

Churngold Construction Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 May 2013

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 2013.

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 £436,000 (2012: £521,000). Particulars of dividends paid are detailed in note 9 to the financial statements.

KEY PERFORMANCE INDICATORS

Financial metrics		2013	2012	Change in the year
Revenue	£000	21,565	20,742	+ 4%
Earnings before interest, tax, depreciation, amortisation and central management costs	£000	936	991	- 6%
Average days turnover in amounts recoverable on contracts	Days	61	59	+ 2 days
Work in hand as % of next year's budget	%	60	57	+ 5%
People				
Staff as at 31 May	No	110	108	+ 2%

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 (2012: £1,000,000). 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 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.

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.

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.

Churngold Construction Limited
REPORT OF THE DIRECTORS *(continued)*

BY ORDER OF THE BOARD



R N Tredwin
Secretary

4 October 2013

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 Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 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

HEATHER WHEELHOUSE (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: *4 October* 2013

Churngold Construction Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2013

	Note	2013 £000	2012 £000
TURNOVER			
Cost of sales	2	21,565 (19,457)	20,742 (18,224)
GROSS PROFIT		<u>2,108</u>	<u>2,518</u>
Administrative expenses		(1,520)	(1,852)
OPERATING PROFIT	3	<u>588</u>	<u>666</u>
Income from fixed asset investments		-	40
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>588</u>	<u>706</u>
Interest receivable and similar income	6	15	24
Interest payable and similar charges	7	(18)	(19)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>585</u>	<u>711</u>
Tax on profit on ordinary activities	8	(149)	(190)
PROFIT FOR THE FINANCIAL YEAR	22	<u><u>436</u></u>	<u><u>521</u></u>

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.

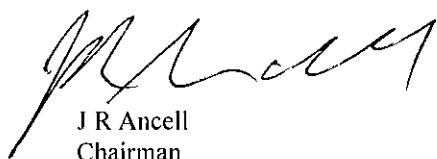
Churngold Construction Limited

BALANCE SHEET

as at 31 May 2013

	Note	2013 £000	2012 £000
FIXED ASSETS			
Tangible assets	10	1,090	1,142
Investments	11	66	66
		<u>1,156</u>	<u>1,208</u>
CURRENT ASSETS			
Debtors	12	4,989	5,269
Cash at bank and in hand		2,187	2,762
		<u>7,176</u>	<u>8,031</u>
CREDITORS: amounts falling due within one year	13	6,495	7,282
		<u>681</u>	<u>749</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	14	1,837	1,957
		63	184
		<u>1,774</u>	<u>1,773</u>
PROVISION FOR LIABILITIES			
Deferred taxation	17	16	21
		<u>1,758</u>	<u>1,752</u>
CAPITAL AND RESERVES			
Called-up share capital	21	16	16
Profit and loss account	22	1,742	1,736
		<u>1,758</u>	<u>1,752</u>
SHAREHOLDERS FUNDS			
	23	<u>1,758</u>	<u>1,752</u>

These financial statements on pages 7 to 18 were approved by the directors and authorised for issue on 4 October 2013 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 2013

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 within 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 *(continued)*

for the year ended 31 May 2013

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.

Churngold Construction Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

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:

	2013 £000	2012 £000
United Kingdom	21,565	20,742

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2013 £000	2012 £000
Depreciation of owned fixed assets	132	91
Depreciation of assets held under finance lease agreements	132	150
Profit on disposal of fixed assets	(71)	(4)
Auditor's remuneration:		
Audit fees – Baker Tilly UK Audit LLP	8	7
Non-audit fees – Baker Tilly Tax & Accounting Limited	2	2
Operating lease costs:		
Plant and equipment	2,425	1,989
Other	160	42

4. DIRECTORS AND EMPLOYEES

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

	2013 No	2012 No
Operatives	74	82
Administration and managerial	35	33

The aggregate payroll costs of the above were:

