

Erith Holdings Limited

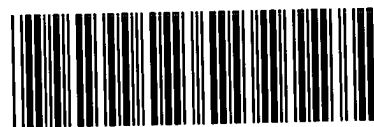
Report and Financial Statements

Year Ended

30 September 2019

Company Number 02586308

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Erith Holdings Limited
Report and financial statements
for the year ended 30 September 2019

Contents

Page:

1	Chairman's statement
2	Strategic report
5	Directors' report
9	Directors' responsibilities statement
10	Independent auditor's report
13	Consolidated statement of comprehensive income
14	Consolidated statement of financial position
15	Company statement of financial position
16	Consolidated statement of changes in equity
17	Company statement of changes in equity
18	Consolidated statement of cash flows
19	Notes forming part of the financial statements

Directors

S T Darsey
T Darsey
D Darsey
V Stokes

Secretary and registered office

S T Darsey, Erith House, Queen's Street, Erith, Kent, DA8 1RP

Company number

02586308

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Erith Holdings Limited

Chairman's statement for the year ended 30 September 2019

Chairman's statement

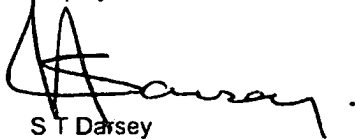
I am pleased to report our audited accounts for 2018/19 come in at a Group Turnover of £190m with Profits before Tax of £7.9m.

Our staff count has now grown to 660 with 477 staff now qualifying for an E.O.T bonus payment.

The Trust has paid out over £1.4m since its inception and is proud of the achievements of the Group and our employees who are very much stakeholders in the future of the Business and its improving performance.

The Group's extended family ethos prevails and our commitment to the Safety, Health, Environment and Quality for all staff, clients, together with the public is very much imbedded in the D.N.A of the Business alongside a proactive policy in regards to our Corporate Social Governance and Responsibility.

Our order book for the coming year is strong and I look forward to the continued success for the Group and all its employees and Stakeholders.



S T Darsey
Chairman

Date 19/12/2019.

Erith Holdings Limited

Strategic report
for the year ended 30 September 2019

Review of the business

Erith Holdings Limited, Erith Contractors Limited, Erith Haulage Company Limited, Erith Plant Services Limited, Erith Business Solutions Limited, Erith Training Limited and Swanton Consulting Limited are a group of private companies ('Erith Group') specialising in various civil engineering activities, including asbestos removal, demolition, land remediation and related ground works, haulage, landfill operations, waste handling and recycling along with supporting functions of training, IT and health and safety.

Our Integrated Management System (IMS) applies to asbestos removal, demolition, land remediation and related ground works.

The Erith Group is committed to long-term customer partnership, a central feature of which is the provision of service for all its customers based upon a multi-disciplined, skill-based approach. All contracts are specifically tailored to the nature of the work required and the specific requirements of the customer. The IMS ensures that all quality, health and safety and environmental issues relevant to each contract are considered as part of the overall contract planning and remain as core issues within the management of that contract. Erith Contractors Limited is certificated to ISO 9001:2015, ISO 14001:2015, ISO 39001:2012 and to OHSAS 18001:2007.

The Erith Group's stated policy is to:

- Plan with customers to identify their relevant quality criteria and to deliver and surpass them within stated time and cost constraints, by using reliable yet innovative low carbon technologies
- Meet and exceed client expectations by continually improving the quality of our services
- Deliver a quality, profitable service whilst being focused on health, safety and the wellbeing of our employees
- Build a collaborative relationship with our clients, ensuring long term success based on respect, integrity, openness and fairness
- Regularly review business performance and continually improve through the setting, achieving and exceeding health and safety, quality and environmental objectives and targets
- Comply with all relevant legislation as a minimum and work towards excellence using best practice
- Eliminate fatal risks, designing out hazards; undertake rigorous risk assessment procedures and implement/monitor mitigation measures and make employee safety and wellbeing central to every project
- On all projects routinely assess the health and safety risks presented to employees, clients, subcontractors, visitors and the general public and minimise such risks as far as reasonably practicable
- Minimise our environmental impacts by considering the whole life environmental costs and benefits in our business decisions
- Ensure that our employees have the necessary training, skills and resources to meet our environmental performance
- We require all subcontractors to demonstrate commitment to stewardship of the environment and we will create the opportunity for sharing best practice for environmental performance
- We will publish our performance for employees, members of the public and encourage to comment on our performance
- Senior management provides the visible leadership for promoting environmental performance integrated within our work and commits the appropriate resources to achieve the environmental goals
- We respect the environmental status and biodiversity of where we work, and endeavour to enhance these areas for the benefit of the local community
- Ensure that all policies and business practices are clearly communicated to all employees, and to others working on the company's behalf, by appropriate briefings and training.

