

# Churngold Remediation Limited

## REPORT AND FINANCIAL STATEMENTS

for the year ended

31 May 2014

# Churngold Remediation Limited

## COMPANY INFORMATION

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### DIRECTORS

A R Brown (Managing Director)  
H J Ventham (Environmental Director)  
R K McCabe (Director)  
S R J Dyke (Commercial 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 Limited

## REPORT OF THE DIRECTORS

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The directors present their report and the financial statements of the company for the year ended 31 May 2014.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

This year has seen a further positive trading result and reduction in debt levels.

### DIRECTORS

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

H J Ventham  
R K McCabe  
A R Brown  
S R J Dyke (appointed 16 May 2014)

### 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). 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 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 Remediation Limited

REPORT OF THE DIRECTORS *(continued)*

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## SMALL COMPANY PROVISIONS

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  
15 August 2014

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

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We have audited the financial statements on pages 6 to 13. 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 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 [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **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 2014 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; 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: *15 August 2014*

# Churngold Remediation Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2014

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	Note	2014 £000	2013 £000
TURNOVER	2	990	1,541
Cost of sales		(676)	(1,049)
		<hr/>	<hr/>
GROSS PROFIT		314	492
Administrative expenses		(276)	(281)
		<hr/>	<hr/>
OPERATING PROFIT	3	38	211
Interest payable and similar charges	6	(4)	(3)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		34	208
Tax on profit on ordinary activities	7	-	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	16	34	208
		<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 Remediation Limited

## BALANCE SHEET

as at 31 May 2014

	Note	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Tangible assets	8	-	-
<b>CURRENT ASSETS</b>			
Debtors	9	489	283
Cash at bank and in hand		-	139
		489	422
CREDITORS: amounts falling due within one year	10	(489)	456
<b>NET CURRENT LIABILITIES</b>			
		-	(34)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
CREDITORS: amounts falling due after more than one year	11	-	(34)
		-	(34)
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	16	16
Profit and loss account	16	(16)	(50)
<b>SHAREHOLDERS DEFICIT</b>			
	17	-	(34)

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 6 to 13 were approved by the directors and authorised for issue on 15 August 2014, and are signed on their behalf by:



S R J Dyke  
Director

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 May 2014

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#### 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.

##### GOING CONCERN

Despite trading profitably during the year, the company has net nil net assets at 31 May 2014. However, the directors consider, based on confirmations received, 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.

##### CASH FLOW STATEMENT

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

##### 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)

##### 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 certain 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.

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



# Churngold Remediation Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
for the year ended 31 May 2014

## 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:

	2014 £000	2013 £000
United Kingdom	990	1,541

## 3. OPERATING PROFIT

Operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of owned fixed assets	-	3
Auditor's remuneration:		
Audit fees – Baker Tilly UK Audit LLP	3	3
Taxation fees – Baker Tilly Tax and Accounting Limited	1	1
Operating lease costs:		
Plant and equipment	174	201
Land and buildings	11	11

## 4. DIRECTORS AND EMPLOYEES

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

	2014 No	2013 No
Number of management staff	3	3
Number of service staff	4	4

The aggregate payroll costs of the above were:

	2014 £000	2013 £000
Wages and salaries	218	233
Social security costs	19	25

**Churngold Remediation Limited**  
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
 for the year ended 31 May 2014

5. DIRECTORS

Remuneration in respect of directors was as follows:

	2014 £000	2013 £000
Emoluments receivable	95	72

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

	2014 No	2013 No
Money purchase schemes	1	1

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Interest payable on bank borrowing	4	3

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £000	2013 £000
<b>Current tax</b>		
UK Corporation tax based on the results for the year at 22.67% (2013: 24%)	-	-
(Over)/under provision in prior year	-	-
Total current tax	-	-

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2013: 24%).

	2014 £000	2013 £000
Profit on ordinary activities before taxation	34	208
Profit on ordinary activities by rate of tax	8	50
Capital allowances for period in excess of depreciation	(1)	(1)
Other short term timing differences	(1)	-
Losses utilised	(6)	(49)
Total current tax (note 7(a))	-	-

**Churngold Remediation Limited**  
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
 for the year ended 31 May 2014

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £000
Cost	
At 1 June 2013	304
Additions	-
At 31 May 2014	<u>304</u>
Depreciation	
At 1 June 2013	304
Charge for the year	-
At 31 May 2014	<u>304</u>
Net Book Value	
At 31 May 2014	<u>-</u>
At 31 May 2013	<u>-</u>

9. DEBTORS

	2014 £000	2013 £000
Trade debtors	180	91
Amounts owed by related undertakings	51	40
Amounts recoverable on contracts	196	86
Amounts owed by group undertakings	60	58
Other debtors	-	5
Prepayments and accrued income	2	3
	<u>489</u>	<u>283</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £000	2013 £000
Bank overdraft	27	-
Trade creditors	188	174
Other taxation and social security	29	43
Other creditors	26	27
Amounts owed to related undertakings	20	31
Accruals and deferred income	199	181
	<u>489</u>	<u>456</u>

# Churngold Remediation Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2014

### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £000	2013 £000
Other creditors	-	-

### 12. PENSIONS

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

### 13. CONTINGENT LIABILITIES

There are contingent liabilities in respect of performance guarantees entered into in the normal course of business amounting to £nil as at 31 May 2014 (2013: £nil). The performance bond provider holds a letter of cross guarantee between the company, its parent undertaking and Churngold Construction Holdings Limited. Additionally, the bank holds a letter of cross guarantee and debenture between the company, its ultimate parent undertaking and Churngold Construction Holdings Limited in respect of bank borrowings.

### 14. 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.

During the year, the company undertook the following transactions and had amounts owing to/from members of the Churngold Construction Holdings Limited group, Churngold Waste and Recycling Limited and Churngold 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 2014.

	Purchases £000	Sales £000	Owed to £000	Owed by £000
<b>2014</b>				
Churngold Construction Holdings Limited	8	-	-	-
Churngold Waste Recycling Limited	-	2	-	-
Churngold Construction Limited	144	73	20	5
Churngold Surfacing Limited	4	4	-	-
Churngold Recycling Limited	-	123	-	46
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>2013</b>				
Churngold Waste Recycling Limited	31	-	-	-
Churngold Construction Limited	258	1	27	-
Churngold Surfacing Limited	-	4	4	-
Churngold Recycling Limited	4	21	-	40
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Churngold Remediation Limited**  
 NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
 for the year ended 31 May 2014

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15. SHARE CAPITAL

	2014		2013	
	No	£000	No	£000
Allotted, called up and fully paid: Ordinary shares of £1 each	15,823	16	15,823	16

16. PROFIT AND LOSS ACCOUNT

	2014	2013
	£000	£000
Balance brought forward	(50)	(258)
Profit for the financial year	34	208
Balance carried forward	(16)	(50)

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS DEFICIT

	2014	2013
	£000	£000
Profit for the financial year	34	208
Opening shareholder's deficit	(34)	(242)
Closing shareholder's deficit	-	(34)

18. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 May 2014 or 31 May 2013.

19. ULTIMATE PARENT COMPANY AND CONTROLLING RELATED PARTY

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

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

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