

Churngold Construction Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2012

Churngold Construction Limited

COMPANY INFORMATION

DIRECTORS

J R Ancell (Chairman)
A R Brown (Managing Director)
R N Tredwin (Finance Director)
R K McCabe (Commercial Director)
M G Best (Director - Wales)
G A Wiltshire (Operations Director)

SECRETARY

R N Tredwin

REGISTERED OFFICE

St Andrews House
St Andrews Road
Avonmouth
Bristol
BS11 9DQ

BANKERS

Bank of Scotland
21 Prince Street
Bristol
BS99 7JG

SOLICITORS

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55 - 61 Victoria Street
Bristol
BS1 6AD

Churngold Construction Limited

REPORT OF THE DIRECTORS

The directors present their report and the financial statements of the company for the year ended 31 May 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company are ground works, enabling works and civil engineering services.

The business has performed well given the difficult market conditions and the Directors will continue to ensure that a strong cash backed balance sheet is maintained going forward.

FUTURE DEVELOPMENTS

The construction industry continues to be challenging, however the level of work in hand leaves the business well placed for the next financial year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £521,000 (2011:£286,000). Particulars of dividends paid are detailed in note 9 to the financial statements.

KEY PERFORMANCE INDICATORS

Financial metrics		2012	2011	Change in the year
Revenue	£000	20,742	25,663	- 19%
Earnings before interest, tax, depreciation, amortisation and central management costs	£000	991	697	+ 42%
Average days turnover in amounts recoverable on contracts	Days	59	46	+ 13 days
Work in hand as % of next year's budget	%	57	46	+ 11%
People				
Staff as at 31 May	No	108	127	- 15%

The Directors consider the KPI's acceptable in the current economic climate.

FUNDING AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising are liquidity, credit and interest rate risks. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity

The company uses hire purchase facilities provided by various major high street lenders and overdraft facilities provided by Bank of Scotland. At the year end the company has access to undrawn borrowing facilities of £1,000,000 (2011: £750,000). The maturity profile of banking facilities is regularly reviewed and such facilities are extended or replaced well in advance of their expiry. The company does not enter into speculative financial transactions and uses financial instruments (e.g. Trade Credit Insurance) for certain risk management purposes.

Credit Risk

The company's principal financial assets are cash, trade debtors and amounts recoverable on contracts. The company limits deposits to short term deposits with its bankers. The principal credit risk arises therefore from its debtors/amounts recoverable on contracts.

In order to manage this risk all jobs and customers are credit checked at contract stage and credit insurance is arranged on the majority of debts.

Churngold Construction Limited

REPORT OF THE DIRECTORS (*continued*)

Interest Rate Risk

The company reduces exposure to interest rates through a mixture of fixed rate hire purchase arrangements and variable rates for overdraft facilities.

DIRECTORS

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

J R Ancell
A R Brown
R N Tredwin
R K McCabe
M G Best
G A Wiltshire

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of 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 judgements 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.

The directors are responsible for keeping adequate accounting records that 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Churngold Construction Limited

REPORT OF THE DIRECTORS *(continued)*

AUDITOR

Baker Tilly UK Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



R N Tredwin
Secretary

8 August 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHURNGOLD CONSTRUCTION LIMITED

We have audited the financial statements on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Baker Tilly UK Audit LLP

ANDREW ALLCHIN (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Date: 8 August 2012

Churngold Construction Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2012

	Note	2012 £000	2011 £000
TURNOVER	2	20,742	25,663
Cost of sales		(18,224)	(23,566)
		<hr/>	<hr/>
GROSS PROFIT		2,518	2,097
Administrative expenses		(1,852)	(1,734)
		<hr/>	<hr/>
OPERATING PROFIT	3	666	363
Income from fixed asset investments		40	35
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		706	398
Interest receivable and similar income	6	24	18
Interest payable and similar charges	7	(19)	(24)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		711	392
Tax on profit on ordinary activities	8	(190)	(106)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	22	521	286
		<hr/> <hr/>	<hr/> <hr/>

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.