We will regularly review our policies, practices and control measures and update as appropriate.

Erith Holdings Limited

Strategic report for the year ended 30 September 2019 (continued)

Performance

The directors are satisfied that the results for the year are in line with forecasted results and view the future with cautious optimism.

The group statement of comprehensive income has been set out and show a turnover for the year of £190,268,041 and a pre tax profit of £7,904,031. The position of the group and company at the end of the year has been set out in the balance sheet.

Turnover increased by 28.8% against last year. Turnover was increased due to a combination of increased recycling (less recharging of Landfill costs) along with a fluctuating economic climate and a customer focused business plan.

Gross profit margins increased slightly to 13.6% due generally to economies of scale and a more cost focused approach.

The directors recommend the payment of a final dividend of £Nil (2018 - £Nil).

The directors have made contributions to the Employee Ownership Trust of £5,510,000 during the year (2018 - £3,510,000).

There have been no events since the date the accounts which would materially affect the position of the group.

Key performance indicators

	2019	2018
Turnover from continuing operations (£'000)	190,268	147,718
As the prime measure of our economic output, revenue growth is key to measuring shareholder return and the success of our business strategies.		
Gross margin from continuing operations (%)	13.6	12.6
Gross margin from continuing operations (£'000)	25,878	18,640
Gross margin provides an indication of the quality of turnover growth and is also a measure of value added by the group, reflecting the quality of the service provided by Erith Group.		
Net margin from continuing operations (%)	4.2	2.8
Net margin from continuing operations (£'000)	7,904	4,043

Net margin provides an indication of the efficiency of Erith Group, the level of shareholder return and the success of our business strategies.

Erith Holdings Limited

Strategic report
for the year ended 30 September 2019 (*continued*)

Principal risks and uncertainties

The market for our services remains highly competitive with both smaller businesses and larger PLC's competing on price. The group seeks to maintain its history of strong growth by competing aggressively on price while providing added value and exceptional service to its customers.

It is anticipated that as the reputation of the business continues to grow this will foster further opportunities for the business in the future.

The group is also able to maintain strong relationships at a local level with all its customers and suppliers.

The main financial risks arising from the group's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors:-

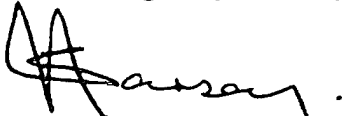
All new customers and existing accounts that are growing rapidly are subjected to a detailed credit risk analysis to minimise the group's exposure to bad debt. Payment patterns are closely monitored to identify the early stages of payment difficulties.

The group's policy in respect of interest rate and liquidity risk is to limit their exposure to variable rate borrowing and fix the rates of interest of assets acquired through finance. Fixed asset acquisitions are primarily funded via leasing agreements in order to maintain sufficient medium term finance to ensure that the group has sufficient funds for future operations.

The group monitors its cash flow as part of its regular day to day control procedures. The board considers cash flow projections and ensures that appropriate facilities are available to be drawn upon as necessary.

The group recognises its obligations to consider all relevant quality, health and safety and environmental issues in its dealings with its customers, employees, suppliers and the general public. Compliance with all relevant legislation is monitored by the board of directors as part of its regular meetings.

This Strategic Report was approved by order of the Board



S T Darsey
Secretary

Date: 19/12/2019

Erith Holdings Limited

Directors' report for the year ended 30 September 2019

The directors present their annual report and accounts for the year ended 30 September 2019.

Principal activities and future developments

The principal activity of the company is that of a holding company. The company's subsidiaries operate in the demolition and haulage industry.

The directors are of the opinion that despite the challenging year ahead the company will continue to be profitable.

Results

The group statement of comprehensive income is set out on page 13 and shows turnover for the year of £190,268,041 and a pre tax profit of £7,904,031.

Further details, including a review of the business, are included within the Strategic Report on page 2.

