

COMPANY REGISTRATION NUMBER: 03931458

CARDIFF DEMOLITION COMPANY LIMITED
FINANCIAL STATEMENTS
30 JUNE 2020

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CARDIFF DEMOLITION COMPANY LIMITED

BALANCE SHEET

30 June 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 5 | 948,132 | 1,082,529 |
| CURRENT ASSETS | | | |
| Debtors | 6 | 6,046,497 | 6,640,582 |
| Cash at bank and in hand | | 928,643 | 768,036 |
| | | <u>6,975,140</u> | <u>7,408,618</u> |
| CREDITORS: amounts falling due within one year | 7 | (742,068) | (1,335,501) |
| NET CURRENT ASSETS | | <u>6,233,072</u> | <u>6,073,117</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>7,181,204</u> | <u>7,155,646</u> |
| CREDITORS: amounts falling due after more than one year | 8 | — | (276,175) |
| NET ASSETS | | <u>7,181,204</u> | <u>6,879,471</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 20,000 | 20,000 |
| Profit and loss account | | <u>7,161,204</u> | <u>6,859,471</u> |
| SHAREHOLDERS FUNDS | | <u>7,181,204</u> | <u>6,879,471</u> |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on ...12/03/2021..., and are signed on behalf of the board by:



Mr D J Neal
Director

Company registration number: 03931458

The notes on pages 2 to 6 form part of these financial statements.

CARDIFF DEMOLITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Atlantic Ecopark, Newton Road, Rumney, Cardiff, CF3 2EJ.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Changes in accounting estimates

The useful lives of tangible fixed assets have been reviewed in the year, with the result that they are now depreciated over 8 years rather than 3 years. This is a better reflection of the useful lives of the assets. The effect of this change is that assets increase and expenditure reduces by £315,659.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of demolition services to customers.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

CARDIFF DEMOLITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2020

3. ACCOUNTING POLICIES *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

| | | |
|-----------------------|---|-------------------|
| Plant and machinery | - | 12% straight line |
| Fixtures and fittings | - | 12% straight line |
| Motor vehicles | - | 12% straight line |

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Construction contracts

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the period end.

Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

CARDIFF DEMOLITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2020

3. ACCOUNTING POLICIES *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 23 (2019: 24).

5. TANGIBLE ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------|-----------------------------|-------------------------------|------------------------|------------------|
| Cost | | | | |
| At 1 July 2019 | 1,658,622 | 6,916 | 372,542 | 2,038,080 |
| Additions | 70,500 | – | – | 70,500 |
| Disposals | (148,000) | – | – | (148,000) |
| At 30 June 2020 | <u>1,581,122</u> | <u>6,916</u> | <u>372,542</u> | <u>1,960,580</u> |
| Depreciation | | | | |
| At 1 July 2019 | 693,429 | 6,916 | 255,206 | 955,551 |
| Charge for the year | 174,712 | – | 30,184 | 204,896 |
| Disposals | (147,999) | – | – | (147,999) |
| At 30 June 2020 | <u>720,142</u> | <u>6,916</u> | <u>285,390</u> | <u>1,012,448</u> |
| Carrying amount | | | | |
| At 30 June 2020 | <u>860,980</u> | <u>–</u> | <u>87,152</u> | <u>948,132</u> |
| At 30 June 2019 | <u>965,193</u> | <u>–</u> | <u>117,336</u> | <u>1,082,529</u> |

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

| | Plant and machinery £ | Motor vehicles £ | Total £ |
|------------------------|-----------------------------|------------------------|----------------|
| At 30 June 2020 | <u>540,935</u> | <u>–</u> | <u>540,935</u> |
| At 30 June 2019 | <u>773,126</u> | <u>46,509</u> | <u>819,635</u> |

CARDIFF DEMOLITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2020

6. DEBTORS

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Trade debtors | 71,954 | 25,811 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 5,745,105 | 5,460,493 |
| Other debtors | 229,438 | 1,154,278 |
| | <u>6,046,497</u> | <u>6,640,582</u> |

Amounts included within amounts owed by group undertakings are debts owed by the parent company who has net assets on their balance sheet. The company has made no provisions against the debt as the director believes the company is able to repay the debts from future income from other group companies. The company has prepared forecasts and have a plan in place to repay those debts. Whilst the debts are technically due on demand, they will be paid after more than one year due to group cash flows and support arrangements in place.

7. CREDITORS: amounts falling due within one year

| | 2020 £ | 2019 £ |
|---|----------------|------------------|
| Trade creditors | 63,550 | 276,812 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 65,628 | 270,396 |
| Corporation tax | – | 159,055 |
| Social security and other taxes | 196,025 | 52,757 |
| Other creditors | 416,865 | 576,481 |
| | <u>742,068</u> | <u>1,335,501</u> |

The following debts included in creditors due within one year are secured on the assets they relate to:

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Hire purchase and finance lease agreements | <u>276,175</u> | <u>386,765</u> |

8. CREDITORS: amounts falling due after more than one year

| | 2020 £ | 2019 £ |
|-----------------|-----------|----------------|
| Other creditors | <u>–</u> | <u>276,175</u> |

The following debts included in creditors due after more than one year are secured on the assets they relate to:

| | 2020 £ | 2019 £ |
|--|-----------|----------------|
| Hire purchase and finance lease agreements | <u>–</u> | <u>276,175</u> |

CARDIFF DEMOLITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2020

9. CONTINGENCIES

The company has provided a guarantee in connection with Dauson Environmental Group Limited's group bank facility. The guarantee is unlimited and takes the form of debentures, fixed charge and floating charge covering the assets of the company for current and future periods. The group also has a right of set off across bank balances held.

The company has provided a cross guarantee in connection with Dauson Environmental Group Limited's loan facility. This is in the form of a debenture and a limited guarantee. The directors do not expect any liability to arise from this.

10. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the period end, economies and financial markets around the world continued to experience financial falls arising from uncertainties linked to the COVID-19 pandemic. There is currently no material impact to the company and this is a non-adjusting event. The future impact of the pandemic on the company will be quantified as the situation evolves.

11. SUMMARY AUDIT OPINION

The auditor's report for the year dated 12/03/2021 was unqualified.

The senior statutory auditor was Simon Tee, for and on behalf of Kilsby & Williams LLP.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company made purchases of £326,986 (2019 - £1,141,244) from and sales of £33 (2019 - £5,569) to Envirosavers Limited. At the year end, the company owed £65,628 (2019 - £270,396) to Envirosavers Limited. Envirosavers Limited is an associated group company.

13. CONTROLLING PARTY

The controlling party is Dauson Environmental Group Limited. The ultimate controlling party is Mr D J Neal.

Dauson Environmental Group Limited prepare the financial statements into which the results of Cardiff Demolition Company Limited are consolidated. Their registered office is the same as Cardiff Demolition Company Limited and financial statements can be obtained from Companies House, Crown Way, Cardiff.