arising during the period	3
Asset carried forward	3

The asset for deferred taxation consists of the tax effect of timing differences in respect of:

	2016 £000
Excess of depreciation over taxation allowances on fixed assets	3

### 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. 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 2016 (2015: £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.

### 14. 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 and Churngold Recycling Holdings Limited group 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 2016.

	Purchases £000	Sales £000	Owed to £000	Owed by £000
<b>2016</b>				
Churngold Construction Limited	583	6	19	6
Churngold Surfacing Limited	2	-	-	-
Churngold Recycling Limited	-	2	-	-
	<u>585</u>	<u>8</u>	<u>19</u>	<u>6</u>
<b>2015</b>				
Churngold Construction Holdings Limited	7	-	-	-
Churngold Recycling Holdings Limited	-	1	-	-
Churngold Construction Limited	140	110	61	12
Churngold Surfacing Limited	47	4	-	1
Churngold Recycling Limited	-	373	-	-
	<u>194</u>	<u>488</u>	<u>61</u>	<u>13</u>

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2016

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### 15. SHARE CAPITAL

	2016		2015	
	No	£000	No	£000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	15,823	16	15,823	16

### 16. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 May 2016 or 31 May 2015.

### 17. 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.