

COMPANY REGISTRATION NUMBER: 03088958

AUGER SITE INVESTIGATIONS LIMITED

FINANCIAL STATEMENTS

31 AUGUST 2017



AUGER SITE INVESTIGATIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

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AUGER SITE INVESTIGATIONS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr D W Brewster
Mrs J C Brewster

Company secretary

Mr D W Brewster

Registered office

Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

Auditor

ERC Accountants & Business Advisers Limited
Chartered accountant & statutory auditor
Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

Bankers

HSBC
52 Hamilton Street
Birkenhead
CH41 5AE

AUGER SITE INVESTIGATIONS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 AUGUST 2017

The principal activity of the company is the investigation of drains for insurance companies and the private sector.

The business continues with a risk based approach in invoicing insurance excess amounts before completing any works on site.

The business throughout the year ended 31 August 2017 continued to provide services to insurance companies and the private sector in site investigations and drain repairs. Continuing the theme from 2016, revenues generated from these services have continued to increase, from £6.9m in 2016 to £7.9m in 2017. Gross profit margin has increased by 5%.

This growth reflects the continued investment in our machinery, equipment and vehicles and our staff resources, increasing our ability to continue to provide high quality services throughout the UK and giving cause for further optimism for 2017/18 and beyond.

Management continue to monitor the performance of the business through monthly data, including key performance indicators such as time taken to recover debts, review of the statement of financial position and any major fluctuations within the statement of income.

Management are satisfied with the financial performance and position as at the 31 August 2017.

The company's financial instruments, other than derivatives, comprise borrowings, some cash and liquid resources, and various items, such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The company is exposed to the usual credit related losses in the event of non payment by customers but the risks have been mitigated through various processes to ensure that such events will not endanger the company's financial stability.

This report was approved by the board of directors on 16/11/2017 and signed on behalf of the board by:



Mr D W Brewster
Director

Registered office:
Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

AUGER SITE INVESTIGATIONS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2017

The directors present their report and the financial statements of the company for the year ended 31 August 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the investigation of drains for insurance companies and the private sector.

DIRECTORS

The directors who served the company during the year were as follows:

Mr D W Brewster
Mrs J C Brewster

DIVIDENDS

The directors do not recommend the payment of a dividend.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

In accordance with Section 414C of the Companies Act 2006 a review of the company's business and a description of the principal risks and uncertainties facing the company is included in the Strategic Report. The Strategic Report replaces the previous requirement under Section 417 of the Companies Act 2006 to disclose this information in the Directors' Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

AUGER SITE INVESTIGATIONS LIMITED

DIRECTORS' REPORT (*continued*)

YEAR ENDED 31 AUGUST 2017

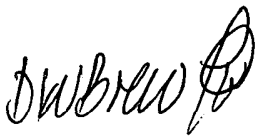
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 16/11/2017 and signed on behalf of the board by:



Mr D W Brewster
Director

Registered office:
Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

AUGER SITE INVESTIGATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUGER SITE INVESTIGATIONS LIMITED

YEAR ENDED 31 AUGUST 2017

OPINION

We have audited the financial statements of Auger Site Investigations Limited (the 'company') for the year ended 31 August 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the 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.

AUGER SITE INVESTIGATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUGER SITE INVESTIGATIONS LIMITED (*continued*)

YEAR ENDED 31 AUGUST 2017

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

AUGER SITE INVESTIGATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUGER SITE INVESTIGATIONS LIMITED (*continued*)

YEAR ENDED 31 AUGUST 2017

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

AUDITOR'S 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUGER SITE INVESTIGATIONS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUGER SITE
INVESTIGATIONS LIMITED (*continued*)**

YEAR ENDED 31 AUGUST 2017

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mark Wrigglesworth 16-Nov-17.

