

Company Registration No. 03086829 (England and Wales)

A E YATES TRENCHLESS SOLUTIONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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A E YATES TRENCHLESS SOLUTIONS LIMITED

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A E YATES TRENCHLESS SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		134,178		178,975
Current assets					
Stocks		113,492		114,326	
Debtors	4	2,788,551		1,877,599	
Cash at bank and in hand		-		271,216	
		<u>2,902,043</u>		<u>2,263,141</u>	
Creditors: amounts falling due within one year	6	<u>(2,303,934)</u>		<u>(1,678,840)</u>	
Net current assets			598,109		584,301
Total assets less current liabilities			<u>732,287</u>		<u>763,276</u>
Creditors: amounts falling due after more than one year	7		-		(27,822)
Net assets			<u><u>732,287</u></u>		<u><u>735,454</u></u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			<u>732,187</u>		<u>735,354</u>
Total equity			<u><u>732,287</u></u>		<u><u>735,454</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

A E YATES TRENCHLESS SOLUTIONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2017

The financial statements were approved by the board of directors and authorised for issue on 1 November 2017 and are signed on its behalf by:

Miss V M Whitehead

Director

Company Registration No. 03086829

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Company information

A E Yates Trenchless Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cranfield Road, Lostock Industrial Estate, Lostock, Bolton.

1.1 Accounting convention

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") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 August 2017 are the first financial statements of A E Yates Trenchless Solutions Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

In respect of ongoing services, turnover represents the value of work done in the year, including estimates of amounts not yet invoiced. Turnover in respect of ongoing services is recognised by reference to the stage of completion.

Amounts recoverable on contracts are assessed on a contract to contract basis and reflected in the profit and loss account as contract activity progresses - see the accounting policy on construction contracts for further details.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 26 (2016 - 26).

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 September 2016	-	10,619	220,292	230,911
Additions	19,472	-	23,894	43,366
Disposals	-	-	(76,209)	(76,209)
At 31 August 2017	19,472	10,619	167,977	198,068
Depreciation and impairment				
At 1 September 2016	-	7,720	44,216	51,936
Depreciation charged in the year	-	725	38,583	39,308
Eliminated in respect of disposals	-	-	(27,354)	(27,354)
At 31 August 2017	-	8,445	55,445	63,890
Carrying amount				
At 31 August 2017	19,472	2,174	112,532	134,178
At 31 August 2016	-	2,899	176,076	178,975

Motor vehicles with a carrying amount of £93,094 (2016 - £118,183) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	466,770	440,668
Gross amounts due from contract customers	2,132,594	1,289,625
Amounts due from group undertakings	137,000	112,520
Other debtors	14,759	103
	2,751,123	1,842,916
Deferred tax asset	37,428	34,683
	2,788,551	1,877,599

5 Construction contracts

	2017 £	2016 £
Contracts in progress at the reporting date		
Gross amounts due from contract customers included in debtors	2,132,594	1,289,625

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts		741,022	-
Obligations under finance leases		49,327	52,034
Trade creditors		1,355,873	1,264,030
Other taxation and social security		40,120	89,051
Other creditors		117,592	273,725
		<u>2,303,934</u>	<u>1,678,840</u>

The bank borrowings are secured by way of an unlimited guarantee with all other group companies and by a debenture covering all the assets of A E Yates Trenchless Solutions Limited.

The liabilities under hire purchase agreements are secured on the assets to which they relate.

7 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases		-	27,822
		<u>-</u>	<u>27,822</u>

The liabilities under hire purchase agreements are secured on the assets to which they relate.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9 Parent company

The company is a wholly owned subsidiary of Trenchless Holdings Limited, the company's parent company registered in England and Wales.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.