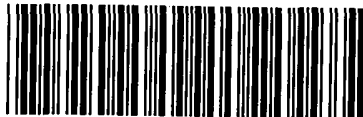


# **Davies & Co (Environmental) Limited**

## **Reports and Financial Statements**

31 December 2015

SATURDAY



\*A5E9SUEO\*

A16

27/08/2016

#223

COMPANIES HOUSE

## Corporate information

### Directors

J A de Bruijn  
S Telford

### Secretary

J Stratton

### Auditors

Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

### Bankers

ABN AMRO Bank N.V.  
5 Aldermanbury Square  
LONDON  
EC2V 7HR

### Solicitors

DLA Piper UK LLP  
Leeds Princes Exchange  
Princes Square  
Leeds  
LS1 4BY

### Registered Office

Moor Road  
Leeds  
LS10 2DD

## Strategic report

The directors present their strategic report for the year ended 31 December 2015.

### Review of the business

The principal activity of the company in the year under review continues to be the testing of cremation equipment.

The key financial and other performance indicators during the year were as follows:

	2015 £'000	2014 £'000	Change %
Turnover	382	406	-6
Operating profit	126	150	-16
Profit after tax	101	118	-14
Equity shareholders' funds	30	54	-44

### Principal risks and uncertainties

The company deals with organisations for contracts which are subject to competitive tender; obtaining these contracts is therefore uncertain.

By order of the board



S Telford  
Director

Date: 23 May 2016

Registered No. 00715014

## **Directors' report**

The Directors present their report for the year ended 31 December 2015.

### **Directors of the company**

The current directors are shown on page 1.

### **Dividends**

The directors do not recommend a final dividend (2014 - £nil) for the year. The directors paid an interim dividend of £125,000 (2014 - £150,000) .

### **Research and development**

The company is constantly looking at R&D in the enhancement of the operation and performance of cremation and incineration equipment.

### **Future developments**

The company is looking to include new techniques and instrumentation in the testing and analysis of flue gas emissions.

### **Political and charitable contributions**

The company made no political or charitable contributions during the year.

### **Going Concern**

The Company has considerable financial resources together with a group secured supply chain. With positive cash position, a vast experience and knowledge of the marketplace, good forward looking order book and a positive underlying result, it remains positive despite the current economic conditions.

As a consequence, the directors believe the company is well placed to manage its business risks successfully.

### **Directors' liabilities**

The company had no directors' liabilities during the year.

### **Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

## Directors' report (continued)

### Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, employees were encouraged to provide suggestions and alternative ways of working to constantly improve the performance and conduct of the company, with such suggestions then being appraised at Board level. All employees during the year are given a summary set of the prior year annual Facultative Group accounts and report from the Executive Board.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Re-appointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

By order of the board



S Telford  
Director

Date: 23 May 2016

## Directors' responsibilities statement

### 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 of the profit or loss of the company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

# **Independent auditor's report**

## **to the members of Davies & Co (Environmental) Limited**

We have audited the financial statements of Davies & Co (Environmental) Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable to the UK and Republic Ireland.

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any material misstatements or uncertainties we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion 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.

## Independent auditor's report (continued)

to the members of Davies & Co (Environmental) Limited

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Ernst & Young LLP.

Peter Buckler (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor Leeds

Date: 25 May 2016.

## Income Statement

for the year ended 31 December 2015

	Notes	2015 £	2014 £
<b>Turnover</b>	2	382,442	406,178
Cost of sales		(192,595)	(203,127)
<b>Gross profit</b>		189,847	203,051
Administrative expenses		(63,424)	(52,720)
<b>Operating profit</b>	3	126,423	150,331
Interest payable and similar charges		0	(1)
<b>Profit on ordinary activities before taxation</b>		126,423	150,330
Tax on profit on ordinary activities	6	(25,414)	(32,163)
<b>Profit for the financial year</b>		101,009	118,167

The above results were derived from continuing operations.

## Statement of comprehensive income

for the year ended 31 December 2015

	2015 £	2014 £
Profit for the financial year	101,009	118,167
Other comprehensive income/(loss)	0	0
<b>Total comprehensive income for the year</b>	<b>101,009</b>	<b>118,167</b>

## Statement of changes in equity

for the year ended 31 December 2015

	<i>Called up capital</i> £	<i>Profit and loss account</i> £	<i>Total Equity</i> £
At 1 January 2014	100	85,234	85,334
Profit for the year	-	118,167	118,167
Equity dividends paid (note 12)	-	(150,000)	(150,000)
At 31 December 2014	100	53,401	53,501
Profit for the year	-	101,009	101,009
Equity dividends paid (note 12)	-	(125,000)	(125,000)
At 31 December 2015	100	29,410	29,510

