

COMPANY REGISTRATION NUMBER: 04083989

Collins Earthworks Limited

Financial Statements

30 November 2019

Collins Earthworks Limited

Financial Statements

Year ended 30 November 2019

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Independent auditor's report to the members	7
Statement of income and retained earnings	10
Statement of financial position	11
Statement of cash flows	13
Notes to the financial statements	14

Collins Earthworks Limited
Officers and Professional Advisers

The board of directors	Mr D Collins
	Mr P Gaffney
	Mr A Procter
	Mrs J Goodwin-Woodcock
	Mr J Cave
Company secretary	Mrs N J Collins
Registered office	Whiteley Road
	Ripley
	Derbyshire
	DE5 3QL
Auditor	Beeley Hawley & Co Ltd
	Chartered Accountants and & statutory auditor
	42-44 Nottingham Road
	Mansfield
	Nottinghamshire
	NG18 1BL

Collins Earthworks Limited

Strategic Report

Year ended 30 November 2019

Review of business

Collins Earthworks Limited is a private company limited by shares and incorporated in the United Kingdom. Collins Earthworks Limited ("the company") operate a business providing contract earth working services, plant and machinery hire. The results for the company show a pre-tax profit of £123,234 (2018 Profit of £7,524,476) for the year and sales of £70.9 million (2018 £84.6 million).

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the underlying market for large scale construction projects and competition.

Future outlook

The directors are confident that even with the emergence of COVID and the impact on the economy in 2020 the company will remain profitable and enable the company to maintain and consolidate its current performance. The key business risks and uncertainties affecting the company are considered to relate to the underlying market for large scale construction projects and competition. The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties. The directors are confident that 2020 will remain profitable and enable the company to maintain and consolidate its current performance. In reviewing the management accounts for 2020 the company is anticipated to exceed the turnover based on these accounts, and continue to improve in the future. The company is aware of the forthcoming changes in the European Union and the trade thereof and are reviewing the situation and when advice and regulations are available.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the business.

This report was approved by the board of directors on 12 November 2020 and signed on behalf of the board by:

Mr D Collins

Director

Mr A Procter

Director

Mr J Cave

Director

Registered office:

Whiteley Road

Ripley

Derbyshire

DE5 3QL

Mr P Gaffney

Director

Mrs J Goodwin-Woodcock

Director

Collins Earthworks Limited

Directors' Report

Year ended 30 November 2019

The directors present their report and the financial statements of the company for the year ended 30 November 2019 .

Directors

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

Mr D Collins

Mr P Gaffney

Mr A Procter

Mrs J Goodwin-Woodcock

Mr J Cave

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Future developments

The management of the business and execution of the company's strategy are subject to a number of risks.

Employment of disabled persons

The company considers: a) full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities, for continuing the employment of b) for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company, and c) otherwise for the training, career development and promotion of disabled persons employed by the company.

Employee involvement

The company considers a) providing employees systematically with information on matters of concern to them as employees, b) consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests, c) encouraging the involvement of employees in the company's performance through an employees' share scheme or by some other means, d) achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

Financial instruments

Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments 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; - 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. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. A resolution to reappoint Beeley Hawley & Co Ltd as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 12 November 2020 and signed on behalf of the board by:

Mr D Collins

Director

Mr A Procter

Director

Mr J Cave

Director

Registered office:

Whiteley Road

Ripley

Derbyshire

DE5 3QL

Mr P Gaffney

Director

Mrs J Goodwin-Woodcock

Director

Collins Earthworks Limited

Independent Auditor's Report to the Members of Collins Earthworks Limited

Year ended 30 November 2019

Opinion

We have audited the financial statements of Collins Earthworks Limited (the 'company') for the year ended 30 November 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 30 November 2019 and of its loss for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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.

Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the 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 or the directors' report. We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement, 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: - 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 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. 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. Use of our report

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.