Charitable contributions

During the year the group made charitable contributions totalling £81,156 (2018 - £144,897).

Directors

The directors of the company during the year were:

S T Darsey
T Darsey
D Darsey
V Stokes

Erith Holdings Limited

Directors' report for the year ended 30 September 2019 (continued)

Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval.

The board assesses concentrations of credit risk by quarterly monitoring the creditworthiness rating of customers representing in excess of 10% the trade receivable balance. At a local level, a monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed periodically. Existing customers that become "high risk" as a result of the periodic reassessment are placed on a restricted customer list and future credit sales are made only with approval of the local management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

A significant amount of cash is held with the following institutions:

	Rating at 30 September 2019	Balance at 30 September 2019	Rating at 30 September 2018	Balance at 30 September 2018
HSBC Bank plc	AA-	7,336	AA-	7,659

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances and (as noted above) the value of the Group's investments in corporate bonds. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed £5m committed credit facility. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section below.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Erith Holdings Limited

Directors' report
for the year ended 30 September 2019 *(continued)*

Financial instruments *(continued)*

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. It is currently group policy that majority of all external group borrowings (excluding short-term overdraft facilities and finance lease payables) are fixed rate borrowings. This policy is managed centrally. Local operations are not permitted to borrow long-term from external sources. Although the board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

During the periods under review, the Group's borrowings at variable rate were denominated in Sterling.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily Euro or Pound Sterling) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

Employee involvement

The group maintains an intranet site that provides employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the company. The intranet site includes functionality that enables employees to express views on matters that affect them and the group.

Erith Holdings Limited

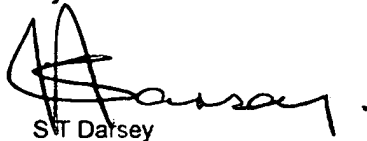
Directors' report
for the year ended 30 September 2019 (*continued*)

Auditors

The current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the group and company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

By order of the Board



S/T Darsey
Secretary

Date 19/12/2019

Erith Holdings Limited

Directors' responsibilities statement for the year ended 30 September 2019

The directors are responsible for preparing the strategic report, the 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 group and company 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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;
- 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.

Erith Holdings Limited

Independent auditor's report

TO THE MEMBERS OF ERITH HOLDINGS LIMITED

Opinion

We have audited the financial statements of Erith Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and the 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)

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2019 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent 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 Group or Parent 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.

Erith Holdings Limited

Independent auditor's report (continued)

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.

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 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 the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Erith Holdings Limited

Independent auditor's report (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date 19 DECEMBER 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Erith Holdings Limited

Consolidated statement of comprehensive income for the year ended 30 September 2019

	Note	2019 £'000	2018 £'000
Turnover	3	190,268	147,718
Cost of sales		(164,390)	(129,078)
Gross profit		25,878	18,640
Administrative expenses		(18,929)	(14,221)
Operating profit	5	6,949	4,419
Interest receivable		154	7
Interest payable and similar charges	6	(340)	(383)
Profit on disposal of fixed asset		734	-
Revaluation of investment property		407	-
Profit on ordinary activities before taxation		7,904	4,043
Tax on profit on ordinary activities	7	(1,310)	(551)
Profit for the financial year and total comprehensive income for the year		6,594	3,492

All amounts relate to continuing activities.

Except for the result for the financial year, as shown above, the group had no recognised gains and losses during the year.

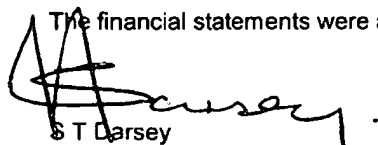
The notes on pages 19 to 34 form part of these financial statements.

Erith Holdings Limited

Consolidated statement of financial position at 30 September 2019

Company number 02586308	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	8		15,710		11,326
Current assets					
Stocks	10	137		137	
Debtors	11	59,626		44,495	
Cash at bank and in hand		7,336		7,659	
		<u>67,099</u>		<u>52,291</u>	
Creditors: amounts falling due within one year	12	(55,937)		(34,864)	
			<u>11,162</u>		<u>17,427</u>
Total assets less current liabilities			26,872		28,753
Creditors: amounts falling due after more than one year	13		(8,911)		(11,876)
			<u>17,961</u>		<u>16,877</u>
Capital and reserves					
Called up share capital	16		150		150
Profit and loss account			17,811		16,727
Equity attributable to owners of the parent company			17,961		16,877

The financial statements were approved by the Board and authorised for issue on 19/12/2019.