MARK WRIGGLESWORTH (Senior Statutory Auditor)

For and on behalf of
ERC Accountants & Business Advisers Limited
Chartered accountant & statutory auditor
Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

AUGER SITE INVESTIGATIONS LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS****YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
TURNOVER	4	7,869,453	6,943,240
Cost of sales		<u>3,892,624</u>	<u>3,739,694</u>
GROSS PROFIT		3,976,829	3,203,546
Administrative expenses		<u>2,281,590</u>	<u>1,352,948</u>
OPERATING PROFIT	5	1,695,239	1,850,598
Other interest receivable and similar income	8	103	718
Amounts written back to investments		—	78,786
Interest payable and similar expenses	9	<u>17,579</u>	<u>15,292</u>
PROFIT BEFORE TAXATION		1,677,763	1,757,238
Tax on profit	10	<u>232,236</u>	<u>303,150</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>1,445,527</u>	<u>1,454,088</u>
RETAINED EARNINGS AT THE START OF THE YEAR		<u>4,168,104</u>	<u>2,714,016</u>
RETAINED EARNINGS AT THE END OF THE YEAR		<u>5,613,631</u>	<u>4,168,104</u>

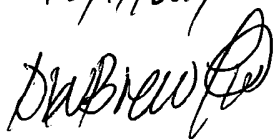
All the activities of the company are from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

AUGER SITE INVESTIGATIONS LIMITED**STATEMENT OF FINANCIAL POSITION****31 AUGUST 2017**

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	11	1,867,861	1,527,553
CURRENT ASSETS			
Debtors	12	4,413,194	3,681,257
Cash at bank and in hand		1,110,683	691,080
		<u>5,523,877</u>	<u>4,372,337</u>
CREDITORS: Amounts falling due within one year	13	<u>1,772,987</u>	<u>1,566,192</u>
NET CURRENT ASSETS		3,750,890	2,806,145
TOTAL ASSETS LESS CURRENT LIABILITIES		5,618,751	4,333,698
CREDITORS: Amounts falling due after more than one year	14	42,772	33,929
PROVISIONS			
Taxation including deferred tax	16	(37,752)	131,565
NET ASSETS		<u>5,613,731</u>	<u>4,168,204</u>
CAPITAL AND RESERVES			
Called up share capital	20	100	100
Profit and loss account	21	5,613,631	4,168,104
SHAREHOLDERS FUNDS		<u>5,613,731</u>	<u>4,168,204</u>

These financial statements were approved by the board of directors and authorised for issue on 16/11/2017, and are signed on behalf of the board by:



Mr D W Brewster
Director

Company registration number: 03088958

The notes on pages 12 to 23 form part of these financial statements.

AUGER SITE INVESTIGATIONS LIMITED**STATEMENT OF CASH FLOWS****YEAR ENDED 31 AUGUST 2017**

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,445,527	1,454,088
<i>Adjustments for:</i>		
Depreciation of tangible assets	303,116	290,206
Amounts written back to investments	–	78,786
Fair value adjustment of investment property	478,928	–
Other interest receivable and similar income	(103)	(718)
Interest payable and similar expenses	17,579	15,292
Loss/(gains) on disposal of tangible assets	109	(6,309)
Tax on profit	232,236	303,150
Accrued expenses	11,791	112,656
<i>Changes in:</i>		
Trade and other debtors	(731,937)	(1,060,320)
Trade and other creditors	(22,885)	304,951
Cash generated from operations	1,734,361	1,491,782
Interest paid	(17,579)	(15,292)
Interest received	103	718
Tax paid	(149,437)	(381,939)
Net cash from operating activities	<u>1,567,448</u>	<u>1,095,269</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(1,123,112)	(1,086,255)
Proceeds from sale of tangible assets	651	28,621
Proceeds from sale of other investments	–	1
Net cash used in investing activities	<u>(1,122,461)</u>	<u>(1,057,633)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of finance lease liabilities	(25,384)	(115,122)
Net cash used in financing activities	<u>(25,384)</u>	<u>(115,122)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	419,603	(77,486)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>691,080</u>	<u>768,566</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,110,683</u>	<u>691,080</u>

The notes on pages 12 to 23 form part of these financial statements.

AUGER SITE INVESTIGATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2017

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Hanover Buildings, 11-13 Hanover Street, Liverpool, L1 3DN.

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

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Partnership investment

The share of the loss from the Howard Terrace LLP for its accounting period ending within the accounting period of the company is included in the accounts of that period of the company. The partnership investment was disposed of during the year.

