

Registration number: 03125227

# Churchill Investments PLC

Annual Report and Financial Statements

for the Year Ended 30 November 2018

Amherst & Shapland  
Chartered Accountants  
Bridge House  
14 Bridge Street  
Taunton  
Somerset  
TA1 1UB



# **Churchill Investments PLC**

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# **Churchill Investments PLC**

## **Company Information**

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | T R Ware<br>J Ware  |
| <b>Company secretary</b> | J Ware  |
| <b>Registered office</b> | 9 Woodborough Road<br>Winscombe<br>North Somerset<br>BS25 1AB   |
| <b>Auditors</b>          | Amherst & Shapland<br>Chartered Accountants<br>Bridge House<br>14 Bridge Street<br>Taunton<br>Somerset<br>TA1 1UB |

## Churchill Investments PLC

### Strategic Report for the Year Ended 30 November 2018

The directors present their strategic report for the year ended 30 November 2018.

#### Principal activity

The principal activity of the company is that of providing advisory, investment management and pension consultancy services

#### Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We are independent financial advisers specialising in investment, where we have specialist expertise. We have been trading since 1996 and are based in Winscombe, a North Somerset village about 15 miles south of Bristol on the A38.

We also operate an agency for Coventry Building Society.

Our aim is to provide a genuinely personal ongoing service and given the depth of experience we have throughout our team we are very well placed to do so. On top of this experience we also have a strong administration team in place supporting both the advisors and our clients when it comes to the execution of advice.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and operating profit.

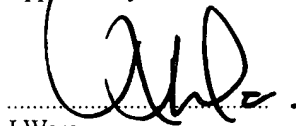
Turnover for the year was static but operating profit increased by 17% to £768,808. The balance of profit after tax has been added to reserves which have this year increased to £1,239,041.

#### Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to compliance with FCA regulations and guidelines, and obtaining sufficient indemnity insurance.

Risks are reviewed by the directors and appropriate processes put in place to monitor and mitigate them, namely the use of external compliance consultants to review the company's compliance with the regulations.

Approved by the Board on 10/5/19 and signed on its behalf by:



J Ware

Company secretary and director

## Churchill Investments PLC

### Directors' Report for the Year Ended 30 November 2018

The directors present their report and the financial statements for the year ended 30 November 2018.

#### **Directors of the company**

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

T R Ware

J Ware - Company secretary and director

#### **Financial instruments**

##### ***Objectives and policies***

The future growth of the company is dependent on the competitiveness of the company in relation to its industry rivals and the quality of the service it offers.

The company has limited borrowing and is therefore in a strong position to adapt to market conditions.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The directors maintain cash reserves appropriate to the size and nature of the company in order to meet any unforeseen adverse conditions.

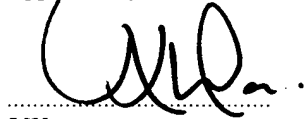
#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

The auditors Amherst & Shapland are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 24/5/19 and signed on its behalf by:



J Ware

Company secretary and director

## **Churchill Investments PLC**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **Churchill Investments PLC**

### **Independent Auditor's Report to the Members of Churchill Investments PLC**

#### **Opinion**

We have audited the financial statements of Churchill Investments PLC (the 'company') for the year ended 30 November 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2018 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Churchill Investments PLC**

### **Independent Auditor's Report to the Members of Churchill Investments PLC**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

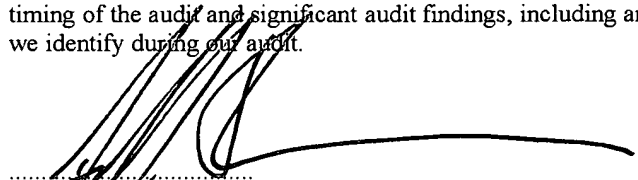


## Churchill Investments PLC

### Independent Auditor's Report to the Members of Churchill Investments PLC

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....  
Mr A Porter (Senior Statutory Auditor)  
For and on behalf of Amherst & Shapland, Statutory Auditor