S T Darsey
Director

The notes on pages 19 to 34 form part of these financial statements.

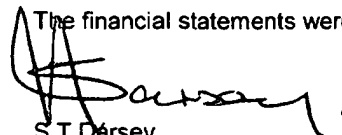
Erith Holdings Limited

Company statement of financial position at 30 September 2019

<i>Company number 02586308</i>	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible fixed assets	8		2,600		2,600
Investments	9		150		150
			<u>2,750</u>		<u>2,750</u>
Current assets					
Debtors	11	2,250		8,462	
Cash at bank and in hand		241		275	
		<u>2,491</u>		<u>8,737</u>	
Creditors: amounts falling due within one year	12	(288)		(454)	
			<u>2,203</u>		<u>8,283</u>
Net current liabilities			2,203		8,283
Total assets less current liabilities			4,953		11,033
Creditors: amounts falling due after more than one year	13	(3,125)		(9,125)	
			<u>1,828</u>		<u>1,908</u>
Net assets			1,828		1,908
Capital and reserves					
Called up share capital	16		150		150
Profit and loss account			1,678		1,758
			<u>1,828</u>		<u>1,908</u>
Equity attributable to owners of the parent company			1,828		1,908

In accordance with Section 408 of the companies Act 2006, the company has not presented its own income statement in these financial statements. The company results for the year include a profit after tax and before dividends payable of £5,430,000 (2018 - £4,310,000) which is dealt within the consolidated financial statements of the group.

The financial statements were approved by the Board and authorised for issue on 19/12/2019.


S T Dersey
Director

The notes on pages 19 to 34 form part of these financial statements.

Erith Holdings Limited

Consolidated statement of changes in equity for the year ended 30 September 2019

	Equity share capital £'000	Profit and loss Account £'000	Total equity £'000
At 1 October 2018	150	16,727	16,877
Comprehensive income for the year			
Profit for the year	-	6,594	6,594
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	6,594	6,594
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	5,510	5,510
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	5,510	5,510
	<hr/>	<hr/>	<hr/>
30 September 2019	150	17,811	17,961
	<hr/>	<hr/>	<hr/>
	Equity share capital £'000	Profit and loss Account £'000	Total Equity £'000
At 1 October 2017	150	16,745	16,895
Comprehensive income for the year			
Profit for the year	-	3,492	3,492
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	3,492	3,492
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	3,510	3,510
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	3,510	3,510
	<hr/>	<hr/>	<hr/>
30 September 2018	150	16,727	16,877
	<hr/>	<hr/>	<hr/>

The notes on pages 19 to 34 form part of these financial statements.

Erith Holdings Limited

Company statement of changes in equity for the year ended 30 September 2019

	Equity share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 October 2018	150	1,758	1,908
Comprehensive income for the year			
Profit for the year	-	5,430	5,430
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	5,430	5,430
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	5,510	5,510
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	5,510	5,510
	<hr/>	<hr/>	<hr/>
30 September 2019	150	1,678	1,828
	<hr/>	<hr/>	<hr/>
	Equity share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 October 2017	150	958	1,108
Comprehensive income for the year			
Profit for the year	-	4,310	4,310
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	4,310	4,310
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	3,510	3,510
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	3,510	3,510
	<hr/>	<hr/>	<hr/>
30 September 2018	150	1,758	1,908
	<hr/>	<hr/>	<hr/>

The notes on pages 19 to 34 form part of these financial statements.

Erith Holdings Limited

Consolidated statement of cash flow for the year ended 30 September 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Cash flows from operating activities	17		13,470		4,194
Cash flows from investing activities					
Interest received		154		6	
Purchase of tangible fixed assets		(7,733)		(4,702)	
Proceeds from sale of tangible fixed assets		1,093		360	
Net cash from investing activities			(6,486)		(4,336)
Cash flows from financing activities					
Repayment of loans		(6,000)		(250)	
Capital element of finance lease rental		4,203		2,059	
Contributions to Employee Ownership Trust		(5,510)		(3,510)	
Net cash used in financing activities			(7,307)		(1,701)
Increase in cash and cash Equivalents			(323)		(1,843)
Cash and cash equivalents at the beginning of the year			7,659		9,502
Cash and cash equivalents at end of the year			7,336		7,659
Cash and cash equivalents comprise:					
Cash at bank and in hand			7,336		7,659
Bank overdrafts			-		-
			7,336		7,659

The notes on pages 19 to 34 form part of these financial statements.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2019

1 Accounting policies

Erith Holdings Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the report of the directors. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The principal accounting policies are summarised below.

