

Churngold Remediation
Holdings Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 May 2013

Churngold Remediation Holdings Limited

COMPANY INFORMATION

DIRECTORS

J R Ancell (Chairman)
A R Brown (Managing Director)

SECRETARY

R N Tredwin

REGISTERED OFFICE

St Andrews House
St Andrews Road
Avonmouth
Bristol
BS11 9DQ

BANKERS

Lloyds TSB Bank plc
61 Gloucester Road
Bristol
BS34 5JH

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 Remediation Holdings Limited

REPORT OF THE DIRECTORS

The directors present their report and the financial statements of the group for the year ended 31 May 2013.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group continues to be the remediation of contaminated sites throughout the UK.

The principal activity of the company is to act as a holding company.

DIRECTORS

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

J R Ancell
A R Brown

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 group and parent company and of the profit or loss of the group 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 group'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.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



R N Tredwin
Secretary
4 October 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURNGOLD REMEDIATION HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 15. 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 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 May 2013 and of the group's 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 matters 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

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 Remediation Holdings Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2013

	Note	2013 £000	2012 £000
GROUP TURNOVER	2	1,541	1,511
Cost of sales		(1,049)	(1,193)
		<u>492</u>	<u>318</u>
GROSS PROFIT			
Administrative expenses		(281)	(242)
		<u>211</u>	<u>76</u>
OPERATING PROFIT	3		
Interest payable and similar charges	6	(3)	(6)
		<u>208</u>	<u>70</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	7	-	-
		<u>208</u>	<u>70</u>
PROFIT FOR THE FINANCIAL YEAR	20	<u>208</u>	<u>70</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

Churngold Remediation Holdings Limited


CONSOLIDATED BALANCE SHEET

as at 31 May 2013

	Note	2013 £000	2012 £000
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	-	3
		<u>-</u>	<u>3</u>
CURRENT ASSETS			
Cash at bank and in hand		138	110
Debtors	12	225	706
		<u>363</u>	<u>816</u>
CREDITORS: amounts falling due within one year	13	458	914
Net current liabilities		<u>(95)</u>	<u>(98)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(95)</u>	<u>(95)</u>
CREDITORS: amounts falling due after more than one year	14	-	208
		<u>(95)</u>	<u>(303)</u>
CAPITAL AND RESERVES			
Called up share capital	19	330	330
Profit and loss account	20	(425)	(633)
SHAREHOLDERS DEFICIT	21	<u>(95)</u>	<u>(303)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements on pages 5 to 15 were approved by the directors and authorised for issue on 4 October 2013, and are signed on their behalf by:


J R Ancell
Director

Churngold Remediation Holdings Limited


COMPANY BALANCE SHEET

as at 31 May 2013

	Note	2013 £000	2012 £000
FIXED ASSETS			
Investments	11	-	-
CURRENT ASSETS			
Cash at bank and in hand		-	-
Debtors	12	-	-
		-	-
CREDITORS: amounts falling due within one year	13	60	60
NET CURRENT LIABILITIES		(60)	(60)
TOTAL ASSETS LESS CURRENT LIABILITIES		(60)	(60)
CREDITORS: amounts falling due after more than one year	14	-	-
		(60)	(60)
CAPITAL AND RESERVES			
Called up share capital	19	330	330
Profit and loss account	20	(390)	(390)
SHAREHOLDERS DEFICIT		(60)	(60)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements on pages 5 to 15 were approved by the directors and authorised for issue on 4 October 2013, and are signed on their behalf by:



J R Ansell
Director

Churngold Remediation Holdings 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 group have remained unchanged from the previous year.

GOING CONCERN

The directors consider that the company has sufficient resources available in terms of both bank and related party funding to justify preparing the financial statements on a going concern basis.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over its estimated useful economic life. The results of companies acquired or disposed of are included in the consolidated profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a consolidated cash flow statement in the financial statements on the grounds that the group is small.

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.

GOODWILL

Goodwill arising on the acquisition of subsidiary undertakings is capitalised and amortised over the period during which the company is expected to benefit. Goodwill is reviewed for impairment where the directors consider the net realisable value is below amortised cost.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

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

Plant & Machinery - over 3 to 5 years (straight line)

Motor Vehicles - over 2 to 7 years (straight line)

INVESTMENTS

Investments in subsidiary undertakings are included in the company accounts valued at the lower of cost and the directors' estimate of net realisable value.

OPERATING LEASE AGREEMENTS

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

PENSION COSTS

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

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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.

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.

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the group. An analysis of turnover is given below:

	2013 £000	2012 £000
United Kingdom	<u>1,541</u>	<u>1,511</u>

3. OPERATING PROFIT

	2013 £000	2012 £000
Operating profit is stated after charging:		
Depreciation of owned fixed assets	3	3
Auditor's remuneration:		
Audit fees – Baker Tilly UK Audit LLP	4	4
Non-audit fees – Baker Tilly Tax and Accounting Limited	2	2
Operating lease costs:		
Plant and equipment	201	120
Land and buildings	<u>11</u>	<u>11</u>

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

4. DIRECTORS AND EMPLOYEES

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

	2013	2012
Administration and managerial	3	3
Technical and service	4	4
	<u>7</u>	<u>7</u>

The aggregate payroll costs of the above were:

	2013 £000	2012 £000
Wages and salaries	233	219
Social security costs	25	23
	<u>258</u>	<u>242</u>

5. DIRECTORS

No director received any emoluments from the company in the current or comparative year, and none had any pension contributions paid in respect of them.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
Interest payable on bank borrowing	<u>3</u>	<u>6</u>

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%)	-	-
(Over)/under provision in prior year	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower 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>208</u>	<u>70</u>
Profit on ordinary activities by rate of tax	50	18
Depreciation for period less than capital allowances	(1)	(1)
Use of losses	(49)	(17)
Current tax (note 7(a))	<u>-</u>	<u>-</u>

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was a loss of £325 (2012: £2,000).