Bridge House  
14 Bridge Street  
Taunton  
Somerset  
TA1 1UB

Date: 16 MAY 2019

## Churchill Investments PLC

### Profit and Loss Account for the Year Ended 30 November 2018

|  | Note | 2018<br>£             | 2017<br>£             |
|--|------|-----------------------|-----------------------|
| Turnover   | 3    | 1,123,671             | 1,124,975             |
| Cost of sales  |      | <u>(102,088)</u>      | <u>(89,858)</u>       |
| Gross profit   |      | 1,021,583             | 1,035,117             |
| Administrative expenses  |      | (252,775)             | (383,072)             |
| Other operating income   | 4    | <u>-</u>              | <u>5,000</u>          |
| Operating profit   | 6    | <u>768,808</u>        | <u>657,045</u>        |
| Gain on financial assets at fair value through profit and loss account |      | 15,977                | 109,215               |
| Other interest receivable and similar income                           | 7    | 6,298                 | 2,654                 |
| Interest payable and similar expenses                                  | 8    | <u>-</u>              | <u>(722)</u>          |
|  |      | <u>22,275</u>         | <u>111,147</u>        |
| Profit before tax  |      | 791,083               | 768,192               |
| Taxation   | 12   | <u>(157,862)</u>      | <u>(151,429)</u>      |
| Profit for the financial year  |      | <u><u>633,221</u></u> | <u><u>616,763</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.

## **Churchill Investments PLC**

### **Statement of Comprehensive Income for the Year Ended 30 November 2018**

|   | <b>2018</b>           | <b>2017</b>           |
|---|-----------------------|-----------------------|
|   | <b>£</b>              | <b>£</b>              |
| Profit for the year                     | <u>633,221</u>        | <u>616,763</u>        |
| Total comprehensive income for the year | <u><u>633,221</u></u> | <u><u>616,763</u></u> |

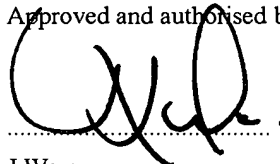
The notes on pages 13 to 21 form an integral part of these financial statements.

# Churchill Investments PLC

(Registration number: 03125227)  
Balance Sheet as at 30 November 2018

|   | Note | 2018<br>£        | 2017<br>£        |
|---|------|------------------|------------------|
| <b>Fixed assets</b>                                   |      |                  |                  |
| Intangible assets                                     | 13   | 11,679           | 52,338           |
| Tangible assets                                       | 14   | <u>70,763</u>    | <u>87,337</u>    |
|   |      | <u>82,442</u>    | <u>139,675</u>   |
| <b>Current assets</b>                                 |      |                  |                  |
| Debtors   | 16   | 333,015          | 343,785          |
| Other financial assets                                | 15   | 445,723          | 329,746          |
| Cash at bank and in hand                              |      | <u>631,842</u>   | <u>524,911</u>   |
|   |      | 1,410,580        | 1,198,442        |
| <b>Creditors:</b> Amounts falling due within one year | 18   | <u>(158,981)</u> | <u>(237,297)</u> |
| <b>Net current assets</b>                             |      | <u>1,251,599</u> | <u>961,145</u>   |
| <b>Net assets</b>                                     |      | <u>1,334,041</u> | <u>1,100,820</u> |
| <b>Capital and reserves</b>                           |      |                  |                  |
| Called up share capital                               | 20   | 50,000           | 50,000           |
| Capital redemption reserve                            |      | 45,000           | 45,000           |
| Profit and loss account                               |      | <u>1,239,041</u> | <u>1,005,820</u> |
| Total equity  |      | <u>1,334,041</u> | <u>1,100,820</u> |

Approved and authorised by the Board on 22/5/19 and signed on its behalf by:



J Ware  
Company secretary and director

**Churchill Investments PLC**

**Statement of Changes in Equity for the Year Ended 30 November 2018**

|                            | <b>Share capital<br/>£</b> | <b>Capital<br/>redemption<br/>reserve<br/>£</b> | <b>Profit and loss<br/>account<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|----------------------------|---|--|--------------------|
| At 1 December 2017         | 50,000                     | 45,000  | 1,005,820                                | 1,100,820          |
| Profit for the year        | -                          | -   | 633,221                                  | 633,221            |
| Total comprehensive income | -                          | -   | 633,221                                  | 633,221            |
| Dividends                  | -                          | -   | (400,000)                                | (400,000)          |
| At 30 November 2018        | <u>50,000</u>              | <u>45,000</u>                                   | <u>1,239,041</u>                         | <u>1,334,041</u>   |
|                            | <b>Share capital<br/>£</b> | <b>Capital<br/>redemption<br/>reserve<br/>£</b> | <b>Profit and loss<br/>account<br/>£</b> | <b>Total<br/>£</b> |
| At 1 December 2016         | 50,000                     | 45,000  | 789,057                                  | 884,057            |
| Profit for the year        | -                          | -   | 616,763                                  | 616,763            |
| Total comprehensive income | -                          | -   | 616,763                                  | 616,763            |
| Dividends                  | -                          | -   | (400,000)                                | (400,000)          |
| At 30 November 2017        | <u>50,000</u>              | <u>45,000</u>                                   | <u>1,005,820</u>                         | <u>1,100,820</u>   |