Basis of consolidation

The consolidated financial statements present the results of Erith Holdings Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Turnover

Turnover represents sales to outside customers of invoiced amounts less value added tax.

Profit is recognised as a percentage of work certified at the year-end date where profitability can be assured with reasonable probability.

When applicable turnover also includes property rental to external customers at invoiced amounts less value added tax or local taxes on sales. Rental charges invoiced in advance of the rental period are treated as deferred income.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

With the exception of land and buildings, depreciation of tangible fixed assets is calculated to write off the cost of the fixed assets over their estimated useful lives on a straight line basis. The annual rates of depreciation are as follows:

Plant and machinery	-	10% - 33%
Fixtures, fittings and equipment	-	10% - 25%
Motor vehicles	-	10% - 20%
Leasehold improvements	-	Evenly over the term of the lease.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

The company has not provided for depreciation on buildings and therefore has not complied with the Financial Reporting Standard 102. It is considered, however, that non-compliance with the standard has not had a material effect on these accounts since any such depreciation is considered immaterial.

Investment properties

Investment property is carried at fair value determined by market sales data, including the value of recent disposals of similar properties within the area and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

1 Accounting policies (continued)

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Work in progress is valued on the basis of cost of materials, direct labour and appropriate production overheads less progress payments received, adjusted for realisable profits where appropriate.

Contracts where the work is expected to extend for a period exceeding one year and where the outcome can be assessed with reasonable probability before their conclusion are valued at cost plus attributable profit less any foreseeable losses. Attributable profit is that amount which is estimated to reflect fairly the profit arising on the current contracts up to the balance sheet date. Foreseeable losses are those which are currently estimated to arise over the duration of existing contracts after taking into account costs, including direct labour and appropriate production overheads, to be incurred in the future.

Finance leases and hire purchase contracts

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to statement of comprehensive income on a straight-line basis over the term of the lease.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 October 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 October 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to statement of comprehensive income over the term of the lease.

Pension costs

The group makes contributions to the Erith Haulage Company Limited Retirement Benefit Scheme, a defined contribution scheme. The amounts charged to the statement of comprehensive income in respect of pension costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

1 Accounting policies (continued)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Foreign currency translation - Transactions and balances

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of changes in equity.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in statement of comprehensive income within 'other operating income or expense'.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Distributions

Distributions are recognised when they are paid.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Long term contracts are assessed on a contract by contract basis. Recognition is based on probable outcomes assessed by experienced senior management.

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investment properties are valued annually using available external market data. This uses market rental values capitalised at a market capitalisation rate and considers actual prices achieved from the disposal of similar properties within the area, including those previously owned.

3 Turnover

All of the group's turnover relates to its principal activities and is sourced within the UK except for £Nil (2018 - £255,565) which was derived from activities in the Republic of Ireland.

4 Information regarding directors and employees

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Directors' emoluments:				
Emoluments	303	358	28	46
Pension costs	-	13	-	-
	<u>303</u>	<u>371</u>	<u>28</u>	<u>46</u>

	2019 Number	2018 Number
Number of directors who were members of the group pension scheme	-	1

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Emoluments of highest paid director	126	167	8	13
Pension costs of highest paid director	-	13	-	-

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (continued)

4 Information regarding directors and employees (continued)

Employee costs (including directors) during the year:

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Wages and salaries	32,865	29,862	25	40
Social security costs	3,183	3,300	3	6
Pensions	846	485	-	-
	<u>36,894</u>	<u>33,647</u>	<u>28</u>	<u>46</u>

Average number of persons (including directors) employed:

	Group 2019 Number	Group 2018 Number	Company 2019 Number	Company 2018 Number
Production	529	512	-	-
Administration	122	114	-	-
	<u>651</u>	<u>626</u>	<u>-</u>	<u>-</u>

Key management personnel include all directors across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,800,775 (2018 - £1,833,400).

