

Company registration number 03086829 (England and Wales)

A E YATES TRENCHLESS SOLUTIONS LIMITED

**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2022

PAGES FOR FILING WITH REGISTRAR

A E YATES TRENCHLESS SOLUTIONS LIMITED

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A E YATES TRENCHLESS SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

| | Notes | 2022 £ | £ | 2021 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 3 | | 8,858 | | 11,810 |
| Current assets | | | | | |
| Stocks | | 126,487 | | 126,487 | |
| Debtors | 4 | 24,913 | | 346,753 | |
| | | <u>151,400</u> | | <u>473,240</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(315,397)</u> | | <u>(590,724)</u> | |
| Net current liabilities | | | <u>(163,997)</u> | | <u>(117,484)</u> |
| Net liabilities | | | <u>(155,139)</u> | | <u>(105,674)</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 100 | | 100 |
| Profit and loss reserves | | | <u>(155,239)</u> | | <u>(105,774)</u> |
| Total equity | | | <u>(155,139)</u> | | <u>(105,674)</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 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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.

The financial statements were approved by the board of directors and authorised for issue on 12 December 2022 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 2022

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. The principal accounting policies adopted are set out below.

1.2 Going concern

Although at 31 August 2022 the company had net liabilities of £155,139 the directors' are of the opinion that it is appropriate to prepare financial statements on the going concern basis due to the continued support from the parent company and the company's bankers.

1.3 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 on 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.

1.4 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 revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.5 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 |
| 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.

1.6 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.

1.7 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 cost and replacement 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.

1.8 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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.9 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 measured at transaction price. 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, are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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.

1.10 Equity instruments

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

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2022 Number | 2021 Number |
|-------|----------------|----------------|
| Total | 2 | 7 |

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Tangible fixed assets

| | Plant and equipment | Motor vehicles | Total |
|--|------------------------|----------------|--------|
| | £ | £ | £ |
| Cost | | | |
| At 1 September 2021 and 31 August 2022 | 19,472 | 26,519 | 45,991 |
| Depreciation and impairment | | | |
| At 1 September 2021 | 19,472 | 14,709 | 34,181 |
| Depreciation charged in the year | - | 2,952 | 2,952 |
| At 31 August 2022 | 19,472 | 17,661 | 37,133 |
| Carrying amount | | | |
| At 31 August 2022 | - | 8,858 | 8,858 |
| At 31 August 2021 | - | 11,810 | 11,810 |

Motor vehicles with a carrying amount of £8,858 (2021 - £11,810) 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

| | 2022 | 2021 |
|---|--------|---------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 6,681 | 79,689 |
| Gross amounts due from contract customers | 14,222 | 235,718 |
| Amounts due from group undertakings | 672 | 15,704 |
| Other debtors | 98 | 12,402 |
| Prepayments and accrued income | 3,240 | 3,240 |
| | 24,913 | 346,753 |

5 Construction contracts

| | 2022 | 2021 |
|--|--------|---------|
| | £ | £ |
| Contracts in progress at the reporting date | | |
| Gross amounts owed by contract customers included in debtors | 14,222 | 235,718 |

A E YATES TRENCHLESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 240,603 | 276,688 |
| Trade creditors | 36,797 | 219,958 |
| Amounts owed to group undertakings | - | 11,520 |
| Taxation and social security | 11,838 | 53,472 |
| Other creditors | 26,159 | 29,086 |
| | <hr/> | <hr/> |
| | 315,397 | 590,724 |
| | <hr/> | <hr/> |

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.

7 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.