

**Churngold Remediation
Holdings Limited**

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 May 2015

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

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 2015.

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 Ansell
A R Brown

RESULTS AND DIVIDENDS

The group loss for the year, after taxation, amounted to £32,000 (2014: profit of £32,000). No dividend is proposed.

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
2nd September 2015

Churngold Remediation Holdings Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2015

	Note	2015 £000	2014 £000
GROUP TURNOVER	2	836	990
Cost of sales		(655)	(676)
GROSS PROFIT		181	314
Administrative expenses		(210)	(278)
OPERATING (LOSS) / PROFIT	3	(29)	36
Interest payable and similar charges	6	(3)	(4)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(32)	32
Tax on loss / profit on ordinary activities	7	-	-
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	20	(32)	32

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 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	1	-
		<u>1</u>	<u>-</u>
CURRENT ASSETS			
Cash at bank and in hand		-	-
Debtors	12	118	429
		<u>118</u>	<u>429</u>
CREDITORS: amounts falling due within one year	13	(214)	(492)
Net current liabilities		<u>(96)</u>	<u>(63)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(95)</u>	<u>(63)</u>
CREDITORS: amounts falling due after more than one year		-	-
		<u>(95)</u>	<u>(63)</u>
CAPITAL AND RESERVES			
Called up share capital	18	330	330
Profit and loss account	19	(425)	(393)
SHAREHOLDERS' DEFICIT	20	<u>(95)</u>	<u>(63)</u>

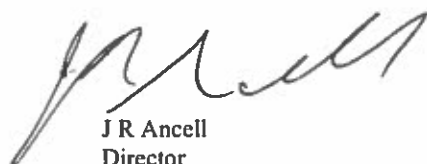
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing unaudited financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to unaudited financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These unaudited financial statements were approved by the directors and authorised for issue on 2nd September 2015, and are signed on their behalf by:



J R Ancell
Director

Churngold Remediation Holdings Limited

COMPANY BALANCE SHEET

as at 31 May 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Investments	11	-	-
CURRENT ASSETS			
Cash at bank and in hand		-	-
Debtors	12	-	-
CREDITORS: amounts falling due within one year	13	(63)	(62)
NET CURRENT LIABILITIES		(63)	(62)
TOTAL ASSETS LESS CURRENT LIABILITIES		(63)	(62)
CREDITORS: amounts falling due after more than one year		-	-
		(63)	(62)
CAPITAL AND RESERVES			
Called up share capital	18	330	330
Profit and loss account	19	(393)	(392)
SHAREHOLDERS' DEFICIT		(63)	(62)

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 4 to 14 were approved by the directors and authorised for issue on 2nd September 2015, and are signed on their behalf by:



J R Ancell
Director

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2015

1. PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), "the FRSE 2008".

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.

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 sale value of work done in the year, and is recognised in accordance with the long term contracts policy stated below.

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)

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 2015

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 when can be foreseen. In the balance sheet, 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:

	2015 £000	2014 £000
United Kingdom	836	990

3. OPERATING PROFIT

	2015 £000	2014 £000
Operating profit is stated after charging:		
Operating lease costs:		
Plant and equipment	91	174
Land and buildings	9	11

Churngold Remediation Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 May 2015

4. DIRECTORS AND EMPLOYEES

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

	2015	2014
Administration and managerial	2	3
Technical and service	2	4
	<u>4</u>	<u>7</u>

The aggregate payroll costs of the above were:

	2015 £000	2014 £000
Wages and salaries	201	218
Social security costs	27	19
Pension	12	-
	<u>240</u>	<u>237</u>

5. DIRECTORS

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

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £000	2014 £000
Interest payable on bank borrowing	<u>3</u>	<u>4</u>

7. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2015 £000	2014 £000
Current tax		
UK Corporation tax based on the results for the year at 20.83% (2014: 22.67%)	-	-
(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 2015

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(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 21% (2014: 23%).

	2015 £000	2014 £000
(Loss) / profit on ordinary activities before taxation	(32)	32
(Loss) / profit on ordinary activities by rate of tax	(6)	7
Depreciation for period less than capital allowances	(1)	(1)
Other short term timing differences	(1)	(1)
Use of losses	8	(5)
Current tax (note 7(a))	-	-

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was a loss of £1,425 (2014: £1,225).