## Statement of financial position

at 31 December 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible Assets	7	12,344	10,516
		<u>12,344</u>	<u>10,516</u>
<b>Current assets</b>			
Debtors	8	68,006	45,893
Cash at bank and in hand		80,993	76,700
		<u>148,999</u>	<u>122,593</u>
<b>Creditors: amounts falling due within one year</b>	9	(130,256)	(78,371)
<b>Net current assets</b>		<u>18,743</u>	<u>44,222</u>
<b>Total assets less current liabilities</b>		<u>31,087</u>	<u>54,738</u>
Provisions for liabilities	10	(1,577)	(1,237)
<b>Net assets</b>		<u>29,510</u>	<u>53,501</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account		29,410	53,401
		<u>29,510</u>	<u>53,501</u>

The financial statements of Davies & Co (Environmental) Limited were approved for issue by the Board of Directors on 26 April 2016.



S Telford

Director

Date: 23 May 2016

## Notes to the financial statements

at 31 December 2015

### 1. Accounting policies

#### **Statement of compliance**

Davies & Co (Environmental) Limited is a limited liability company incorporated in England. The Registered Office is Moor Road, Leeds LS10 2DD.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2015.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. A full impact assessment was completed and it was concluded that no transition adjustments were required.

#### **Basis of preparation and change in accounting policy**

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £.

#### **Basis of accounting**

Davies & Co (Environmental) Limited has taken advantage of the exemption available under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of Facultatieve Group B.V., the ultimate parent undertaking of the company, which is registered in The Netherlands and prepares publicly available group financial statements which include the results of the Company and its subsidiaries. These financial statements therefore present information about the company alone and not about its group.

Davies & Co (Environmental) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Plant and machinery – over 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

at 31 December 2015

### 1. Accounting policies (continued)

#### *Investments*

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Stocks*

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials, consumables and goods for resale – valued at most recent purchase price.

Work in progress and finished goods – cost of direct materials<sup>£</sup> and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Revenue recognition*

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

#### *Rendering of services*

Revenue from testing is recognised when the service is performed and the results of those endeavours are certified and passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### *Interest income*

Revenue is recognised as interest accrues using the effective interest method.

#### *Dividends*

Revenue is recognised when the Company's right to receive payment is established.

#### *Accounting for contracts*

Profit on contracts is taken as the work carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

## Notes to the financial statements

at 31 December 2015

### 1. Accounting policies (continued)

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Leasing and hire purchase commitments*

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future years. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each year.

Rentals payable under operating leases are charged against income on a straight line basis over the lease terms.

#### *Pensions*

The Facultatieve group, of which Davies & Co (Environmental) Limited is a subsidiary, operates a number of defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### *Finance lease receivables*

Assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership, other than legal title, are classified as finance leases. Where the company is a lessor under finance leases, the amounts due under the leases, after deduction of unearned charges, are included in debtors. Finance charges receivable are recognised over the periods of the leases.

## Notes to the financial statements

at 31 December 2015

### 2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

It is attributable to one continuing activity, the testing of cremation equipment.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	<u>382,442</u>	<u>406,178</u>

An analysis of the Company's turnover is as follows:

	2015 £	2014 £
Rendering of services	<u>382,442</u>	<u>406,178</u>

### 3. Operating profit

	2015 £	2014 £
Administrations Expenses included:		
Administration Expenses	61,512	50,689
Group Licence Fees	1,912	2,031
	<u>63,424</u>	<u>52,720</u>

This is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of owned assets (see note 7)	5,359	2,945
Foreign exchange differences	20	(201)
Auditors' remuneration (see note 4)	<u>4,500</u>	<u>3,600</u>

## Notes to the financial statements

at 31 December 2015

### 4. Auditor's remuneration

The remuneration of the auditors or its associates is further analysed as follows:

	2015	2014
	£	£
Audit of the financial statements	3,500	3,000
Taxation services	1,000	600
	<u>4,500</u>	<u>3,600</u>

### 5. Staff costs

(a) Staff costs

	2015	2014
	£	£
Wages and salaries	141,939	131,628
Social security costs	15,277	14,011
Other pension costs	2,870	1,680
	<u>160,086</u>	<u>147,319</u>

The average monthly number of employees during the year was made up as follows:

	2015	2014
	No.	No.
Services	<u>4</u>	<u>4</u>

(b) Directors' remuneration

	2015	2014
	£	£
Remuneration in respect of qualifying services	63,638	51,752
Company contributions paid to pension schemes	1,115	513
Aggregate remuneration	<u>64,753</u>	<u>52,265</u>