The notes on pages 13 to 21 form an integral part of these financial statements.  
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## Churchill Investments PLC

### Statement of Cash Flows for the Year Ended 30 November 2018

|   | Note | 2018<br>£        | 2017<br>£        |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities</b>                     |      |                  |                  |
| Profit for the year   |      | 633,221          | 616,763          |
| Adjustments to cash flows from non-cash items                   |      |                  |                  |
| Depreciation and amortisation                                   | 6    | 57,565           | 59,010           |
| Financial instrument net (gains)/losses through profit and loss |      | (15,976)         | (19,725)         |
| Changes in fair value of investment property                    |      | -                | (89,490)         |
| Loss from sales of investment properties                        | 5    | -                | 76,990           |
| Finance income  | 7    | (6,298)          | (2,654)          |
| Finance costs   | 8    | -                | 722              |
| Income tax expense  | 12   | 157,862          | 151,429          |
|   |      | <u>826,374</u>   | <u>793,045</u>   |
| Working capital adjustments                                     |      |                  |                  |
| Decrease/(increase) in trade debtors                            | 16   | 7,089            | (243,106)        |
| (Decrease)/increase in trade creditors                          | 18   | (4,640)          | 51               |
|   |      | <u>828,823</u>   | <u>549,990</u>   |
| Cash generated from operations                                  |      | 828,823          | 549,990          |
| Income taxes paid   | 12   | (227,857)        | (102,161)        |
| Net cash flow from operating activities                         |      | <u>600,966</u>   | <u>447,829</u>   |
| <b>Cash flows from investing activities</b>                     |      |                  |                  |
| Interest received   | 7    | 6,298            | 2,654            |
| Acquisitions of tangible assets                                 |      | (333)            | (13,920)         |
| Acquisition of intangible assets                                | 13   | -                | (62,538)         |
| Proceeds from sale of investment properties                     |      | -                | 325,000          |
| Acquisition of investments                                      |      | (100,000)        | (200,000)        |
| Net cash flows from investing activities                        |      | <u>(94,035)</u>  | <u>51,196</u>    |
| <b>Cash flows from financing activities</b>                     |      |                  |                  |
| Interest paid   | 8    | -                | (722)            |
| Repayment of bank borrowing                                     |      | -                | (50,000)         |
| Dividends paid  | 21   | (400,000)        | (400,000)        |
| Net cash flows from financing activities                        |      | <u>(400,000)</u> | <u>(450,722)</u> |
| Net increase in cash and cash equivalents                       |      | 106,931          | 48,303           |
| Cash and cash equivalents at 1 December                         |      | 524,911          | 476,608          |
| Cash and cash equivalents at 30 November                        |      | <u>631,842</u>   | <u>524,911</u>   |

The notes on pages 13 to 21 form an integral part of these financial statements.

# **Churchill Investments PLC**

## **Notes to the Financial Statements for the Year Ended 30 November 2018**

### **1 General information**

The company is a public company limited by share capital, incorporated in England.

The address of its registered office is:

9 Woodborough Road  
Winscombe  
North Somerset  
BS25 1AB

Authorised for issue date

### **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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **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.

#### **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 sales/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.

#### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

## Churchill Investments PLC

### Notes to the Financial Statements for the Year Ended 30 November 2018

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

There is no lease in place at the balance sheet date, or at the date of signing the accounts, on the premises occupied by the company but the directors' consider that a 20 year period is appropriate to the future of the company and the ownership of the freehold. Thus the improvement costs in relation to the lease shall be written off over the deemed term of the lease.

| Asset class         | Depreciation method and rate  |
|---------------------|-------------------------------|
| Property            | 5% on cost                    |
| Fixtures & Fittings | 15% on reducing balance basis |
| Motor Vehicles      | 25% on cost                   |
| Office Equipment    | 33.33% on cost                |

#### Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| Asset class | Amortisation method and rate |
|-------------|------------------------------|
| Goodwill    | 33.33% on cost               |

#### 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.



## Churchill Investments PLC

### Notes to the Financial Statements for the Year Ended 30 November 2018

#### Trade creditors

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.

