

COMPANY REGISTRATION NUMBER: 3422151

Crossco (281) Limited
Financial Statements
27 September 2020



Crossco (281) Limited

Financial Statements

Year ended 27 September 2020

Contents	Page
Corporate information	1
Strategic report	2
Directors' report	4
Independent auditors' report to the members	6
Income statement	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12

Crossco (281) Limited

Corporate Information

The board of directors

H J Banks
S Fisher
G A Styles

Company secretary

D J Martin

Registered office

Inkerman House
St John's Road
Meadowfield Industrial Estate
Durham
DH7 8XL

Independent auditor

PricewaterhouseCoopers LLP
Level 5 and 6
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Bankers

Santander UK plc
Bootle
Merseyside
L30 4GB

Crossco (281) Limited

Strategic Report

Year ended 27 September 2020

The directors present the Strategic Report for the year ended 27 September 2020.

Review of the business

The results for the year and the financial position of the company are as shown in the financial statements set out from page 9. The state of the company's affairs at 27 September 2020 was satisfactory and no significant changes in the company's business were envisaged. No dividend has been paid (2019: £nil).

Revenue remains primarily derived from royalty on gas generation income. Income is reliant upon utilisation of the site by a third party operator. Profits before tax reduced as a result of lower turnover with reduced gas outputs.

Key performance indicators

The company's key financial performance indicators for the year were:

	2020 £'000	2019 £'000
Turnover	108	112
Profit after tax for the financial year	51	64

Principal risks and uncertainties

Operational Risk – cessation of gas production

The company is reliant on the production of gas from the waste site in which it has an interest to generate revenues. Once the site no longer produces economically viable levels of gas, its income from the waste site will cease. It is expected that this may occur in the next few years.

Operational risk - UK withdrawal from the EU

There remains some uncertainty over the ongoing impact of the withdrawal of the UK from the European Union which may impact on many elements of the UK economy. Given the nature of the business it is not envisaged that there is a material risk of impact on the company's business as a result of such uncertainty.

Future developments

The directors aim to maintain the management policies that have resulted in the company's continued positive trading in recent years albeit with recognition that gas generation may cease in the next few years.

Crossco (281) Limited

Strategic Report *(continued)*

Year ended 27 September 2020

Going concern

Under Company Law, the directors are required to consider whether it is appropriate to prepare financial statements on the basis that the company is a going concern. As part of its normal business practice, cash flow forecasts, longer term financial projections and sensitivity analysis are prepared. In reviewing this information the Board has a reasonable expectation that, both in its own right and as part of the Banks Group Holdings Limited group, the company and Group has adequate resources to continue in operational existence for the foreseeable future and for this reason the going concern basis continues to be adopted in preparing the financial statements. See accounting policies for further details.

This report was approved by the board of directors on 4 March 2021 and signed by order of the board by:



D.J. Martin
Company Secretary

Crossco (281) Limited

Directors' Report

Year ended 27 September 2020

The directors present their report and the financial statements of the company for the year ended 27 September 2020.

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 to set out in the Strategic Report the following which the directors believe to be of strategic importance:

- Review of the business
- Principal risks and uncertainties
- Future developments

Principal activity

The principal activity of the company during the year was leasing sites to a landfill operator.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

H J Banks
S Fisher
G A Styles

Dividends

The directors do not recommend the payment of a dividend (2019: £nil).

Statement of directors' responsibilities in respect of the financial statements

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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 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.

Crossco (281) Limited

Directors' Report *(continued)*

Year ended 27 September 2020

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.

Directors' confirmations

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.

Independent Auditors

PricewaterhouseCoopers LLP were auditors of the Company during the year and have expressed their willingness to continue in office.

This report was approved by the board of directors on 4 March 2021 and signed by order of the board by:



D.J. Martin
Company Secretary

Company registration number: 3422151

Crossco (281) Limited

Independent auditors' report to the members of Crossco (281) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Crossco (281) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 27 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Financial statements (the "Annual Report"), which comprise: the statement of financial position as at 27 September 2020; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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.

