

# Churngold Remediation Limited

## UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 May 2019



# Churngold Remediation Limited

## COMPANY INFORMATION

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### 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

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The directors present their report and the financial statements of the company for the year ended 31 May 2019.

### PRINCIPAL ACTIVITIES

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

A R Brown

S R J Dyke

R N V Mead

### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £95,000 (2018: profit of £62,000). 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

6<sup>th</sup> September 2019

# Churngold Remediation Limited

## STATEMENT OF INCOME AND RETAINED EARNINGS

for the year ended 31 May 2019

	Note	2019 £000	2018 £000
TURNOVER	2	1,335	1,934
Cost of sales		(1,107)	(1,444)
<b>GROSS PROFIT</b>		<b>238</b>	<b>409</b>
Administrative expenses		(354)	(414)
<b>OPERATING (LOSS)/PROFIT</b>	3	<b>(116)</b>	<b>76</b>
Interest payable and similar expenses	6	(1)	(1)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<b>(117)</b>	<b>75</b>
Taxation	7	22	(13)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(95)</b>	<b>62</b>
 RETAINED EARNINGS AT 1 JUNE		 463	 551
DIVIDENDS PAID	8	-	(150)
 RETAINED EARNINGS AT 31 MAY		 368	 463

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 2019

	Note	2019 £000	2018 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	61	83
<b>CURRENT ASSETS</b>			
Debtors	10	227	511
Cash at bank and in hand		406	206
		<u>633</u>	<u>717</u>
CREDITORS: amounts falling due within one year	11	(301)	(280)
		<u>332</u>	<u>437</u>
<b>NET CURRENT ASSETS</b>			
		<u>393</u>	<u>520</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
CREDITORS: amounts falling due after more than one year	12	(9)	(29)
		<u>384</u>	<u>491</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	13	-	(12)
		<u>384</u>	<u>479</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17	16	16
Profit and loss account		368	463
		<u>384</u>	<u>479</u>
<b>SHAREHOLDERS FUNDS</b>			
		<u>384</u>	<u>479</u>

For the financial year ended 31 May 2019, 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 6<sup>th</sup> September 2019, 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 2019

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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.

#### 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.

#### TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

#### 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.

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2019

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### 1. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

#### 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.

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 (loss)/profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2019 £000	2018 £000
United Kingdom	1,335	1,934

### 3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2019 £000	2018 £000
Operating lease costs:		
Plant and equipment	224	365

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2019

### 4. DIRECTORS AND EMPLOYEES

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

	2019 No	2018 No
Number of management staff	2	2
Number of service staff	4	4
	<u>6</u>	<u>6</u>

### 5. DIRECTORS

Remuneration in respect of directors was as follows:

	2019 £000	2018 £000
Emoluments receivable	158	171
Pensions	18	9
	<u>176</u>	<u>180</u>

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

	2019 No	2018 No
Money purchase schemes	<u>2</u>	<u>2</u>

### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £000	2018 £000
Interest payable on hire purchase contracts	<u>1</u>	<u>1</u>

### 7. TAXATION

Analysis of charge / (credit) in the year

	2019 £000	2018 £000
Current tax:		
UK Corporation tax based on the results for the year	(3)	3
Total current tax	<u>(3)</u>	<u>3</u>
Deferred tax:		
Origination and reversal of timing differences (note 13)	(19)	10
Total tax charge / (credit)	<u>(22)</u>	<u>13</u>



# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2019

### 8. DIVIDENDS

	2019 £000	2018 £000
Paid during the year:		
Equity dividends on ordinary shares	-	150

### 9. TANGIBLE FIXED ASSETS

	Plant & Machinery £000
Cost	
At 1 June 2018	198
Additions	2
At 31 May 2019	200
Depreciation	
At 1 June 2018	115
Charge for the year	24
At 31 May 2019	139
Net Book Value	
At 31 May 2019	61
At 31 May 2018	83

### 10. DEBTORS

	2019 £000	2018 £000
Trade debtors	88	61
Amounts owed by related undertakings	38	200
Amounts recoverable on contracts	81	220
Prepayments and accrued income	1	2
Other debtors	19	28
	227	511

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £000	2018 £000
Trade creditors	204	116
Other taxation and social security	11	11
Amounts owed to related undertakings	17	41
Amounts due under finance lease agreements	20	20
Accruals and deferred income	49	89
Corporation tax	-	3
	301	280

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2019

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

	2019 £000	2018 £000
Amounts due under finance lease agreements	9	29
	<u>9</u>	<u>29</u>

### 13. DEFERRED TAXATION

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

	2019 £000	2018 £000
Asset / (liability) brought forward	(12)	(2)
Profit and loss account movement arising during the period	19	(10)
Asset / (liability) carried forward	<u>7</u>	<u>(12)</u>

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

	2019 £000	2018 £000
Fixed asset timing differences	<u>7</u>	<u>(12)</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 2019 (2018: £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 2019.

	Purchases £000	Sales £000	Owed to £000	Owed by £000
<b>2019</b>	182	89	17	38
Related companies	<u>182</u>	<u>89</u>	<u>17</u>	<u>38</u>
<b>2018</b>	319	4	41	200
Related companies	<u>319</u>	<u>4</u>	<u>41</u>	<u>200</u>

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2019

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### 17. SHARE CAPITAL

	2019		2018	
	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 2019 or 31 May 2018.

### 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.