#### 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.

#### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

|  | 2018<br>£        | 2017<br>£        |
|--|------------------|------------------|
| Rendering of services                  | 1,123,671        | 1,119,575        |
| Rental income from investment property | -                | 5,400            |
|  | <u>1,123,671</u> | <u>1,124,975</u> |

### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

|                                      | 2018<br>£ | 2017<br>£ |
|--------------------------------------|-----------|-----------|
| Miscellaneous other operating income | -         | 5,000     |

### 5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

|                                      | 2018<br>£ | 2017<br>£ |
|--------------------------------------|-----------|-----------|
| Gain (loss) on investment properties | -         | (76,990)  |

## Churchill Investments PLC

### Notes to the Financial Statements for the Year Ended 30 November 2018

#### 6 Operating profit

Arrived at after charging/(crediting)

|                      | 2018<br>£     | 2017<br>£     |
|----------------------|---------------|---------------|
| Depreciation expense | 16,907        | 18,351        |
| Amortisation expense | <u>40,658</u> | <u>40,659</u> |

#### 7 Other interest receivable and similar income

|                                  | 2018<br>£    | 2017<br>£    |
|----------------------------------|--------------|--------------|
| Interest income on bank deposits | 352          | 854          |
| Other finance income             | <u>5,946</u> | <u>1,800</u> |
|                                  | <u>6,298</u> | <u>2,654</u> |

#### 8 Interest payable and similar expenses

|  | 2018<br>£ | 2017<br>£  |
|--|-----------|------------|
| Interest on bank overdrafts and borrowings | <u>-</u>  | <u>722</u> |

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

|  | 2018<br>£      | 2017<br>£      |
|--|----------------|----------------|
| Wages and salaries                         | 151,821        | 126,652        |
| Social security costs                      | 9,772          | 6,989          |
| Pension costs, defined contribution scheme | 4,296          | 49,033         |
| Other employee expense                     | <u>188</u>     | <u>890</u>     |
|  | <u>166,077</u> | <u>183,564</u> |

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

|                            | 2018<br>No. | 2017<br>No. |
|----------------------------|-------------|-------------|
| Administration and support | <u>9</u>    | <u>8</u>    |

## Churchill Investments PLC

### Notes to the Financial Statements for the Year Ended 30 November 2018

#### 10 Directors' remuneration

#### 11 Auditors' remuneration

|                                   | 2018<br>£    | 2017<br>£    |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>1,860</u> | <u>1,980</u> |

#### 12 Taxation

Tax charged/(credited) in the income statement

|  | 2018<br>£      | 2017<br>£      |
|--|----------------|----------------|
| <b>Current taxation</b>                        |                |                |
| UK corporation tax                             | 157,880        | 151,429        |
| UK corporation tax adjustment to prior periods | <u>(18)</u>    | <u>-</u>       |
|  | <u>157,862</u> | <u>151,429</u> |

#### 13 Intangible assets

|                          | Goodwill<br>£  | Total<br>£     |
|--------------------------|----------------|----------------|
| <b>Cost or valuation</b> |                |                |
| At 1 December 2017       | <u>121,975</u> | <u>121,975</u> |
| At 30 November 2018      | <u>121,975</u> | <u>121,975</u> |
| <b>Amortisation</b>      |                |                |
| At 1 December 2017       | 69,637         | 69,637         |
| Amortisation charge      | <u>40,659</u>  | <u>40,659</u>  |
| At 30 November 2018      | <u>110,296</u> | <u>110,296</u> |
| <b>Carrying amount</b>   |                |                |
| At 30 November 2018      | <u>11,679</u>  | <u>11,679</u>  |
| At 30 November 2017      | <u>52,338</u>  | <u>52,338</u>  |

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2017 - £Nil).

## Churchill Investments PLC

### Notes to the Financial Statements for the Year Ended 30 November 2018

#### 14 Tangible assets

|                          | Land and<br>buildings<br>£ | Furniture,<br>fittings and<br>equipment<br>£ | Motor vehicles<br>£ | Total<br>£     |
|--------------------------|----------------------------|--|---------------------|----------------|
| <b>Cost or valuation</b> |                            |  |                     |                |
| At 1 December 2017       | 100,804                    | 70,081                                       | 29,000              | 199,885        |
| Additions                | -                          | 333  | -                   | 333            |
| At 30 November 2018      | <u>100,804</u>             | <u>70,414</u>                                | <u>29,000</u>       | <u>200,218</u> |
| <b>Depreciation</b>      |                            |  |                     |                |
| At 1 December 2017       | 42,209                     | 55,839                                       | 14,500              | 112,548        |
| Charge for the year      | <u>5,040</u>               | <u>4,617</u>                                 | <u>7,250</u>        | <u>16,907</u>  |
| At 30 November 2018      | <u>47,249</u>              | <u>60,456</u>                                | <u>21,750</u>       | <u>129,455</u> |
| <b>Carrying amount</b>   |                            |  |                     |                |
| At 30 November 2018      | <u>53,555</u>              | <u>9,958</u>                                 | <u>7,250</u>        | <u>70,763</u>  |
| At 30 November 2017      | <u>58,595</u>              | <u>14,242</u>                                | <u>14,500</u>       | <u>87,337</u>  |

Included within the net book value of land and buildings above is £53,555 (2017 - £58,595) in respect of short leasehold land and buildings.