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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Income is recognised when the contract or a stage of the contract is complete. Turnover shown in the profit and loss account is measured on an accrual basis, exclusive of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

YEAR ENDED 31 AUGUST 2017

3. ACCOUNTING POLICIES (*continued*)

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

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.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 AUGUST 2017

3. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	25% reducing balance
Fixtures, fittings and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

YEAR ENDED 31 AUGUST 2017

3. ACCOUNTING POLICIES (*continued*)

Provisions (*continued*)

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 AUGUST 2017**

4. TURNOVER

Turnover arises from:

	2017	2016
	£	£
Rendering of services	7,669,453	6,943,240
Grants	200,000	—
	<u>7,869,453</u>	<u>6,943,240</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	303,116	290,206
Loss/(gains) on disposal of tangible assets	109	(6,309)
Fair value adjustments to investment property	478,928	—
Impairment of trade debtors	<u>418</u>	<u>—</u>

6. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Administrative staff	28	22
Management staff	10	11
Site investigation staff	23	21
Drain repair staff	24	15
Water mains staff	<u>13</u>	<u>5</u>
	<u>98</u>	<u>74</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,427,896	2,120,432
Other pension costs	<u>214,791</u>	<u>43,989</u>
	<u>2,642,687</u>	<u>2,164,421</u>

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 AUGUST 2017**

7. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	325	9,035
Company contributions to defined contribution pension plans	161,868	—
	<u>162,193</u>	<u>9,035</u>

8. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£	£
Interest on cash and cash equivalents	103	—
Bank interest receivable	—	594
Other interest receivable and similar income	—	124
	<u>103</u>	<u>718</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Interest on banks loans and overdrafts	1,004	1,886
Interest on obligations under finance leases and hire purchase contracts	16,575	13,406
	<u>17,579</u>	<u>15,292</u>

10. TAX ON PROFIT**Major components of tax expense**

	2017	2016
	£	£
Current tax:		
UK current tax expense	401,553	300,634
Adjustments in respect of prior periods	—	(15,959)
Total current tax	<u>401,553</u>	<u>284,675</u>
Deferred tax:		
Origination and reversal of timing differences	(169,317)	18,475
Tax on profit	<u>232,236</u>	<u>303,150</u>

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

YEAR ENDED 31 AUGUST 2017

10. TAX ON PROFIT (*continued*)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.58% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	1,677,763	1,757,238
Profit on ordinary activities by rate of tax	328,562	351,448
Adjustment to tax charge in respect of prior periods	–	(15,959)
Effect of expenses not deductible for tax purposes	322	150
Effect of capital allowances and depreciation	(169,317)	(18,475)
Rounding on tax charge	(52)	–
Deferred tax	72,721	18,475
Research and development claim	–	(32,489)
Tax on profit	<u>232,236</u>	<u>303,150</u>

11. TANGIBLE ASSETS

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Property £	Total £
Cost or valuation					
At 1 September 2016	745,530	4,304	953,263	676,412	2,379,509
Additions	100,667	90,360	479,569	452,516	1,123,112
Disposals	(1,351)	–	–	–	(1,351)
Revaluations	–	–	–	(478,928)	(478,928)
At 31 August 2017	<u>844,846</u>	<u>94,664</u>	<u>1,432,832</u>	<u>650,000</u>	<u>3,022,342</u>
Depreciation					
At 1 September 2016	443,911	3,415	404,630	–	851,956
Charge for the year	87,191	18,844	197,081	–	303,116
Disposals	(591)	–	–	–	(591)
At 31 August 2017	<u>530,511</u>	<u>22,259</u>	<u>601,711</u>	<u>–</u>	<u>1,154,481</u>
Carrying amount					
At 31 August 2017	<u>314,335</u>	<u>72,405</u>	<u>831,121</u>	<u>650,000</u>	<u>1,867,861</u>
At 31 August 2016	<u>301,619</u>	<u>889</u>	<u>548,633</u>	<u>676,412</u>	<u>1,527,553</u>

The property was revalued on 30 May 2017 by Barnett Waddingham, on an open market basis with a valuation of £650,000.