## Notes to the financial statements

at 31 December 2015

### 6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £	2014 £
<i>Current tax:</i>		
UK corporation tax at 20.25% (2014 – 21.49%)	25,073	30,184
Total current tax	<u>25,073</u>	<u>30,184</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	523	2,126
Effect of decreased tax rate on opening liability	(182)	(147)
Total deferred tax	<u>341</u>	<u>1,979</u>
Tax on profit on ordinary activities (note 6(b))	<u>25,414</u>	<u>32,163</u>

(b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014 – 21.49%). The differences are reconciled below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	126,423	150,330
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.49%)	25,596	32,310
Change in tax laws and rates	(182)	(147)
Total tax expense	<u>25,414</u>	<u>32,163</u>

(c) Factors that may affect future tax charges

The 2015 Summer Finance Bill, which was substantively enacted in October 2015, including provisions to reduce the main rate of UK corporation tax to 19% effective from 1 April 2017 and 18% with effect from 1 April 2020. Accordingly 18% has been applied when calculating deferred tax assets and liabilities as at 31 December 2015.

(d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2015 £000	2014 £000
Included in liabilities (note 10)	<u>1,577</u>	<u>1,237</u>

## Notes to the financial statements

at 31 December 2015

### 7. Tangible assets

	<i>Plant and machinery</i> £	<i>Total</i> £
Cost or valuation:		
At 1 January 2015	27,648	27,648
Additions	7,187	7,187
Disposals	0	0
At 31 December 2015	<u>34,835</u>	<u>34,835</u>
Depreciation and impairment:		
At 1 January 2015	17,132	17,132
Provided during the year	5,359	5,359
Disposals	0	0
At 31 December 2015	<u>22,491</u>	<u>22,491</u>
Carrying amount at 31 December 2015	<u>12,344</u>	<u>12,344</u>
Carrying amount at 1 January 2015	<u>10,516</u>	<u>10,516</u>

### 8. Debtors

	<i>2015</i> £	<i>2014</i> £
Trade debtors	37,302	19,704
Prepayments and accrued income	<u>30,704</u>	<u>26,189</u>
	<u>68,006</u>	<u>45,893</u>

### 9. Creditors: amounts falling due within one year

	<i>2015</i> £	<i>2014</i> £
Trade creditors	4,446	4,145
Amounts owed to group undertakings	96,436	43,527
Corporation tax	8,574	8,934
Accruals and other creditors	5,507	7,274
Other taxes and social security	<u>15,293</u>	<u>14,491</u>
	<u>130,256</u>	<u>78,371</u>

The company, as a daughter company of Facultatieve Group B.V, participates in a current account facility which has a limit of €6.5m and a guarantee facility of €4m. As of 31 December 2014 the company had not utilised this facility. As collateral for this line of credit, the stocks, debtors, furniture and fittings are used.

## Notes to the financial statements

at 31 December 2015

### 10. Provisions for liabilities

	<i>Deferred tax £</i>	<i>Total £</i>
At 1 January 2015	1,237	1,237
Additions during the year	340	340
Amounts charged against the provision	-	-
At 31 December 2015	<u>1,577</u>	<u>1,577</u>

### 11. Allotted and issued share capital

	<i>2015 No.      £</i>	<i>2014 No.      £</i>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100 <u>100</u>	100 <u>100</u>

### 12. Dividends and other appropriations

	<i>2015 £</i>	<i>2014 £</i>
Declared and paid during the year		
Interim dividend	<u>125,000</u>	<u>150,000</u>

### 13. Pensions and other post-retirement benefits

The company participates in the Facultatieve group of defined contribution pension schemes. The assets of the schemes are held separately from those of the company and its subsidiaries in independently administered funds. The pension cost represents contributions payable by the company to the funds and amounted to £1,755 (2014 – £1,680). Pension contributions of £627 (2014 – £625) were outstanding at the balance sheet date.

### 14. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to nil (2014 – nil).

### 15. Contingent liabilities

At the balance sheet date the contingent liabilities amounted to nil (2014 – nil).

### 16. Related party transactions

The company is a wholly owned subsidiary of Facultatieve Group B.V., the group financial statements of which are publicly. Accordingly the company has taken advantage of the exemption under FRS 102 from disclosing transactions with members or investees of Facultatieve Group B.V.

## **Notes to the financial statements**

**at 31 December 2015**

### **17. Ultimate parent undertaking and controlling party**

The company's ultimate controlling party is the controlling shareholder of Facultatieve Group B.V., H Keizer, a director of the company.

Copies of the financial statements of Facultatieve Group B.V. can be obtained from The Facultatieve Group, Van Stolkweg 29a, PO Box 80532, 2508 GM, The Hague, Netherlands.