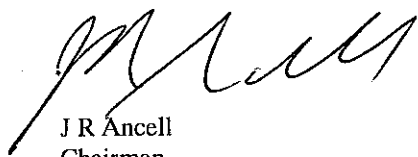
Churngold Construction Limited

BALANCE SHEET

as at 31 May 2012

	Note	2012 £000	2011 £000
FIXED ASSETS			
Tangible assets	10	1,142	1,216
Investments	11	66	66
		<u>1,208</u>	<u>1,282</u>
CURRENT ASSETS			
Debtors	12	5,269	4,415
Cash at bank and in hand		2,762	2,989
		<u>8,031</u>	<u>7,404</u>
CREDITORS: amounts falling due within one year	13	7,282	6,742
		<u>749</u>	<u>662</u>
NET CURRENT ASSETS			
		<u>1,957</u>	<u>1,944</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	14	184	290
		<u>1,773</u>	<u>1,654</u>
PROVISION FOR LIABILITIES			
Deferred taxation	17	21	23
		<u>1,752</u>	<u>1,631</u>
CAPITAL AND RESERVES			
Called-up share capital	21	16	16
Profit and loss account	22	1,736	1,615
		<u>1,752</u>	<u>1,631</u>
SHAREHOLDERS FUNDS	23	1,752	1,631

These financial statements on pages 7 to 18 were approved by the directors and authorised for issue on 8 August 2012 and are signed on their behalf by:



J R Ancell
Chairman

Churngold Construction Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

1. PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996): Cash Flow Statements, from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

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.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, other than freehold land, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	- over 3 to 7 years (straight line)
Motor vehicles	- over 4 to 7 years (straight line)
Leasehold improvements	- over 40 years or period of lease if shorter than 40 years
Freehold property costs	- over 2 years (straight line).

FINANCE LEASE AGREEMENTS

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the capital element which reduces the outstanding obligation for future instalments, and the finance element, which represents a constant proportion of the outstanding obligation for future instalments and is charged to the profit and loss account over the period of the lease.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company contributes to the personal pension of all employees. Contributions are charged to the profit and loss account as incurred.

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.

Churngold Construction Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2012

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Churngold Construction Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2012

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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.

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. The value of work completed at the year end for which no sales invoice has been raised or no certification paid is included in amounts recoverable on long-term contracts.

INVESTMENTS

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

CONSOLIDATION

The company has taken advantage of the exemption granted under section 408 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary undertaking of a company preparing and publishing consolidated financial statements. Accordingly, these financial statements present information about the results of the company as an individual undertaking and not its group.

SHARE-BASED PAYMENT

Equity-settled share-based payment.

All material share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

In the opinion of the directors the potential charge arising under FRS 20 is not material to these financial statements and so has not been recognised.

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 May 2012

2. **TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2012 £000	2011 £000
United Kingdom	20,742	25,663

3. **OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2012 £000	2011 £000
Depreciation of owned fixed assets	91	92
Depreciation of assets held under finance lease agreements	150	158
Profit on disposal of fixed assets	(4)	(48)
Auditor's remuneration:		
Audit fees – Baker Tilly UK Audit LLP	7	7
Non-audit fees – Baker Tilly Tax & Accounting Limited	2	2
Operating lease costs:		
Plant and equipment	1,989	3,034
Other	42	86

4. **DIRECTORS AND EMPLOYEES**

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

	2012 No	2011 No
Operatives	82	95
Administration and managerial	33	35
	115	130

The aggregate payroll costs of the above were:

	2012 £000	2011 £000
Wages and salaries	4,180	4,688
Social security costs	417	431
Other pension costs	60	3
	4,657	5,122

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 May 2012

5. DIRECTORS

Remuneration in respect of directors was as follows:

	2012 £000	2011 £000
Emoluments receivable	444	336
Value of company pension contributions to money purchase schemes	57	40
Unrealised gain made on exercise of EMI share options	-	-
	<u>501</u>	<u>376</u>

Emoluments of highest paid director:

	2012 £000	2011 £000
Total emoluments (excluding pension contributions)	135	109
Value of company pension contributions to money purchase schemes	4	-
	<u>139</u>	<u>109</u>

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

	2012	2011
Money purchase schemes	<u>4</u>	<u>4</u>

Share options have been issued to certain directors which will be satisfied from the existing share capital of the ultimate parent company. One director exercised share options during the year (2011: one).

