

Registration number: 9387485

# Chip Chip Holdings Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2017



---

## **Chip Chip Holdings Limited**

### **Contents**

Company Information	1
Directors' Report	2
Accountants' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 to 11

## **Chip Chip Holdings Limited**

### **Company Information**

<b>Directors</b>	F Murtagh M Sweere C Tezcan
<b>Registered office</b>	4 Darwin Court Clayton Way Oxon Business Park Shrewsbury Shropshire SY3 5AL
<b>Accountants</b>	LB Accounting (Shropshire) Limited Lavender Barn High Street Clive Shrewsbury Shropshire SY4 3JL

## Chip Chip Holdings Limited

### Directors' Report for the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017. The comparative figures are for the period from incorporation on 13 January 2015 to 31 March 2016.

#### Directors of the company

The directors who held office during the year were as follows:

F Murtagh

M Sweere

J Tomlinson (appointed 6 April 2016 and resigned 9 January 2018)

C Tezcan (appointed 14 October 2016)

#### Principal activity

The principal activity of the company is that of a holding company.

#### Going concern

During the year, the company embarked on a re-financing programme, raising finance through a £10 million, five-year loan facility maturing on 25 January 2022. At 31 March 2017, drawdowns of £1,435,184 had been made. Subsequently, further drawdowns of £8,173,678 have been made enabling the company and its subsidiaries to repay more expensive debt. The directors are confident that the subsidiaries will generate sufficient funds to meet liabilities as they fall due and enable the company to recover its investments and accumulated losses.

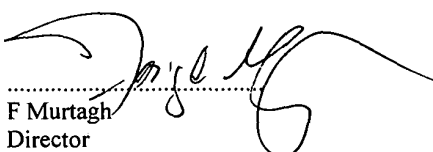
#### Subsequent events

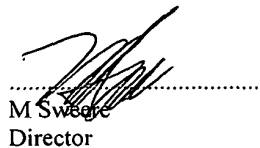
After a drawdown from its five-year loan facility on 18 August 2017, the company repaid its significant lease liabilities and provided funds to its subsidiaries to enable them also to repay their significant lease liabilities.

#### Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 6 March 2018 and signed on its behalf by:

  
F Murtagh  
Director

  
M Sweere  
Director

**Chartered Accountants' Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Accounts of  
Chip Chip Holdings Limited  
for the Year Ended 31 March 2017**

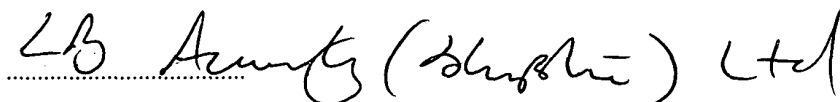
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Chip Chip Holdings Limited for the year ended 31 March 2017 as set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Chip Chip Holdings Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Chip Chip Holdings Limited and state those matters that we have agreed to state to the Board of Directors of Chip Chip Holdings Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chip Chip Holdings Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Chip Chip Holdings Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Chip Chip Holdings Limited. You consider that Chip Chip Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Chip Chip Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



LB Accounting (Shropshire) Limited  
Lavender Barn  
High Street  
Clive  
Shrewsbury  
Shropshire  
SY4 3JL

Date: 8/3/18

# **Chip Chip Holdings Limited**

## **Profit and Loss Account for the Year Ended 31 March 2017**

	Note	2017 £	2016 £
Turnover		189,473	-
Administrative expenses		(274,858)	(2,293)
Other operating income		<u>-</u>	<u>40,000</u>
Operating (loss)/profit		<u>(85,385)</u>	<u>37,707</u>
Interest payable and similar expenses		<u>(280,011)</u>	<u>(28,944)</u>
		<u>(280,011)</u>	<u>(28,944)</u>
(Loss)/profit before tax		<u>(365,396)</u>	<u>8,763</u>
(Loss)/profit for the financial year		<u><u>(365,396)</u></u>	<u><u>8,763</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Chip Chip Holdings Limited**  
**(Registration number: 9387485)**  
**Balance Sheet as at 31 March 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments		211	211
<b>Current assets</b>			
Debtors	4	4,037,419	759,156
Cash at bank and in hand		<u>301,321</u>	<u>7,279</u>
		4,338,740	766,435
<b>Creditors: Amounts falling due within one year</b>	5	<u>(1,103,736)</u>	<u>(476,172)</u>
<b>Net current assets</b>		<u>3,235,004</u>	<u>290,263</u>
<b>Total assets less current liabilities</b>		3,235,215	290,474
<b>Creditors: Amounts falling due after more than one year</b>	5	<u>(3,591,748)</u>	<u>(281,611)</u>
<b>Net (liabilities)/assets</b>		<u><u>(356,533)</u></u>	<u><u>8,863</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		<u>(356,633)</u>	<u>8,763</u>
<b>Total equity</b>		<u><u>(356,533)</u></u>	<u><u>8,863</u></u>