5 Operating profit

	2019 £'000	2018 £'000
This has been arrived at after charging:		
Depreciation (note 8)	3,623	3,205
Auditors' remuneration:		
- group audit fee	73	68
- group non audit fee (tax compliance)	33	20
- company audit fee	4	4
Profit on disposal of fixed assets	734	282
	<u>734</u>	<u>282</u>

6 Interest payable and similar charges

	2019 £'000	2018 £'000
Finance lease and hire purchase contracts	89	101
Bank interest	251	282
	<u>340</u>	<u>383</u>

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 *(continued)*

7 Taxation

	2019 £'000	2018 £'000
<i>UK corporation tax</i>		
UK corporation tax on profit for the period	1,592	1,044
Adjustments in respect of prior periods	(406)	(341)
	1,186	703
<i>Deferred tax</i>		
Recognition of timing differences	89	(152)
Adjustments in respect of prior periods	35	-
	1,310	551

The tax assessed for the period is lower (2018 - lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	7,904	4,043
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 – 19.0%)	1,502	768
Effect of:		
Expenses not deductible for tax purposes	98	95
Capital allowances for period in excess of depreciation	-	-
Adjustment to tax charge in respect of previous periods	(406)	(350)
Movement on provisions	-	-
Other timing differences	116	38
	1,310	551

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (continued)

8 Tangible fixed assets

Group	Investment properties £'000	Leasehold improvements £'000	Land and buildings £'000	Plant and machinery £'000	Fixtures fittings and equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost or valuation</i>							
At 1 October 2018	868	175	2,600	11,022	782	5,535	20,982
Additions	-	-	-	5,800	629	1,514	7,943
Disposals	-	-	-	(1,341)	-	(1,519)	(2,860)
Revaluation	407	-	-	-	-	-	407
At 30 September 2019	<u>1,275</u>	<u>175</u>	<u>2,600</u>	<u>15,481</u>	<u>1,411</u>	<u>5,530</u>	<u>26,472</u>
<i>Depreciation</i>							
At 1 October 2018	-	175	-	5,518	497	3,466	9,656
Charge for the year	-	-	-	2,532	303	788	3,623
Disposals	-	-	-	(1,212)	-	(1,305)	(2,517)
At 30 September 2019	<u>-</u>	<u>175</u>	<u>-</u>	<u>6,838</u>	<u>800</u>	<u>2,949</u>	<u>10,762</u>
<i>Net book value</i>							
At 30 September 2019	<u>1,275</u>	<u>-</u>	<u>2,600</u>	<u>8,643</u>	<u>611</u>	<u>2,581</u>	<u>15,710</u>
At 30 September 2018	<u>868</u>	<u>-</u>	<u>2,600</u>	<u>5,504</u>	<u>285</u>	<u>2,069</u>	<u>11,326</u>

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

8 Tangible fixed assets (continued)

The depreciated historical cost of the land is:

	2019 £'000	2018 £'000
Cost	2,600	2,600
Accumulated depreciation based in historical cost	-	-
	<u>2,600</u>	<u>2,600</u>

Fixed assets with a cost of £4,200,042 (2018 - £3,641,793) have been fully depreciated. The net book value of plant and machinery under finance lease and hire purchase contracts is £7,090,593 (2018 - £3,301,812). The related depreciation charge for the year was £914,790 (2018 - £464,983). The net book value of motor vehicles under finance leases and hire purchase contract is £2,330,359 (2018 - £1,758,432). Related depreciation charge for the year was £398,812 (2018 - £312,711).

Investment properties

The company's investment properties are valued annually on 30 September at fair value, determined by an external market data source. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

The surplus on revaluation of investment property arising of £407,000 (company - £Nil) has been credited to the statement of comprehensive income for the year. All other tangible assets are stated at historical cost less depreciation and impairments.

If investment property had been accounted for under the historical cost accounting rules, the property would have been measured as follows:

	Company 2019 £	Company 2018 £
Historical cost	868,000	868,000
Accumulated depreciation	-	-
	<u>868,000</u>	<u>868,000</u>
Excess of net book value over historical cost basis	<u>-</u>	<u>-</u>

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (*continued*)

8 Tangible fixed assets (*continued*)

Company	Land and buildings £'000
<i>Cost</i>	
At 1 October 2018	2,600
Disposals	-
	<hr/>
At 30 September 2019	2,600
	<hr/>
<i>Accumulated depreciation</i>	
At 1 October 2018	-
Charge for the year	-
	<hr/>
At 30 September 2019	-
	<hr/>
<i>Net book value</i>	
At 30 September 2019	2,600
	<hr/>
At 30 September 2018	2,600
	<hr/>

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (continued)

9 Investments

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Shares in subsidiaries and joint ventures	-	-	150	150

The following were the principal subsidiary and joint venture undertakings at the end of the year.