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 AUGUST 2017****11. TANGIBLE ASSETS (continued)****Tangible assets held at valuation**

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31 August 2017	
Aggregate cost	1,128,928
Aggregate depreciation	—
Carrying value	<u><u>1,128,928</u></u>
At 31 August 2016	
Aggregate cost	676,412
Aggregate depreciation	—
Carrying value	<u><u>676,412</u></u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Total £
At 31 August 2017	<u>43,838</u>	<u>181,144</u>	<u>224,982</u>
At 31 August 2016	<u>58,451</u>	<u>141,092</u>	<u>199,543</u>

12. DEBTORS

	2017 £	2016 £
Trade debtors	832,318	1,107,604
Prepayments and accrued income	209,671	111,651
Directors loan account	2,197,192	1,540,222
Other debtors	<u>1,174,013</u>	<u>921,780</u>
	<u><u>4,413,194</u></u>	<u><u>3,681,257</u></u>

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 AUGUST 2017**

12. DEBTORS (continued)

The debtors above include the following amounts falling due after more than one year:

	2017	2016
	£	£
Other debtors	<u>600,367</u>	<u>562,146</u>

13. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	399,270	471,033
Accruals and deferred income	231,126	219,335
Corporation tax	680,225	428,109
Social security and other taxes	273,679	223,473
Obligations under finance leases and hire purchase contracts	69,786	104,013
Other creditors	<u>118,901</u>	<u>120,229</u>
	<u>1,772,987</u>	<u>1,566,192</u>

14. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Obligations under finance leases and hire purchase contracts	<u>42,772</u>	<u>33,929</u>

15. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2017	2016
	£	£
Not later than 1 year	69,786	104,013
Later than 1 year and not later than 5 years	<u>42,772</u>	<u>33,929</u>
	<u>112,558</u>	<u>137,942</u>

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 AUGUST 2017**

16. PROVISIONS

	Deferred tax (note 17) £
At 1 September 2016	131,565
Additions	(169,317)
At 31 August 2017	<u>(37,752)</u>

17. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2017 £	2016 £
Included in provisions (note 16)	<u>(37,752)</u>	<u>131,565</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017 £	2016 £
Accelerated capital allowances	56,038	131,565
Revaluation of tangible assets	(93,790)	—
	<u>(37,752)</u>	<u>131,565</u>

18. EMPLOYEE BENEFITS**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £214,791 (2016: £43,989).

19. FINANCIAL INSTRUMENTS

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS *(continued)*****YEAR ENDED 31 AUGUST 2017**

20. CALLED UP SHARE CAPITAL**Issued, called up and fully paid**

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

21. RESERVES

The profit and loss account reserve records retained earnings and accumulated losses.

22. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	3,103	2,577
Later than 1 year and not later than 5 years	<u>1,670</u>	<u>2,548</u>
	<u>4,773</u>	<u>5,125</u>

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The directors had a brought forward advance from the company of £1,540,222. They received interest free advances during the year totalling £827,188 and repaid amounts totalling £170,218. All advances are repayable on demand. The advance carried forward is £2,197,192.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

YEAR ENDED 31 AUGUST 2017

24. RELATED PARTY TRANSACTIONS

During the year the company had the following related party transactions (Inclusive of VAT):

A company related by way of common control; recharges of £23,439 (2016: recharges of £1,690). As at 31 August 2017 the balance receivable was £178,849 (2016: receivable was £155,410).

A company related by way of common control; recharges of £2,722 and loans repayments of £12,000 (2016: recharges £7,519, repaid £87 and loan repayments £9,000). As at 31 August 2017 the balance receivable was £421,133 (2016: receivable was £406,411).

A company related by way of common control; recharges of £60 (2016: recharges £73 and repaid £13,500). As at 31 August 2017 the balance receivable was £385 (2016: receivable was £325).

The following entities are included in the Directors' Loan Account (inclusive of VAT where applicable):

A partnership related by way of common control; had recharges of £Nil (2016: recharges £13,102). As at 31 August 2017 the balance receivable of £44,967 was transferred to the Directors' Loan Account (2016: receivable was £44,967 included within Directors' Loan Account).

A partnership related by way of common control; received sales totalling £55,474 and repaid amounts totalling £210 (2016: sales £10,349). As at 31 August 2017 the balance receivable was £174,236 (2016: receivable was £118,972). This balance is included within the Directors' Loan Account.

The directors; introduced amounts totalling £170,008, withdrew amounts totalling £771,714 and had a partnership related by way of common control receivable balance of £44,967 transferred to the Directors' Loan Account (2016: introduced £21,408 and withdrew £409,804). As at 31 August 2017 the balance receivable was £2,022,957 (2016: receivable was £1,376,284). This balance is included within the Directors' Loan Account.

No further transactions with related parties were undertaken such as are required to be disclosed in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.