

Churngold Remediation Limited

UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 May 2018



Churngold Remediation Limited

COMPANY INFORMATION

DIRECTORS

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

The directors present their report and the financial statements of the company for the year ended 31 May 2018.

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 (Resigned 27 June 2017)
A R Brown
S R J Dyke
R N V Mead

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £62,000 (2017: £543,000). Particulars of dividends paid are detailed in note 8 to the financial statements.

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

10th September 2018

Churngold Remediation Limited

STATEMENT OF INCOME AND RETAINED EARNINGS for the year ended 31 May 2018

	Note	2018 £000	2017 £000
TURNOVER	2	1,934	4,239
Cost of sales		(1,444)	(3,017)
GROSS PROFIT		490	1,222
Administrative expenses		(414)	(546)
OPERATING PROFIT	3	76	676
Interest payable and similar expenses	6	(1)	-
PROFIT BEFORE TAXATION		75	676
Taxation	7	(13)	(133)
PROFIT FOR THE FINANCIAL YEAR		62	543
RETAINED EARNINGS AT 1 JUNE		551	223
DIVIDENDS PAID	8	(150)	(215)
RETAINED EARNINGS AT 31 MAY		463	551

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 2018

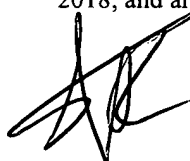
	Note	2018 £000	2017 £000
FIXED ASSETS			
Tangible assets	9	83	25
CURRENT ASSETS			
Debtors	10	511	738
Cash at bank and in hand		206	785
		717	1,523
CREDITORS: amounts falling due within one year	11	(280)	(979)
NET CURRENT ASSETS		437	544
TOTAL ASSETS LESS CURRENT LIABILITIES		520	569
CREDITORS: amounts falling due after more than one year	12	(29)	-
		491	569
PROVISIONS FOR LIABILITIES			
Deferred taxation	13	(12)	(2)
		479	567
CAPITAL AND RESERVES			
Called-up share capital	17	16	16
Profit and loss account		463	551
SHAREHOLDERS FUNDS		479	567

For the financial year ended 31 May 2018, 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 10th September 2018, 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 2018

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.

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.

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.

FINANCIAL INSTRUMENTS

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

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2018

1. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities and equity

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

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

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:

	2018 £000	2017 £000
United Kingdom	1,934	4,239

3. OPERATING PROFIT

Operating profit is stated after charging:

	2018 £000	2017 £000
Operating lease costs:		
Plant and equipment	365	479

4. DIRECTORS AND EMPLOYEES

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

	2018 No	2017 No
Number of management staff	2	2
Number of service staff	4	4
	6	6

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2018

5. DIRECTORS

Remuneration in respect of directors was as follows:

	2018 £000	2017 £000
Emoluments receivable	171	230
Pensions	9	53
	<u>180</u>	<u>283</u>

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

	2018 No	2017 No
Money purchase schemes	<u>2</u>	<u>2</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £000	2017 £000
Interest payable on bank borrowing	<u>1</u>	<u>-</u>

7. TAXATION

Analysis of charge in the year

	2018 £000	2017 £000
Current tax:		
UK Corporation tax based on the results for the year	<u>3</u>	<u>128</u>
Total current tax	3	128

Deferred tax:

Origination and reversal of timing differences (note 13)	<u>10</u>	<u>5</u>
Total tax charge	<u>13</u>	<u>133</u>

8. DIVIDENDS

	2018 £000	2017 £000
Paid during the year:		
Equity dividends on ordinary shares	<u>150</u>	<u>215</u>

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2018

9. TANGIBLE FIXED ASSETS

	Plant & Machinery £000
Cost	
At 1 June 2017	121
Additions	77
At 31 May 2018	198
Depreciation	
At 1 June 2017	96
Charge for the year	19
At 31 May 2018	115
Net Book Value	
At 31 May 2018	83
At 31 May 2017	25

10. DEBTORS

	2018 £000	2017 £000
Trade debtors	61	232
Amounts owed by related undertakings	200	319
Amounts recoverable on contracts	220	185
Prepayments and accrued income	2	2
Other debtors	28	-
	511	738

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade creditors	116	167
Other taxation and social security	11	204
Amounts owed to related undertakings	41	39
Amounts due under finance lease agreements	20	-
Accruals and deferred income	89	440
Corporation tax	3	129
	280	979

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £000	2017 £000
Amounts due under finance lease agreements	29	-
	29	-

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2018

13. DEFERRED TAXATION

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

	2018 £000	2017 £000
Asset / (liability) brought forward	(2)	3
Profit and loss account movement arising during the period	(10)	(5)
Asset / (liability) carried forward	<u>(12)</u>	<u>(2)</u>

The asset / (liability) for deferred taxation consists of the tax effect of timing differences in respect of:

	2018 £000	2017 £000
Fixed asset timing differences	<u>(12)</u>	<u>(2)</u>

14. 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.

15. CONTINGENT LIABILITIES

There are contingent liabilities in respect of performance guarantees entered into in the normal course of business amounting to £141,000 as at 31 May 2018 (2017: £141,000). 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.

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 102 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 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 2018.

	Purchases £000	Sales £000	Owed to £000	Owed by £000
2018				
Related companies	<u>319</u>	<u>4</u>	<u>41</u>	<u>200</u>
2017				
Related companies	<u>459</u>	<u>10</u>	<u>40</u>	<u>319</u>

Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2018

17. SHARE CAPITAL

	2018		2017	
	No	£000	No	£000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	15,823	16	15,823	16

18. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 May 2018 or 31 May 2017.

19. 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 its majority shareholding in the ultimate parent company.