Crossco (281) Limited

Independent auditors' report to the members of Crossco (281) Limited (continued)

Reporting on other information (continued)

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 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 27 September 2020 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 Statement of directors' responsibilities in respect of the financial statements, 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.

Crossco (281) Limited

Independent auditors' report to the members of Crossco (281) Limited (continued)

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.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
4 March 2021

Crossco (281) Limited

Income Statement

Year ended 27 September 2020

	Note	2020 £'000	2019 £'000
Turnover	4	108	112
Cost of sales		(45)	(33)
Gross profit		63	79
Operating profit	5	63	79
Profit before tax		63	79
Tax on profit	9	(12)	(15)
Profit for the financial year		51	64

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above. As such, no statement of comprehensive income has been prepared.

The notes on pages 12 to 18 form part of these financial statements.

Crossco (281) Limited
Statement of Financial Position
27 September 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	10	–	–
Current assets			
Debtors	11	1,658	1,604
Creditors: amounts falling due within one year	12	(20)	(17)
Net current assets		<u>1,638</u>	<u>1,587</u>
Total assets less current liabilities		<u>1,638</u>	<u>1,587</u>
Net assets		<u>1,638</u>	<u>1,587</u>
Capital and reserves			
Called up share capital	13	–	–
Profit and loss account	14	<u>1,638</u>	<u>1,587</u>
Total shareholders' funds		<u>1,638</u>	<u>1,587</u>

These financial statements on pages 9 to 17 were approved by the board of directors and authorised for issue on 4 March 2021, and are signed on behalf of the board by:



S Fisher
Director

The notes on pages 12 to 17 form part of these financial statements.

Crossco (281) Limited
Statement of Changes in Equity
Year ended 27 September 2020

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 October 2018	–	1,523	1,523
Profit for the year	<u>–</u>	<u>64</u>	<u>64</u>
Total comprehensive income for the year	–	64	64
At 29 September 2019	–	1,587	1,587
Profit for the year	<u>–</u>	<u>51</u>	<u>51</u>
Total comprehensive income for the year	<u>–</u>	<u>51</u>	<u>51</u>
At 27 September 2020	<u>–</u>	<u>1,638</u>	<u>1,638</u>

The notes on pages 12 to 18 form part of these financial statements.

Crossco (281) Limited
Notes to the Financial Statements
Year ended 27 September 2020

1. General information

Crossco (281) Limited is a limited company incorporated in England. The Registered Office is Inkerman House, St. John's Road, Meadowfield Industrial Estate, Durham, DH7 8XL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The financial statements are prepared in GBP sterling which is the functional currency of the Company. All amounts are rounded to the nearest thousand unless otherwise stated.

(b) Disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirement of Section 11 Basic Financial Instruments paragraphs 11.41 to 11.48(c)
- the requirement of Section 33 Related Party Disclosures paragraphs 33.1A and 33.7

The group in which the results of the Company are consolidated is Banks Group Holdings Limited. Copies of The Banks Group Holdings financial statements can be obtained from its registered office, Inkerman House, St. John's Road, Meadowfield Industrial Estate, Durham, DH7 8XL.

(c) Leasing contracts

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term. Contingent rentals are recognised in the period when they accrue.

Crossco (281) Limited

Notes to the Financial Statements *(continued)*

Year ended 27 September 2020

3. Accounting policies *(continued)*

(d) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. It is considered that there are no areas of judgement or uncertainty that would have a significant effect on the financial statements.

(e) Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be recognised:

Rendering of services

Income from waste management assets is recognised as the underlying gas generation occurs.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

(f) Taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax. Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the statement of financial position.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Crossco (281) Limited

Notes to the Financial Statements *(continued)*

Year ended 27 September 2020

3. Accounting policies *(continued)*

(g) Tangible fixed assets

Depreciation is provided on a straight line basis at rates which write off the original cost of leasehold property over 10 years.