Name	Country of incorporation	Number of class of shares	Proportion of shares held %
<i>Companies treated as subsidiary undertakings</i>			
Erith Haulage Company Limited	England	50,000 ordinary	100
		25,000 Class 'A' ordinary	100
Erith Contractors Limited	England	50,000 ordinary	100
		25,000 Class 'A' ordinary	100
Swanton Consulting Limited	England	100 Ordinary	100
Erith Plant Services Limited	England	100 Ordinary	100
Erith Business Solutions Limited	England	100 Ordinary	100
Erith Training Limited	England	100 Ordinary	100

Erith Haulage Company Limited operates in the haulage industry. Erith Contractors Limited operates in the business of contract demolition. Swanton Consulting Limited operates in the business of structural engineers. Erith Plant Services Limited operates in the business of plant leasing. Erith Training Limited operates in the business of Training services. Erith Business Solutions Limited operates in the provision of both Health and Safety and IT services.

The registered office of all subsidiaries above is Erith House, Queen's Street, Erith, Kent, DA8 1RP.

Name	Country of incorporation	Number of class of shares	Proportion of shares held %
<i>Companies treated as joint venture undertakings:</i>			
Land Remediation Limited	England	1 ordinary	50

The financial results of Land Remediation Limited have been excluded from these financial statements on the basis that the results of the company are immaterial to the group.

The registered office of Land Remediation Limited is 1 Bentinck Street, London, W1U 2ED.

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (*continued*)

10 Stocks	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Raw materials	137	137	-	-
<hr/>				
11 Debtors	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade debtors	35,201	22,827	-	-
Amounts owed by group undertakings	-	-	1,400	8,462
Other debtors	1,086	1,807	850	-
Prepayments and accrued income	422	915	-	-
Taxes and social security	-	-	-	-
Amounts receivable on long term contracts	22,770	18,676	-	-
Deferred tax (note 15)	147	270	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	59,626	44,495	2,250	8,462
	<hr/>	<hr/>	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (continued)

12 Creditors: amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade creditors	15,804	8,609	2	2
Amounts owed to group undertakings	-	-	300	300
Corporation tax	1,528	943	(39)	133
Taxes and social security	3,267	3,589	14	9
Other creditors	1,183	2,006	-	-
Obligations under finance leases and hire purchase contracts	2,814	1,436	-	-
Accruals and deferred income	31,341	18,281	11	10
Deferred taxation (see note 15)	-	-	-	-
	<u>55,937</u>	<u>34,864</u>	<u>288</u>	<u>454</u>

Individual companies within the group have arranged overdraft facilities with the group's bankers, which are subject to a group set-off arrangement. These facilities include an invoice discounting facility, and the term loan set out below are secured on the land and buildings and by fixed and floating charges over certain assets of the group. Obligations under finance leases and hire purchase contracts are secured against those assets to which the agreements relate.

13 Creditors: amounts falling due after more than one year

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Hire purchase contracts and finance leases	5,786	2,751	-	-
Term loans	3,125	9,125	3,125	9,125
	<u>8,911</u>	<u>11,876</u>	<u>3,125</u>	<u>9,125</u>
Group				
	Bank loans	2018	Finance leases	2018
	2019	£'000	2019	£'000
Financial liabilities are due:	£'000	£'000	£'000	£'000
In more than one year but not more than two years	1,500	1,500	2,633	1,204
In more than two years but not more than five years	1,250	5,750	3,153	1,547
Greater than five years	375	1,875	-	-
	<u>3,125</u>	<u>9,125</u>	<u>5,786</u>	<u>2,751</u>

Obligations under finance leases and hire purchase contracts are secured against those assets to which the agreements relate.