Mr R Callingham

(Senior Statutory Auditor)

For and on behalf of

Beeley Hawley & Co Ltd

Chartered Accountants and & statutory auditor

42-44 Nottingham Road

Mansfield

Nottinghamshire

NG18 1BL

12 November 2020

Collins Earthworks Limited

Statement of Income and Retained Earnings

Year ended 30 November 2019

		2019	2018
	Note	£	£
Turnover	4	70,942,100	84,626,575
Cost of sales		67,097,962	73,620,810
		-----	-----
Gross profit		3,844,138	11,005,765
Administrative expenses		2,754,384	2,724,773
Other operating income		60,335	11,787
		-----	-----
Operating profit	5	1,150,089	8,292,779
Other interest receivable and similar income	9	14,530	14,850
Interest payable and similar expenses	10	1,041,385	783,153
		-----	-----
Profit before taxation		123,234	7,524,476
Tax on profit	11	647,549	1,474,632
		-----	-----
(Loss)/profit for the financial year and total comprehensive income		(524,315)	6,049,844
		-----	-----
Dividends paid and payable	12	(33,600)	(33,400)
Retained earnings at the start of the year		22,890,265	16,873,821
		-----	-----
Retained earnings at the end of the year		22,332,350	22,890,265
		-----	-----

All the activities of the company are from continuing operations.

Collins Earthworks Limited

Statement of Financial Position

30 November 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	37,899,674	32,115,174
Current assets			
Debtors	14	16,078,506	26,152,836
Cash at bank and in hand		1,323,645	2,371,190
		17,402,151	28,524,026
Creditors: amounts falling due within one year			
Bank loans and overdrafts		162,465	150,132
Trade creditors		8,098,431	15,427,523
Other creditors including taxation and social security	15	9,965,404	9,118,521
Accruals and deferred income		14,900	25,387
		18,241,200	24,721,563
Net current (liabilities)/assets		(839,049)	3,802,463
Total assets less current liabilities		37,060,625	35,917,637
Creditors: amounts falling due after more than one year			
Bank loans and overdrafts		1,353,240	1,504,602
Other creditors including taxation and social security	16	12,282,009	11,077,293
		13,635,249	12,581,895
Provisions	18	1,092,926	445,377
Net assets		22,332,450	22,890,365
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account	23	22,332,350	22,890,265
Shareholders funds		22,332,450	22,890,365

Collins Earthworks Limited

Statement of Financial Position *(continued)*

30 November 2019

These financial statements were approved by the board of directors and authorised for issue on 12 November 2020
, and are signed on behalf of the board by:

Mr D Collins

Director

Mr A Procter

Director

Mr J Cave

Director

Mr P Gaffney

Director

Mrs J Goodwin-Woodcock

Director

Company registration number: 04083989

Collins Earthworks Limited

Statement of Cash Flows

Year ended 30 November 2019

	2019	2018
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	(524,315)	6,049,844
<i>Adjustments for:</i>		
Depreciation of tangible assets	5,289,726	5,568,902
Other interest receivable and similar income	(14,530)	(14,850)
Interest payable and similar expenses	1,041,385	783,153
Gains on disposal of tangible assets	(588,246)	(486,376)
Tax on profit	647,549	1,474,632
Accrued (income)/expenses	(10,487)	11,687
<i>Changes in:</i>		
Trade and other debtors	10,074,330	(12,043,186)
Trade and other creditors	(6,641,732)	10,048,767
Cash generated from operations	9,273,680	11,392,573
Interest paid	(1,041,385)	(783,153)
Interest received	14,530	14,850
Tax paid	(1,265,904)	(923,104)
Net cash from operating activities	6,980,921	9,701,166
Cash flows from investing activities		
Purchase of tangible assets	(12,879,576)	(14,777,839)
Proceeds from sale of tangible assets	2,393,596	1,336,768
Net cash used in investing activities	(10,485,980)	(13,441,071)
Cash flows from financing activities		
Proceeds from borrowings	(139,029)	(147,428)
Payments of finance lease liabilities	2,630,143	4,862,826
Dividends paid	(33,600)	(33,400)
Net cash from financing activities	2,457,514	4,681,998
Net (decrease)/increase in cash and cash equivalents	(1,047,545)	942,093
Cash and cash equivalents at beginning of year	2,371,190	1,429,097
Cash and cash equivalents at end of year	1,323,645	2,371,190

Collins Earthworks Limited

Notes to the Financial Statements

Year ended 30 November 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Whiteley Road, Ripley, Derbyshire, DE5 3QL.

2. Statement of compliance

The company has adopted FRS 102 for the current year. These financial statements have been prepared in compliance with FRS 102 'The Financial Standard applicable the UK and the Republic of Ireland. The policies applied under the entity's previous accounting framework are not materially difference to FRS 102 and have not impacted on equity or profit and loss. of the standard.