(h) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses. This is classified as a financial asset/liability.

(i) 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 to all of its financial instruments.

All financial assets and liabilities are measured at amortised cost.

4. Turnover

Turnover arises from:

	2020 £'000	2019 £'000
Site Royalties	<u>108</u>	<u>112</u>

All sales arise entirely in the United Kingdom

5. Operating profit

Operating profit is stated after charging:

	2020 £'000	2019 £'000
Royalty charges	<u>45</u>	<u>33</u>

Crossco (281) Limited

Notes to the Financial Statements *(continued)*

Year ended 27 September 2020

6. Auditors' remuneration

	2020 £'000	2019 £'000
Fees payable for the audit of the financial statements	<u>2</u>	<u>2</u>
Fees payable to the company's auditor and its associates for other services: Taxation compliance services	<u>3</u>	<u>2</u>

The fees are borne by the ultimate parent company.

7. Staff costs

The company has no employees in the current and prior years.

8. Directors' remuneration

The directors of the company are also directors of the ultimate parent company and fellow subsidiaries. The remuneration the directors received was paid by The Banks Group Limited, a group company. The directors do not believe it is practicable to apportion this amount between their services as directors of the company and their services as directors of the immediate parent company and/or fellow subsidiary companies.

9. Tax on profit

Major components of tax expense

	2020 £'000	2019 £'000
Current tax:		
Corporation tax charge	<u>12</u>	<u>15</u>
Total tax expense	<u>12</u>	<u>15</u>

Crossco (281) Limited

Notes to the Financial Statements *(continued)*

Year ended 27 September 2020

9. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit for the year is the same as (2019: the same as) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £'000	2019 £'000
Profit before tax	64	79
Profit multiplied by the standard rate of tax	12	15
Total tax on profit	12	15

Factors that may affect future tax expense

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. In the March 2021 Budget, the Government announced an intention to increase corporation tax to 25% from April 2023, subject to enactment. The Company is awaiting clarification of this and other proposed tax changes in order to make a reliable estimate of their potential impact.

10. Tangible assets

	Short leasehold property £'000
Cost	
At 30 September 2019 and 27 September 2020	280
Accumulated depreciation	
At 30 September 2019 and 27 September 2020	280
Carrying amount	
At 27 September 2020	-
At 29 September 2019	-

11. Debtors

	2020 £'000	2019 £'000
Amounts owed by group undertakings	1,651	1,597
Prepayments and accrued income	7	7
	1,658	1,604

Crossco (281) Limited

Notes to the Financial Statements *(continued)*

Year ended 27 September 2020

12. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Accruals and deferred income	<u>20</u>	<u>17</u>

13. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£'000	No.	£'000
Ordinary shares of £1 each	<u>1</u>	<u>—</u>	<u>1</u>	<u>—</u>

14. Profit and loss account

Profit and loss account

This account represents cumulative profits and losses less dividends paid.

15. Contingent liabilities

Santander UK plc holds fixed and floating charges over all the assets of Banks Group Holdings Limited and its subsidiary companies. At the statement of financial position date, liabilities subject to these charges totalled £nil (2019: £nil).

For VAT purposes a Group registration scheme is in operation. Under these arrangements there is a joint and several liability among the companies in the Group for amounts owed to HM Revenue and Customs.

16. Related party disclosures

The company has not disclosed transactions with other Group companies, as it has taken advantage of the exemption contained within FRS 102.33.1A on the grounds that subsidiaries of Banks Group Holdings Limited are wholly owned.

17. Ultimate parent company

The company is a wholly owned subsidiary of H J Banks and Company Limited which is itself a wholly owned subsidiary of Banks Group Holdings Limited, the ultimate holding company. Both of these companies are incorporated in England. Banks Group Holdings Limited is the only group of undertakings for which Group financial statements are drawn up. The Group financial statements can be obtained from the registered office. Mr H J Banks is the controlling party by virtue of his controlling interest in the equity share capital of Banks Group Holdings Limited.