	2013 £000	2012 £000
Wages and salaries	3,914	4,180
Social security costs	436	417
Other pension costs	88	60

Churngold Construction Limited
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*
 for the year ended 31 May 2013

5. DIRECTORS

Remuneration in respect of directors was as follows:

	2013 £000	2012 £000
Emoluments receivable	304	444
Value of company pension contributions to money purchase schemes	12	57
	<u>316</u>	<u>501</u>

Emoluments of highest paid director:

	2013 £000	2012 £000
Total emoluments (excluding pension contributions)	80	135
Value of company pension contributions to money purchase schemes	4	4
	<u>84</u>	<u>139</u>

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

	2013	2012
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 (2012: one).

6. INTEREST RECEIVABLE

	2013 £000	2012 £000
Bank interest receivable	<u>15</u>	<u>24</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
Finance charges payable under finance lease agreements	14	15
Bank interest and other similar charges	4	4
	<u>18</u>	<u>19</u>

Churngold Construction Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £000	2012 £000
Current tax		
UK Corporation tax based on the results for the year at 24% (2012: 26%)	154	192
Total current tax	<u>154</u>	<u>192</u>
Deferred tax:		
Origination and reversal of timing differences	(5)	(2)
Tax on profit on ordinary activities	<u>149</u>	<u>190</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 24% (2012: 26%).

	2013 £000	2012 £000
Profit on ordinary activities before taxation	<u>585</u>	<u>711</u>
Profit on ordinary activities by rate of tax	140	183
Expenses not deductible for tax purposes	5	13
Income not subject to tax	-	(10)
Capital allowances for period less than depreciation	9	6
Current tax (note 8(a))	<u>154</u>	<u>192</u>

9. DIVIDENDS

	2013 £000	2012 £000
Paid during the year:		
Equity dividends on ordinary shares	<u>430</u>	<u>400</u>

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 May 2013

10. TANGIBLE FIXED ASSETS

	Freehold Property £000	Plant Machinery £000	Motor Vehicles £000	Leasehold Improvements £000	Total £000
Cost					
At 1 June 2012	466	1,461	61	41	2,029
Additions	-	225	7	-	232
Disposals	-	(230)	(18)	-	(248)
At 31 May 2013	<u>466</u>	<u>1,456</u>	<u>50</u>	<u>41</u>	<u>2,013</u>
Depreciation					
At 1 June 2012	19	787	40	41	887
Charge for the year	21	233	10	-	264
On disposal	-	(223)	(5)	-	(228)
At 31 May 2013	<u>40</u>	<u>797</u>	<u>45</u>	<u>41</u>	<u>923</u>
Net book value					
At 31 May 2013	<u>426</u>	<u>659</u>	<u>5</u>	<u>-</u>	<u>1,090</u>
At 31 May 2012	<u>447</u>	<u>674</u>	<u>21</u>	<u>-</u>	<u>1,142</u>

Included within the net book value of £1,142,000 is £504,000 (2012: £481,000) 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 £132,000 (2012: £150,000).

11. INVESTMENTS

Subsidiary undertaking	£000
Cost	
At 1 June 2011 and 31 May 2013	<u>166</u>
Amounts written off	
At 1 June 2011 and 31 May 2013	<u>100</u>
Net book value	
At 31 May 2013	<u>66</u>
At 31 May 2012	<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 2013, Churngold Surfacing Limited generated a loss for the year then ended of £41,000 (2012: profit of £45,000) and had net assets of £84,000 (2012: £125,000).