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (continued)

14 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 2019 £'000	Group 2018 £'000
Financial assets		
Financial assets measured at fair value through profit or loss		-
Financial assets that are debt instruments measured at amortised cost	66,393	50,969
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	48,966	42,208
Derivative financial instruments at fair value through profit or loss	-	-
	<hr/>	<hr/>

Financial assets measured at amortised cost through the statement of comprehensive income comprise cash, trade debtors, other debtors and amounts receivable on long term contracts.

Financial liabilities measured at amortised cost comprise trade creditors, obligations under finance lease and hire purchase contracts, bank loans, other creditors and accruals and deferred income.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

15 Provision for liabilities and charges

	2019 £'000	2018 £'000
Group		
<i>Deferred taxation - accelerated capital allowances</i>		
At 1 October	(270)	(91)
Charged to statement of comprehensive income	123	(179)
	<hr/>	<hr/>
At 30 September (see note 11)	(147)	(270)
	<hr/>	<hr/>
Company		
<i>Deferred taxation – accelerated capital allowances</i>		
At 1 October	-	-
Charged to statement of comprehensive income	-	-
	<hr/>	<hr/>
At 30 September	-	-
	<hr/>	<hr/>

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2019 (continued)

16 Share capital

	2019 £'000	2018 £'000
Group and Company		
<i>Authorised, allotted, called up and fully paid</i>		
100,000 Ordinary shares of £1 each	100	100
50,000 'A' Ordinary shares of £1 each	50	50
	150	150

In the event of a winding up or disposal of the company, the value of the ordinary share capital has been fixed at the aggregate value of the issued share capital of Erith Haulage Company Limited and Erith Contractors Limited on 22 March 1988. The 'A' ordinary shares shall have a value of the amount of the excess of the company's worth over the value of the ordinary shares. In the event of the winding up of the company the funds available for distribution will be applied first in paying the ordinary shareholders. In all other respects the shares rank pari passu.

17 Reconciliation of profit for the year to net cash generated from operating activities

	2019 £'000	2018 £'000
Profit for the year	6,594	3,492
<i>Adjustment for:</i>		
Interest receivable	(154)	(6)
Interest payable and similar charges	340	383
Taxation	1,310	551
Depreciation	3,607	3,205
Profit on sale of fixed assets	(734)	(282)
Revaluation of investment property	(407)	-
Increase in stock	-	-
Increase in debtors	(15,254)	(5,375)
Increase in creditors	19,110	3,477
<i>Cash from operations:</i>		
Taxation paid	(602)	(874)
Interest paid	(340)	(377)
	13,470	4,194

18 Contingent liability

The company has given an unlimited guarantee to the bankers of Erith Haulage Company Limited, whose overdraft at 30 September 2019 was £Nil (2018 - £Nil) and Erith Contractors Limited whose overdraft at 30 September 2019 was £Nil (2018 - £Nil).

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2019 (continued)

19 Pension scheme

The group sponsors the Erith Haulage Company Limited Retirement Benefit Scheme. The cost to the group of contributions to the scheme during the year was £Nil (2018 - £Nil). The scheme is a defined contribution scheme. The amount charged to the statement of comprehensive income of the group in respect of pension costs is the contribution payable in the year.

20 Related party transactions

As directors of Erith Holdings Limited and Erith Holdings Trustee Limited, Messrs S, T and D Darsey are considered related parties.

At the year end D Darsey had amounts owing to Erith Contractors Limited of £28,111 (2018 - £Nil). The maximum amount owing to the company during the year was £Nil (2018 - £Nil).

At the year end T Darsey had amounts owing to Erith Contractors Limited of £Nil (2018 - £Nil). The maximum amount owing to the company during the year was £Nil (2018 - £Nil).

At the year end S T Darsey had amounts owing to Erith Haulage Company Limited of £Nil (2018 - £Nil). The maximum amount owing to the company during the year was £Nil (2018 - £Nil).

No interest has been charged on these current accounts.

Rent paid to The Trustees of the Erith Group Directors Pension Scheme during the year of £120,000 (2018 - £120,000). No balance was outstanding at the year end (2018 - £Nil).

Rent charged from Ebbsfleet Recycling Company Ltd (a company controlled by the Darsey family) during the year of £48,000 (2018 - £12,000) with £36,000 outstanding at year end (2018 - £3,000).

The ultimate controlling party is Erith Holdings Trustee Limited on behalf of the Erith Employee Ownership Trust.