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £000
Cost	
At 1 June 2012 and 31 May 2013	<u>397</u>
Amortisation	
At 1 June 2012 and 31 May 2013	<u>397</u>
Net Book Value	
At 31 May 2013	<u>-</u>
At 31 May 2012	<u>-</u>

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

10. TANGIBLE FIXED ASSETS

Group	Plant & Machinery £000
Cost	
At 1 June 2012	304
Additions	-
At 31 May 2013	<u>304</u>
Depreciation	
At 1 June 2012	301
Charge for the year	3
At 31 May 2013	<u>304</u>
Net Book Value	
At 31 May 2013	-
At 31 May 2012	<u>3</u>

The company held no tangible fixed assets during the year.

11. INVESTMENTS

	£000
Company	
Cost at 1 June 2012 and 31 May 2013	405
Amounts written off at 1 June 2012 and 31 May 2013	<u>405</u>
Net Book Value	
At 31 May 2013	-
At 31 May 2012	<u>-</u>

At 31 May 2013 the company held 100% of the allotted share capital of the following undertakings:

Subsidiary Undertakings	Class of share capital held	Nature of business	Proportion held
Churngold Remediation Limited	Ordinary	Remediation of contaminated sites	100%

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

12. DEBTORS

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade debtors	91	235	-	-
Amounts owed by related undertakings	40	116	-	-
Amounts recoverable on contracts	86	282	-	-
Other debtors	5	70	-	-
Prepayments and accrued income	3	3	-	-
	<u>225</u>	<u>706</u>	<u>-</u>	<u>-</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade creditors	174	306	-	-
Other taxation and social security	43	6	-	-
Other creditors	27	28	-	-
Amounts owed to related parties	31	471	-	-
Amounts owed to group undertakings	-	-	58	58
Accruals and deferred income	183	103	2	2
	<u>458</u>	<u>914</u>	<u>60</u>	<u>60</u>

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

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Other creditors	-	208	-	-
	<u>-</u>	<u>208</u>	<u>-</u>	<u>-</u>

15. PENSIONS

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

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 May 2013

16. COMMITMENTS UNDER OPERATING LEASES

At 31 May 2013 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2013		2012	
	Land & Buildings £000	Other Items £000	Land & Buildings £000	Other Items £000
Operating leases which expire:				
Within 1 year	-	6	6	-
Within 2 to 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>

17. CONTINGENCIES

There are contingent liabilities in respect of performance guarantees entered into in the normal course of business amounting to £nil within the group as at 31 May 2013 (2012: £nil). The performance bond provider holds a letter of cross guarantee between the company, its subsidiary and Churngold Construction Holdings Limited. Additionally, the bank holds a letter of cross guarantee and debenture between the company, its subsidiary undertaking and Churngold Construction Holdings Limited in respect of bank borrowings.

18. 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 Remediation Holdings Limited group of companies for the year.

During the year the group undertook the following transactions and had amounts owing to/from members of the Churngold Construction Holdings Limited group, Churngold Recycling Limited, and Churngold Waste and Recycling 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 J WS Churngold Limited where JR Ancell was previously a director and had an interest in more than 20% of the voting rights.

	Purchases £000	Sales £000	Owed to £000	Owed by £000
2013				
Churngold Construction Limited	235	-	27	-
Churngold Surfacing Limited	-	4	4	-
Churngold Recycling Limited	4	21	-	40
Churngold Waste & Recycling Limited	31	-	-	-
	<u>270</u>	<u>25</u>	<u>31</u>	<u>40</u>
	<u>270</u>	<u>25</u>	<u>31</u>	<u>40</u>
2012				
Churngold Construction Limited	463	387	259	115
Churngold Recycling Limited	191	5	212	1
Churngold Surfacing Limited	-	4	-	-
JWS Churngold Limited	-	87	-	-
	<u>654</u>	<u>473</u>	<u>471</u>	<u>116</u>
	<u>654</u>	<u>473</u>	<u>471</u>	<u>116</u>

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2013

19. SHARE CAPITAL

Allotted and called up

Number	A 10p Shares	B 10p Shares	D 10p Shares	E 10p Shares	Deferred 10p Shares	Preference Shares - £1	Total
At 1 June 2012 and 31 May 2013	300,600	-	95,190	105,210	1	280,000	781,001
Value £000							
At 1 June 2012 and 31 May 2013	30	-	10	10	-	280	330

Full details concerning the rights and restrictions attaching to the different classes of shares are contained in the Articles of Association.

20. RESERVES

	Profit and loss account £000
Group	
At 1 June 2012	(633)
Profit for the year	208
At 31 May 2013	(425)
Company	
At 1 June 2012	(390)
Profit for the year	-
At 31 May 2013	(390)

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS DEFICIT

	2013 £000	2012 £000
Opening shareholders' deficit	(303)	(373)
Profit for the financial year	208	70
Closing shareholders' deficit	(95)	(303)

22. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 May 2012 or 31 May 2013.

23. CONTROLLING RELATED PARTY

The directors consider that the ultimate controlling party is Bourse Trust Company Limited, as Trustee of the Ansell Trust, by virtue of its majority shareholding in the company.