Churngold Construction Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

12. DEBTORS

	2013	2012
	£000	£000
Trade debtors	1,018	808
Amounts recoverable on long term contracts	3,826	4,086
Amounts owed by group undertakings	6	5
Amounts owed by related parties	37	269
Prepayments and accrued income	102	101
	<u>4,989</u>	<u>5,269</u>

Included within trade debtors are amounts of £306,000 (2012: £298,000) in respect of retentions falling due after more than one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£000	£000
Trade creditors	3,461	3,296
Amounts owed to group undertakings	141	308
Corporation tax	65	47
Other taxation and social security	497	285
Amounts due under finance lease agreements (note 15)	236	106
Amounts owed to related parties	-	358
Accruals and deferred income	2,095	2,882
	<u>6,495</u>	<u>7,282</u>

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

	2013	2012
	£000	£000
Amounts due under finance lease agreements (note 15)	63	184
	<u>63</u>	<u>184</u>

Churngold Construction Limited
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 May 2013

15. AMOUNTS DUE UNDER FINANCE LEASE AGREEMENTS

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

	2013 £000	2012 £000
Amounts payable within 1 year	242	117
Amounts payable between 2 to 5 years	79	196
	<u>321</u>	<u>313</u>
Less interest and finance charges relating to future periods	(22)	(23)
	<u>299</u>	<u>290</u>
Finance lease agreements are analysed as follows:		
Current obligations (note 13)	236	106
Non-current obligations (note 14)	63	184
	<u>299</u>	<u>290</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

	2013 £000	2012 £000
Provision brought forward	21	23
Profit and loss account movement arising during the year	(5)	(2)
	<u>16</u>	<u>21</u>

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

	2013 £000	2012 £000
Excess of taxation allowances over depreciation on fixed assets	16	21
Short term timing differences	-	-
	<u>16</u>	<u>21</u>

Churngold Construction Limited
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*
 for the year ended 31 May 2013

18. LEASING COMMITMENTS

At 31 May 2013 the company was committed to make payments under operating leases expiring as below

	2013		2012	
	Land & Buildings £000	Other Items £000	Land & Buildings £000	Other Items £000
Operating leases which expire				
Within 1 year	51	73	42	73
Within 2 to 5 years	-	-	-	-

19. CONTINGENT LIABILITIES

There are contingent liabilities in respect of performance guarantees entered into in the normal course of business amounting to £976,000 as at 31 May 2013 (2012: £126,000). 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 Waste and Recycling Limited and Churngold Building Services Limited, entities where J R Ancell is both a director and one of the beneficiaries of the Ancell Trust, of which the Bourse Trust Company Limited is the Trustee and able to exercise more than 20% of the votes at 31 May 2013; and MDS Technologies Limited and JWS Churngold Limited, entities where JR Ancell was previously a director and /or had an interest in more than 20% of the voting rights.

	Purchases £000	Sales £000	Owed to £000	Owed by £000
2013				
Churngold Recycling Limited	-	95	-	-
Churngold Remediation Limited	58	259	-	27
Churngold Building Services Limited	28	14	2	-
MDS Technologies Limited	-	-	-	-
Churngold Waste and Recycling Limited	67	124	-	8
2012				
Churngold Recycling Limited	279	26	48	9
Churngold Remediation Limited	97	463	115	259
Churngold Building Services Limited	2	23	195	1
MDS Technologies Limited	-	3	-	-
JWS Churngold Limited	-	30	-	-

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 2013

21. SHARE CAPITAL

	No	2013 £000	No	2012 £000
Allotted, called up and fully paid: Ordinary shares of £1 each	15,816	16	15,816	16

22. PROFIT AND LOSS ACCOUNT

	2013 £000	2012 £000
Balance brought forward	1,736	1,615
Profit for the financial year	436	521
Equity dividends paid	(430)	(400)
Balance carried forward	1,742	1,736

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2013 £000	2012 £000
Profit for the financial year	436	521
Equity dividends paid	(430)	(400)
Net addition to shareholder's funds	6	121
Opening shareholder's funds	1,752	1,631
Closing shareholder's funds	1,758	1,752

24. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £nil at 31 May 2013 (2012: £197,500).

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 the ultimate controlling party is Bourse Trust Company Limited, as Trustee of the Ancell Trust, by virtue of the majority shareholding in the ultimate parent company.