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.

Long term contracts

Amounts recoverable on long terms contracts, which are included in debtors, are stated at the net sales value of work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Judgements and key sources of estimation uncertainty

There were no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have effect on the amounts recognised in the financial statements. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There were no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Retentions are included within revenue to the extent that they are considered recoverable. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

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.

Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

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. 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:

Freehold property	-	2% straight line
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	18% reducing balance
Motor vehicles	-	18% reducing balance

The company changed its policy for depreciation of fixed assets during the year to give a more accurate valuation of plant and vehicles. The depreciation rate for motor vehicle is reduced from 20% reducing balance to 18% reducing balance. This has resulted in a decrease in depreciation of some £38,000 which has in turn increased the value of profits and assets in the year. The depreciation rate for equipment is reduced from 20% reducing balance to 15% reducing balance. This has resulted in a decrease in depreciation of some £1.6M which has in turn increased the value of profits and assets in the year.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position 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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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. Turnover

Turnover arises from:

	2019	2018
	£	£
Rendering of services	70,942,096	84,626,571
Interest	15,794	14,549
Other significant types of revenue - desc in a/c	59,070	11,787
	<u>71,016,960</u>	<u>84,652,907</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Turnover is inclusive of amounts expected to be recovered on retentions.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Amortisation of intangible assets	50,267	67,837
Depreciation of tangible assets	5,239,459	5,501,065
Gains on disposal of tangible assets	(588,246)	(486,376)

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>9,700</u>	<u>9,700</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Production staff	195	180
Administrative staff	25	50
Management staff	19	5
	---	---
	239	235
	---	---

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	8,970,805	8,406,205
Social security costs	944,381	1,138,776
Other pension costs	191,487	98,179
	-----	-----
	10,106,673	9,643,160
	-----	-----

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	136,398	139,781
Company contributions to defined contribution pension plans	1,400	781
	-----	-----
	137,798	140,562
	-----	-----

9. Other interest receivable and similar income

	2019	2018
	£	£
Interest on loans and receivables	14,530	14,850
	-----	-----

10. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	67,097	70,866
Interest on obligations under finance leases and hire purchase contracts	974,288	712,287
	-----	-----
	1,041,385	783,153
	-----	-----

11. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	—	1,467,791
Deferred tax:		
Origination and reversal of timing differences	647,549	6,841
	-----	-----
Tax on profit	647,549	1,474,632
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19 % (2018: 19 %).

	2019 £	2018 £
Profit on ordinary activities before taxation	123,234	7,524,476
Profit on ordinary activities by rate of tax	23,414	1,429,650
Effect of expenses not deductible for tax purposes	899,310	959,102
Effect of capital allowances and depreciation	(1,378,002)	(1,120,961)
Unused tax losses	455,278	—
Tax on profit	—	1,267,791

12. Dividends

	2019 £	2018 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	33,600	33,400

13. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 December 2018	3,391,869	40,718,049	167,590	2,392,987	46,670,495
Additions	499,646	11,425,509	250,003	704,418	12,879,576
Disposals	—	(4,398,116)	(18,285)	(293,264)	(4,709,665)
At 30 November 2019	3,891,515	47,745,442	399,308	2,804,141	54,840,406
Depreciation					
At 1 December 2018	178,072	13,539,880	53,947	783,422	14,555,321
Charge for the year	50,267	4,839,191	51,081	349,187	5,289,726
Disposals	—	(2,793,300)	(18,285)	(92,730)	(2,904,315)
At 30 November 2019	228,339	15,585,771	86,743	1,039,879	16,940,732
Carrying amount					
At 30 November 2019	3,663,176	32,159,671	312,565	1,764,262	37,899,674
At 30 November 2018	3,213,797	27,178,169	113,643	1,609,565	32,115,174

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 £
At 30 November 2019	27,790,269
At 30 November 2018	20,569,451

14. Debtors

	2019	2018
	£	£
Trade debtors	11,343,259	22,221,615
Prepayments and accrued income	931,190	512,182
Amounts recoverable on contracts	2,697,860	3,035,352
Yew Tree Farm (Westwood) Limited loan	288,115	292,662
Other debtors	818,082	91,025
	<u>16,078,506</u>	<u>26,152,836</u>

The debtors above include the following amounts falling due after more than one year:

	2019	2018
	£	£
Yew Tree Farm (Westwood) Limited loan	288,115	292,764
	<u>288,115</u>	<u>292,764</u>

15. Other creditors including taxation and social security falling due within one year

	2019	2018
	£	£
Corporation tax	1,887	1,267,791
Social security and other taxes	1,391,787	670,662
Obligations under finance leases	8,164,763	6,739,336
Director loan accounts	39,475	39,475
Other creditors	367,492	401,257
	<u>9,965,404</u>	<u>9,118,521</u>

16. Other creditors including taxation and social security falling due after more than one year

	2019	2018
	£	£
Obligations under finance leases	12,282,009	11,077,293
	<u>12,282,009</u>	<u>11,077,293</u>

17. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019	2018
	£	£
Not later than 1 year	8,164,763	6,739,336
Later than 1 year and not later than 5 years	12,282,009	11,077,293
	<u>20,446,772</u>	<u>17,816,629</u>

18. Provisions

	Deferred tax (note 19) £
At 1 December 2018	445,377
Additions	647,549
	<u>1,092,926</u>
At 30 November 2019	

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 18)	1,092,926	445,377

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	(1,092,926)	590,573

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 190,086 (2018: £ 97,398).

The company has a pension scheme open to all members of staff. This is run via NEST. Amounts charged are included in the profit and loss account. No contributions were outstanding at the year end other than included in the financial statements.

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

2019	2018
£	£

Loan commitments measured at cost less impairment

Loan commitments measured at cost less impairment	20,446,772	17,816,628
---	------------	------------

Bank borrowings are secured by a debenture which creates a fixed and floating charge over the assets of the company, a legal charge over 16.455 acres of land and buildings at Whiteley Road, Ripley, Derbyshire.

22. Called up share capital

Authorised share capital

	2019		2018	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100

23. Reserves

24. Directors' advances, credits and guarantees

2019

2018

There are no disclosures required for directors' advances, creditors and quarantines other than amounts included within the financial statements.

25. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2019	2018	2019	2018
	£	£	£	£
Collins Demolition Limited	(1,268,977)	(1,065,193)	(268,036)	(393,274)
Collins Demolition Limited	1,308,773	1,073,601	354,022	122,806
Collins Training Limited	(275,805)	(443,686)	(90,912)	(180,043)
Collins Training Limited	109,246	15,471	9,084	2,588
Envirotrac Limited	(7,714,543)	(7,009,932)	(1,734,735)	(1,397,069)
Envirotrac Limited	646,897	2,299,046	75,239	193,185
Yew Tree Farm (Westwood) Limited	(60,000)	(31,200)	–	–
Yew Tree Farm (Westwood Limited)	3,078	–	3,694	–
Collins Plant Sales Limited	1,533,663	–	115,454	–
Collins Earthworks (Transport) Limited	(17,650,500)	–	(3,119,443)	–
Collins Earthworks (Transport) Limited	1,820,699	–	741,464	–
BlueEarth Limited	969,054	–	32,931	–
	-----	-----	-----	-----

Mr D Collins is the ultimate controlling party. Mr D Collins is also a director of Collins Demolition Limited 10057598, Collins Training Limited 08415709, Collins Earthworks (Transport) Limited 11173555, Collins Plant Sales Limited 11840293, Envirotrac Limited 06497659 and Yew Tree Farm (Westwood) Limited 10057600. Yew Tree Farm Limited - at the balance sheet date there were no amounts owing or due from Yew Tree Farm Limited other than the loan shown in the balance sheet. Loan interest is charged at 5%apr. Mr J Cave is also a director of Yew Tree Farm (Westwood) Limited 10057600, BlueEarth Construction Limited 12070022 and Collins Earthworks (Transport) Limited 11173555. Blue Earth Construction Limited is a separate company which has its own clients, suppliers, and contract outside the scope of Collins Earthworks Limited . Mr P Gaffney is also a director of Envirotrac Limited 06497659 and Collins Plant Sales Limited 11840293. Mrs J Goodwin-Woodcock is also director of Envirotrac Limited 06497659 and Collins Plant Sales Limited 11840293. During the year loan were made to two directors. The debit loan is charged to interest at the official rate of interest. There are no specific repayment terms. The balances outstanding at the period end was £20,187 by Mr Procter, and £426,422 by Mr Cave, including interest charged.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.