

CLEARAWAY DRAINAGE SERVICES LIMITED

FINANCIAL STATEMENTS

PAGES FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JULY 2018



CLEARAWAY DRAINAGE SERVICES LIMITED

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CLEARAWAY DRAINAGE SERVICES LIMITED

REGISTERED NUMBER:02946763

BALANCE SHEET AS AT 31 JULY 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	153,786	204,147
		<u>153,786</u>	<u>204,147</u>
Current assets			
Stocks		-	9,477
Debtors: amounts falling due within one year	6	665,081	421,205
Cash at bank and in hand		19,686	42,621
		<u>684,767</u>	<u>473,303</u>
Creditors: amounts falling due within one year	7	(332,134)	(355,949)
Net current assets		<u>352,633</u>	<u>117,354</u>
Total assets less current liabilities		<u>506,419</u>	<u>321,501</u>
Creditors: amounts falling due after more than one year	8	(24,340)	(45,294)
Net assets		<u><u>482,079</u></u>	<u><u>276,207</u></u>
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		472,079	266,207
		<u><u>482,079</u></u>	<u><u>276,207</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the Profit and Loss Account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

13-2-19.


Matthew Brian Rowlett
Director



Joanne Healy
Director

The notes on pages 2 to 7 form part of these financial statements.

CLEARAWAY DRAINAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

1. General information

Clearaway Drainage Services Limited is a private company limited by share capital incorporated in England and Wales, registration number 02946763.

Its registered office is Rawreth Industrial Estate, Rawreth Lane, Rayleigh, Essex, SS6 9RL.

Its principal activity is that of drainage services.

The statutory accounting reference date is 29 July 2018 (2017 - 29 July 2017) but the financial statements have been prepared to 31 July 2018 (2017 - 31 July 2017) in order that the period covered by the financial statements is consistent with last year.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The shareholders and loan financiers of the holding company, Flowline Limited, have confirmed their ongoing support of Flowline Limited. As a result, the directors consider the balance due from Flowline Limited to be recoverable. Based upon this and the company's improved financial performance and the financial statements have been prepared on a going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

CLEARAWAY DRAINAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 15% to 33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Amounts recoverable on contracts

Amounts recoverable on contracts are recorded at sales value estimated to be recovered and are measured at a percentage of the completion of the contracts concerned.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CLEARAWAY DRAINAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

CLEARAWAY DRAINAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £7,450 (2017 - £5,200).

4. Employees

The average monthly number of employees, including directors, during the year was 15 (2017 - 16).

CLEARAWAY DRAINAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 August 2017	1,087,374
Additions	5,949
Disposals	(275,000)
At 31 July 2018	<u>818,323</u>
Depreciation	
At 1 August 2017	883,227
Charge for the year	56,310
Disposals	(275,000)
At 31 July 2018	<u>664,537</u>
Net book value	
At 31 July 2018	<u><u>153,786</u></u>
At 31 July 2017	<u><u>204,147</u></u>

6. Debtors

	2018 £	2017 £
Trade debtors	192,407	179,934
Amounts owed by group undertakings	399,249	168,011
Other debtors	6,236	5,500
Prepayments and accrued income	42,004	41,905
Amounts recoverable on long term contracts	14,492	5,035
Deferred taxation	10,693	20,820
	<u><u>665,081</u></u>	<u><u>421,205</u></u>

CLEARAWAY DRAINAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	69,762	58,099
Other taxation and social security	54,544	62,068
Obligations under finance lease and hire purchase contracts	25,597	63,716
Balance advanced on debtors	129,681	116,879
Other creditors	7,081	7,400
Accruals and deferred income	45,469	47,787
	<u>332,134</u>	<u>355,949</u>

The balance advanced on debtors is secured against the book debts of the company.

The balance of obligations under finance lease and hire purchase contracts is secured against the assets concerned.

8. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	24,340	45,294
	<u>24,340</u>	<u>45,294</u>

9. Commitments under operating leases

Operating lease commitments not included in the balance sheet amount to £3,739 (2017 - £27,434).

10. Related party transactions

The company has taken advantage of the exemption provided in FRS 102 Section 1A from disclosing transactions with members of the same group that are wholly owned.

The smallest group for which consolidated financial statements is prepared which include the results of the company is that headed by Flowline Limited, whose registered office is Rawreth Industrial Estate, Rawreth Lane, Rayleigh, Essex, SS6 9RL.

11. Auditor's information

The auditor's report on the financial statements for the year ended 31 July 2018 was unqualified.

The audit report was signed by Timothy O'Connor (Senior Statutory Auditor) on behalf of Scrutton Bland LLP (Statutory Auditor).