# Churchill Investments PLC

## Notes to the Financial Statements for the Year Ended 30 November 2018

### 15 Other financial assets (current and non-current)

|                                 | Financial assets<br>at fair value<br>through profit<br>and loss<br>£ | Total<br>£ |
|---------------------------------|--|------------|
| <b>Current financial assets</b> |  |            |
| <b>Cost or valuation</b>        |  |            |
| At 1 December 2017              | 329,746  | 329,746    |
| Fair value adjustments          | 15,977   | 15,977     |
| Additions                       | 100,000  | 100,000    |
| At 30 November 2018             | 445,723  | 445,723    |
| <b>Impairment</b>               |  |            |
| <b>Carrying amount</b>          |  |            |
| At 30 November 2018             | 445,723  | 445,723    |

### 16 Debtors

|                  | Note | 2018<br>£ | 2017<br>£ |
|------------------|------|-----------|-----------|
| Other debtors    |      | 224,865   | 236,190   |
| Prepayments      |      | 25,460    | 19,839    |
| Accrued income   |      | 9,996     | 11,381    |
| Income tax asset | 12   | 72,694    | 76,375    |
|                  |      | 333,015   | 343,785   |

### 17 Cash and cash equivalents

|                     | 2018<br>£ | 2017<br>£ |
|---------------------|-----------|-----------|
| Cash on hand        | 53        | 78        |
| Cash at bank        | 26,839    | 30,000    |
| Short-term deposits | 604,950   | 494,833   |
|                     | 631,842   | 524,911   |

### 18 Creditors

## Churchill Investments PLC

### Notes to the Financial Statements for the Year Ended 30 November 2018

|  | Note | 2018<br>£      | 2017<br>£      |
|--|------|----------------|----------------|
| <b>Due within one year</b>                     |      |                |                |
| Trade creditors                                |      | 1,909          | 3,578          |
| Amounts due to related parties                 | 22   | 275            | 275            |
| Social security and other taxes                |      | -              | 2,339          |
| Outstanding defined contribution pension costs |      | 471            | 255            |
| Other payables                                 |      | -              | 407            |
| Accruals                                       |      | 2,198          | 2,639          |
| Income tax liability                           | 12   | <u>154,128</u> | <u>227,804</u> |
|  |      | <u>158,981</u> | <u>237,297</u> |

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,296 (2017 - £49,033).

Contributions totalling £471 (2017 - £255) were payable to the scheme at the end of the year and are included in creditors.

#### 20 Share capital

##### Allotted, called up and fully paid shares

|                            | No.           | 2018<br>£     | No.           | 2017<br>£     |
|----------------------------|---------------|---------------|---------------|---------------|
| Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> |

#### 21 Dividends

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| Interim dividend of £8.89 (2017 - £8.89) per ordinary share | 400,000   | 400,000   |

#### 22 Related party transactions

##### Summary of transactions with other related parties

## **Churchill Investments PLC**

### **Notes to the Financial Statements for the Year Ended 30 November 2018**

Mr J K Ware, director of the company.

Mr T R Ware, director of the company.

The company occupies a property owned by Churchill Small Self Administered Pension Scheme at an annual rent of £26,476 (2017: £30,000). Mr J K Ware is a trustee of the Scheme. Rent was charged on an arms length basis and no special terms applied.

Mr J K Ware together with Mrs N J Ware, Director and wife of Mr J K Ware, received dividends of £360,000 in the year ended 30th November 2018 (2017: £360,000).

Mrs N J Ware is an employee of the company and during the year the company contributed nil (2017: £40,000) to her pension.

Mr T Ware received dividends of £40,000 in the year ended 30th November 2018 (2016: £40,000)

Mr T Ware has a mortgage from the company. Interest was charged at 2.5% and totalled £5,875 (2017: £1,800). The balance outstanding at the balance sheet date and included in other Debtors was £223,675 (2017: £235,000).

#### **Control**

The company is controlled by the Directors who own 55% of the called up share capital.