6. INTEREST RECEIVABLE

	2012 £000	2011 £000
Bank interest receivable	<u>24</u>	<u>18</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £000	2011 £000
Finance charges payable under finance lease agreements	15	19
Bank interest and other similar charges	4	5
	<u>19</u>	<u>24</u>

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 May 2012

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £000	2011 £000
Current tax		
UK Corporation tax based on the results for the year at 26% (2011: 28%)	192	88
Total current tax	<u>192</u>	<u>88</u>
Deferred tax:		
Origination and reversal of timing differences	(2)	18
Tax on profit on ordinary activities	<u><u>190</u></u>	<u><u>106</u></u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2011: 28%).

	2012 £000	2011 £000
Profit on ordinary activities before taxation	<u>711</u>	<u>392</u>
Profit on ordinary activities by rate of tax	183	110
Expenses not deductible for tax purposes	13	9
Income not subject to tax	(10)	(11)
Capital allowances for period (in excess of) / less than depreciation	6	(20)
Current tax (note 8(a))	<u><u>192</u></u>	<u><u>88</u></u>

9. DIVIDENDS

	2012 £000	2011 £000
Paid during the year:		
Equity dividends on ordinary shares	<u><u>400</u></u>	<u><u>270</u></u>

Churngold Construction Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2012

10. TANGIBLE FIXED ASSETS

	Freehold Property £000	Plant Machinery £000	Motor Vehicles £000	Leasehold Improvements £000	Total £000
Cost					
At 1 June 2011	431	1,392	51	41	1,915
Additions	35	165	18	-	218
Disposals	-	(96)	(8)	-	(104)
At 31 May 2012	<u>466</u>	<u>1,461</u>	<u>61</u>	<u>41</u>	<u>2,209</u>
Depreciation					
At 1 June 2011	2	631	25	41	699
Charge for the year	17	206	18	-	241
On disposal	-	(50)	(3)	-	(53)
At 31 May 2012	<u>19</u>	<u>787</u>	<u>40</u>	<u>41</u>	<u>887</u>
Net book value					
At 31 May 2012	<u>447</u>	<u>674</u>	<u>21</u>	<u>-</u>	<u>1,142</u>
At 31 May 2011	<u>429</u>	<u>761</u>	<u>26</u>	<u>-</u>	<u>1,216</u>

Included within the net book value of £1,142,000 is £481,000 (2011: £677,000) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £150,000 (2011: £158,000).

11. INVESTMENTS

Subsidiary undertaking	£000
Cost	
At 1 June 2011 and 31 May 2012	<u>166</u>
Amounts written off	
At 1 June 2011 and 31 May 2012	<u>100</u>
Net book value	
At 31 May 2012	<u>66</u>
At 31 May 2011	<u>66</u>

The investment, a subsidiary undertaking, represents a 100% stake in Churngold Surfacing Limited, a company registered in England and Wales and engaged in the construction, repair and maintenance of car parks, access roads and highways. At 31 May 2012, Churngold Surfacing Limited generated a profit for the year then ended of £45,000 (2011: £38,000) and had net assets of £125,000 (2011: £120,000).

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 May 2012

12. DEBTORS	2012 £000	2011 £000
Trade debtors	808	1,002
Amounts recoverable on long term contracts	4,086	3,257
Amounts owed by group undertakings	5	4
Amounts owed by related parties	269	17
Prepayments and accrued income	101	111
Other debtors	-	2
Corporation tax	-	22
	<u>5,269</u>	<u>4,415</u>

Included within trade debtors are amounts of £298,000 (2011: £275,000) in respect of retentions falling due after more than one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £000	2011 £000
Trade creditors	3,296	3,116
Amounts owed to group undertakings	308	187
Corporation tax	47	-
Other taxation and social security	285	626
Amounts due under finance lease agreements (note 15)	106	102
Amounts owed to related parties	358	104
Accruals and deferred income	2,882	2,607
	<u>7,282</u>	<u>6,742</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £000	2011 £000
Amounts due under finance lease agreements (note 15)	184	290
	<u>184</u>	<u>290</u>