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £000
Cost	
At 1 June 2014 and 31 May 2015	397
Amortisation	
At 1 June 2014 and 31 May 2015	397
Net Book Value	
At 31 May 2015	-
At 31 May 2014	-

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2015

10. TANGIBLE FIXED ASSETS

Group	Plant & Machinery £000
Cost	
At 1 June 2014	304
Additions	1
Disposals	(216)
At 31 May 2015	<u>89</u>
Depreciation	
At 1 June 2014	304
Charge for the year	-
Disposals	(216)
At 31 May 2015	<u>88</u>
Net Book Value	
At 31 May 2015	<u>1</u>
At 31 May 2014	<u>-</u>

11. INVESTMENTS

	£000
Company	
Cost at 1 June 2014 and 31 May 2015	<u>405</u>
Amounts written off at 1 June 2014 and 31 May 2015	<u>405</u>
Net Book Value	
At 31 May 2015	<u>-</u>
At 31 May 2014	<u>-</u>

At 31 May 2015 the company held 100% of the allotted share capital of the following undertakings incorporated in England and Wales:

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 2015

12. DEBTORS

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	82	180	-	-
Amounts owed by related undertakings	13	51	-	-
Amounts recoverable on contracts	20	196	-	-
Prepayments and accrued income	3	2	-	-
	<u>118</u>	<u>429</u>	<u>-</u>	<u>-</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Bank overdraft	93	27	-	-
Trade creditors	29	188	-	-
Other taxation and social security	16	29	-	-
Other creditors	-	26	-	-
Amounts owed to group undertakings	-	-	61	60
Accruals and deferred income	15	202	2	2
Amounts owed to related undertakings	61	20	-	-
	<u>214</u>	<u>492</u>	<u>63</u>	<u>62</u>

14. 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. At 31 May 2015 and 31 May 2014 there were nil contributions due to the schemes.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 May 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2015		2014	
	Land & Buildings £000	Other Items £000	Land & Buildings £000	Other Items £000
Operating leases which expire:				
Within 1 year	-	-	-	1
Within 2 to 5 years	-	21	-	-
	<u>-</u>	<u>21</u>	<u>-</u>	<u>-</u>

16. 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 2015 (2014: £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. At the year end, these borrowings amounted to £93,000 (2014: £27,000).

Churngold Remediation Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 May 2015

17. 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 2015.

	Purchases £000	Sales £000	Owed to £000	Owed by £000
2015				
Churngold Construction Holdings Limited	7	-	-	-
Churngold Construction Limited	140	110	61	12
Churngold Surfacing Limited	47	4	-	1
Churngold Recycling Limited	-	373	-	-
Churngold Waste & Recycling Holdings Limited	-	1	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Purchases £000	Sales £000	Owed to £000	Owed by £000
2014				
Churngold Construction Holdings Limited	8	-	-	-
Churngold Construction Limited	144	73	20	5
Churngold Surfacing Limited	4	4	-	-
Churngold Recycling Limited	-	123	-	46
Churngold Waste & Recycling Limited	-	2	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18. 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 2014 and 31 May 2015	<u>300,600</u>	<u>-</u>	<u>95,190</u>	<u>105,210</u>	<u>1</u>	<u>280,000</u>	<u>781,001</u>
Value £000							
At 1 June 2014 and 31 May 2015	<u>30</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>	<u>280</u>	<u>330</u>

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

Churngold Remediation Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 May 2015

19. RESERVES

	Profit and loss account £000
Group	
At 1 June 2014	(393)
Loss for the year	(32)
At 31 May 2015	<u>(425)</u>
Company	
At 1 June 2014	(392)
Loss for the year	(1)
At 31 May 2015	<u>(393)</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS DEFICIT

	2015 £000	2014 £000
Opening shareholders' deficit	(63)	(95)
(Loss) / Profit for the financial year	(32)	32
Closing shareholders' deficit	<u>(95)</u>	<u>(63)</u>

21. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31 May 2014 or 31 May 2015.

22. CONTROLLING RELATED PARTY

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