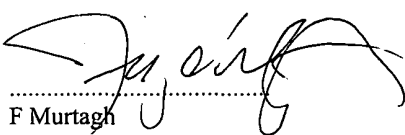
For the financial year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

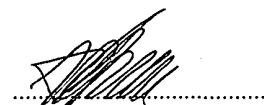
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 6 March 2018 and signed on its behalf by:

  
 F Murtagh  
 Director

  
 M Sweere  
 Director

## **Chip Chip Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017**

#### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

4 Darwin Court  
Clayton Way  
Oxon Business Park  
Shrewsbury  
Shropshire  
SY3 5AL

The comparative figures in these accounts are for the period from incorporation on 13 January 2015 to 31 March 2016.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Going concern**

The company has net liabilities. Having reviewed the cash flow forecasts provided by the Board of Directors and received assurances in writing concerning the ability to settle company debts as and when they fall due, the financial statements have been prepared on a going concern basis.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

##### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.



## **Chip Chip Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017**

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors and accruals**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## Chip Chip Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### 3 Investments

	2017 £	2016 £
Investments in subsidiaries	211	211
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2016		211
<b>Carrying amount</b>		
At 31 March 2017		211
At 31 March 2016		211

### 4 Debtors

	Note	2017 £	2016 £
Trade debtors		58,885	-
Amounts owed by group undertakings and undertakings in which the company has a participating interest	7	3,463,201	743,338
Other debtors		370,355	100
VAT		112,382	15,718
Prepayments		32,596	-
<b>Total current trade and other debtors</b>		<b>4,037,419</b>	<b>759,156</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# **Chip Chip Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2017**

### **5 Creditors**

	Note	2017 £	2016 £
<b>Due within one year</b>			
Finance lease liabilities		153,568	173,756
Other loans		50,000	-
Trade creditors		29,083	-
Amounts owed to group undertakings and undertakings in which the company has a participating interest	7	621,272	-
Other creditors		222,204	302,416
Accruals		27,609	-
		<u>1,103,736</u>	<u>476,172</u>
<b>Due after one year</b>			
Finance lease liabilities		548,631	281,611
Other loans		3,043,117	-
		<u>3,591,748</u>	<u>281,611</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### **Due after five years**

Included in the loans and borrowings are the following amounts due after more than five years:

	2017 £	2016 £
After more than five years not by instalments	<u>1,557,933</u>	<u>-</u>

## Chip Chip Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### 6 Loans and borrowings

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	548,631	281,611
Other loans	3,043,117	-
	<u>3,591,748</u>	<u>281,611</u>
	2017 £	2016 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	153,568	173,756
Other loans	50,000	-
	<u>203,568</u>	<u>173,756</u>

Included within other loans are the following amounts:

£1,435,184 is repayable in full on 25 January 2022. The loan carries an interest rate of 6% per annum;

£100,000 is repayable in equal instalments on 12 January 2017, 2018, 2019 and 2020. The loan carries an interest rate of 7% per annum; and

£1,557,933 is repayable in full on 10 January 2024. The loan is not subject to interest.

## Chip Chip Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### 7 Related party transactions

The company has several subsidiaries and during the year certain of these companies have entered into transactions on behalf of the company and vice versa, resulting in year end amounts owing to and by the company, as follows:

	2017	2016
	£	£
<b>Amounts owing to the company:</b>		
Bicester Wood Chip Limited	115,113	187,430
Hampshire Woodchip Limited	501,644	-
Worcester Woodchip Limited	513,353	-
Dorset Woodchip Limited	414,172	-
Gloucester Woodchip Limited	315,721	90,023
East Anglia Woodchip Limited	1,152	-
Cambridgeshire Woodchip Limited	522,100	-
Nottingham Woodchip Limited	544,813	465,885
Hertfordshire Woodchip Limited	535,133	-
<b>TOTAL</b>	<b>3,463,201</b>	<b>743,338</b>
<b>Amounts owing by the company:</b>		
Chip Chip Limited	621,272	-
<b>TOTAL</b>	<b>621,272</b>	<b>-</b>

#### 8 Parent and ultimate parent undertaking

Fluid Ice Limited and Strong Energy Solutions Limited each own 50% of the ordinary share capital of Chip Chip Holdings Limited.

The financial statements of each are available upon request from Companies House.

#### 9 Subsequent events

After a drawdown from its five-year loan facility on 18 August 2017, the company repaid significant lease liabilities and provided funds to its subsidiaries to enable them also to repay their significant lease liabilities.