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 May 2012

15. AMOUNTS DUE UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements net of future finance lease charges are as follows:

	2012 £000	2011 £000
Amounts payable within 1 year	117	117
Amounts payable between 2 to 5 years	196	301
	<u>313</u>	<u>418</u>
Less interest and finance charges relating to future periods	(23)	(26)
	<u>290</u>	<u>392</u>
Finance lease agreements are analysed as follows:		
Current obligations (note 13)	106	102
Non-current obligations (note 14)	184	290
	<u>290</u>	<u>392</u>

Amounts due under finance lease agreements are secured on the assets to which they relate.

16. PENSIONS

The company operates defined contribution schemes for the benefit of all employees. The assets of the schemes are administered by trustees in a fund independent from those of the company.

17. DEFERRED TAXATION

	2012 £000	2011 £000
Provision brought forward	23	5
Profit and loss account movement arising during the year	(2)	18
	<u>21</u>	<u>23</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2012 £000	2011 £000
Excess of taxation allowances over depreciation on fixed assets	21	23
Short term timing differences	-	-
	<u>21</u>	<u>23</u>

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 May 2012

18. LEASING COMMITMENTS

At 31 May 2012 the company was committed to make payments under operating leases expiring as below

	2012		2011	
	Land & Buildings £000	Other Items £000	Land & Buildings £000	Other Items £000
Operating leases which expire				
Within 1 year	42	73	-	-
Within 2 to 5 years	-	-	86	73
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19. CONTINGENT LIABILITIES

There are contingent liabilities in respect of performance guarantees entered into in the normal course of business amounting to £126,000 as at 31 May 2012 (2011: £46,000). The bank holds a letter of cross guarantee and debenture between the company, its subsidiary and its ultimate parent undertaking in respect of bank borrowings.

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Churngold Construction Holdings Limited group of companies for the year. During the year the company undertook the following transactions and had amounts owing to/from members of the Churngold Remediation Holdings Limited group, Churngold Recycling Limited, Churngold Building Services Limited, MDS Technologies Limited and JWS Churngold Limited, entities where J R Ancell is a director and/or has an interest in more than 20% of the voting rights:

	Purchases £000	Sales £000	Owed to £000	Owed by £000
2012				
Churngold Recycling Limited	279	26	48	9
Churngold Remediation Holdings Limited	-	-	-	-
Churngold Remediation Limited	97	463	115	259
Churngold Building Services Limited	2	23	195	1
MDS Technologies Limited	-	3	-	-
JWS Churngold Limited	-	30	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2011				
Churngold Recycling Limited	1,823	170	102	2
Churngold Remediation Holdings Limited	-	-	-	-
Churngold Remediation Limited	122	122	-	8
Churngold Building Services Limited	9	13	-	1
MDS Technologies Limited	-	-	2	-
JWS Churngold Limited	-	28	-	6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the year there were short-term financing transactions between related parties, which are not included in the above table, unless still outstanding at the year end.

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 May 2012

21. SHARE CAPITAL

	No	2012 £000	No	2011 £000
Allotted, called up and fully paid: Ordinary shares of £1 each	15,816	16	15,816	16

22. PROFIT AND LOSS ACCOUNT

	2012 £000	2011 £000
Balance brought forward	1,615	1,599
Profit for the financial year	521	286
Equity dividends paid	(400)	(270)
Balance carried forward	1,736	1,615

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2012 £000	2011 £000
Profit for the financial year	521	286
Equity dividends paid	(400)	(270)
Net addition to shareholder's funds	121	16
Opening shareholder's funds	1,631	1,615
Closing shareholder's funds	1,752	1,631

24. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £197,500 at 31 May 2012 (2011: £nil).

25. ULTIMATE PARENT COMPANY AND CONTROLLING RELATED PARTY

The company is a wholly owned subsidiary of Churngold Construction Holdings Limited.

Churngold Construction Holdings Limited represents the smallest and largest group into which the results of the company are consolidated. Group financial statements are available from the registered office of this company.

The directors consider that J R Ancell (Chairman) is the company's controlling related party by virtue of his majority beneficial shareholding in the ultimate parent company.