

Waste Recycling Environmental Limited

Report of the Directors and

Financial Statements

for the Year Ended

31 December 2012

AMENDED

Haines Watts
Statutory Auditor
8 Hopper Way
Diss
Norfolk
IP22 4GT

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for the Year Ended 31 December 2012**

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**Company Information
for the Year Ended 31 December 2012**

DIRECTORS:

Mr J Joyce
Mr M J Snell
Mr P M Cox
Mrs P M Lyons
Dr G J Thomas
Mr M Rutherford
Mr T Cutts
Mr C Ellis
Mr M Singh

SECRETARY:

Mr J H Burkett

REGISTERED OFFICE:

Wren House
Manor Farm
Bridgham
Norwich
Norfolk
NR16 2RX

REGISTERED NUMBER:

03368008 (England and Wales)

AUDITORS:

Haines Watts
Statutory Auditor
8 Hopper Way
Diss
Norfolk
IP22 4GT

SOLICITORS:

Fisher Jones Greenwood LLP
Charter Court, Newcomen Way
Severalls Business Park
Colchester
Essex
CO4 9YA

**Report of the Directors
for the Year Ended 31 December 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of financing community, heritage and environmental projects from income received from landfill tax credits and distributed under The Landfill Communities Fund.

REVIEW OF BUSINESS

WREN has passed into its 15th year of providing grants for community, heritage and biodiversity projects with a few changes in the format to look at increasing the applicant numbers and funds committed. Despite a higher level of grants awarded, the income has exceeded expectations and this coupled with the fact that WREN can no longer provide for funding programmes unless registered with the regulator has seen a dramatic increase in our surplus.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2012.

FUTURE DEVELOPMENTS

For the second successive year WREN has seen a substantial increase in receipts from the landfill tax credits as the increased tax on landfill and this year there is an increase in the diversion rate announced in the Chancellors budget.

This has caused our surplus to be more than we would like for an organisation providing grant funding and therefore the focus for the WREN Board in 2013 and beyond is how to reduce that surplus to a more reasonable level. A pilot programme is being worked on in Gainsborough to deliver a substantial sum of funding to a community that has not previously been pro-active in the funding arena, if successful this will see several similar schemes under the banner of the FCC Building Communities Programme.

There is also consideration to be made on any impact to our Scottish operation once the Scottish Government announces plans for the new Scottish Landfill Communities Fund which will be effective from April 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

Mr J Joyce
Mr M J Snell
Mr P M Cox
Mrs P M Lyons
Dr G J Thomas
Mr M Rutherford
Mr T Cutts
Mr C Ellis
Mr M Singh

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

**Report of the Directors
for the Year Ended 31 December 2012**


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr P M Cox - Director

Date:

24/09/2013

**Report of the Independent Auditors to the Members of
Waste Recycling Environmental Limited**

We have audited the financial statements of Waste Recycling Environmental Limited for the year ended 31 December 2012 on pages five to thirteen. 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).

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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 Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2012 and of its surplus 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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.



Paul Sumpter (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditor
8 Hopper Way
Diss
Norfolk
IP22 4GT

Date:

25th September 2013

Waste Recycling Environmental Limited

**Income and Expenditure Account
for the Year Ended 31 December 2012**

	Notes	£	2012	£	£	2011	£
TURNOVER				16,661,693			16,766,139
Other operating income	2			340,665			284,597
				<u>17,002,358</u>			<u>17,050,736</u>
Staff costs	3	563,130			550,006		
Depreciation		88,101			40,165		
Other operating charges		<u>11,662,316</u>			<u>11,385,731</u>		
				<u>12,313,547</u>			<u>11,975,902</u>
OPERATING SURPLUS	4			4,688,811			5,074,834
Interest receivable and similar income				<u>597,699</u>			<u>369,467</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION				5,286,510			5,444,301
Tax on surplus on ordinary activities	6			<u>73,382</u>			<u>67,756</u>
SURPLUS FOR THE FINANCIAL YEAR				5,213,128			5,376,545
Retained surplus brought forward				<u>10,216,889</u>			<u>4,840,344</u>
RETAINED SURPLUS CARRIED FORWARD				<u><u>15,430,017</u></u>			<u><u>10,216,889</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

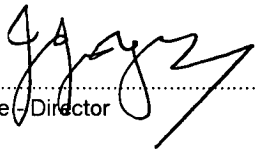
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the surpluses for the current year or previous year.

Balance Sheet
31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	162,654	227,054
CURRENT ASSETS			
Debtors	8	4,382,966	4,309,632
Cash at bank and in hand		28,763,878	26,433,063
		<u>33,146,844</u>	<u>30,742,695</u>
CREDITORS			
Amounts falling due within one year	9	<u>16,879,481</u>	<u>15,752,860</u>
NET CURRENT ASSETS		<u>16,267,363</u>	<u>14,989,835</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,430,017</u>	<u>15,216,889</u>
PROVISIONS FOR LIABILITIES	11	-	4,000,000
NET ASSETS		<u><u>16,430,017</u></u>	<u><u>11,216,889</u></u>
RESERVES			
Other reserves	12	1,000,000	1,000,000
Income and expenditure account		15,430,017	10,216,889
	14	<u><u>16,430,017</u></u>	<u><u>11,216,889</u></u>

The financial statements were approved by the Board of Directors on 24/09/2013 and were signed on its behalf by:


Mr J Joyce - Director

**Cash Flow Statement
for the Year Ended 31 December 2012**

	Notes	2012 £	2011, £
Net cash inflow from operating activities	1	1,824,571	2,074,569
Returns on investments and servicing of finance	2	597,699	369,467
Taxation		(67,756)	(2,417)
Capital expenditure	2	(23,699)	(28,416)
Increase in cash in the period		<u>2,330,815</u>	<u>2,413,203</u>

Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>2,330,815</u>	<u>2,413,203</u>
Change in net funds resulting from cash flows		<u>2,330,815</u>	<u>2,413,203</u>
Movement in net funds in the period		<u>2,330,815</u>	<u>2,413,203</u>
Net funds at 1 January		<u>26,433,063</u>	<u>24,019,860</u>
Net funds at 31 December		<u>28,763,878</u>	<u>26,433,063</u>

Notes to the Cash Flow Statement
for the Year Ended 31 December 2012

1. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating surplus	4,688,811	5,074,834
Depreciation charges	88,099	40,165
Reversal of provision	(4,000,000)	(2,000,000)
Increase in debtors	(73,334)	(526,016)
Increase/(decrease) in creditors	1,120,995	(514,414)
Net cash inflow from operating activities	1,824,571	2,074,569

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	597,699	369,467
Net cash inflow for returns on investments and servicing of finance	597,699	369,467
Capital expenditure		
Purchase of tangible fixed assets	(23,699)	(28,416)
Net cash outflow for capital expenditure	(23,699)	(28,416)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.12 £	Cash flow £	At 31.12.12 £
Net cash:			
Cash at bank and in hand	26,433,063	2,330,815	28,763,878
	<u>26,433,063</u>	<u>2,330,815</u>	<u>28,763,878</u>
Total	26,433,063	2,330,815	28,763,878

**Notes to the Financial Statements
for the Year Ended 31 December 2012**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

All turnover is accounted for on a receivable basis and represents landfill tax credits from waste management businesses.

Any surpluses which may arise are a result of timing differences between the accrued grant commitments and the dates that the landfill tax credits are receivable.

Tangible fixed assets

Depreciation is provided from the date the assets are brought into use on the cost in equal annual instalments, with a full year's charge in the period of acquisition and none in the period of disposal, over the estimated useful lives of the assets. The depreciation rates are as follows:

Computer equipment	3 years
Furniture, fixtures, fittings and equipment	5 years
Motor Vehicles	4 years

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The company contributes to a money purchase pension scheme on behalf of an individual employee. Contributions to the scheme are charged to the profit and loss account as they are made.

Expenditure

Expenditure is accounted for on an accruals basis. Grants are accrued upon the establishment of a commitment to a project via communication of the approval of a project by the Board of Directors.

Grants committed

The company records grants committed as a liability once the award of the grant has been approved and the applicant has been advised of the success of their application and any particular conditions attached to the award.

Unclaimed grants are reviewed quarterly and those that have expired, are for projects that have ceased or are not active are released back to the profit and loss account.

At the year end the directors make an estimate of the likely amounts included within creditors that are not expected to become payable and reduce the liability accordingly. This estimate is based upon cumulative grants released.

2. OTHER OPERATING INCOME

Other operating income relates to amounts received from other Environmental Bodies.

3. STAFF COSTS

	2012 £	2011 £
Wages and salaries	551,671	472,530
Social security costs	6,966	47,514
Other pension costs	4,493	29,962
	<u>563,130</u>	<u>550,006</u>

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

	2012	2011
Administration	<u>19</u>	<u>20</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

4. OPERATING SURPLUS

The operating surplus is stated after charging:

	2012 £	2011 £
Depreciation - owned assets	88,099	40,165
Auditors' remuneration	8,960	5,085
	<u> </u>	<u> </u>
Directors' remuneration	92,793	82,177
Directors' pension contributions to money purchase schemes	4,493	4,374
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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5. EXCEPTIONAL ITEMS

	2011 £	2010 £
Release of committed grants	<u>1,277,818</u>	<u>1,063,625</u>

During the year the company has released accruals for previously committed grants where the grants have not been taken up or have otherwise lapsed.

6. TAXATION

Analysis of the tax charge

The tax charge on the surplus on ordinary activities for the year was as follows:

	2012 £	2011 £
Current tax:		
UK corporation tax	<u>73,382</u>	<u>67,756</u>
Tax on surplus on ordinary activities	<u>73,382</u>	<u>67,756</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2012 £	2011 £
Surplus on ordinary activities before tax	<u>5,286,510</u>	<u>5,444,301</u>
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 21%)	1,057,302	1,143,303
Effects of:		
Income and expenses not deductible for tax purposes	<u>(983,920)</u>	<u>(1,075,547)</u>
Current tax charge	<u>73,382</u>	<u>67,756</u>

The tax charge relates to interest receivable. There is no tax charge on the surplus/ (deficit) for the year being derived from the non trading nature of the activities of the company.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2012	75,580	26,754	321,993	424,327
Additions	-	-	23,699	23,699
At 31 December 2012	<u>75,580</u>	<u>26,754</u>	<u>345,692</u>	<u>448,026</u>
DEPRECIATION				
At 1 January 2012	74,374	8,361	114,538	197,273
Charge for year	443	6,688	80,968	88,099
At 31 December 2012	<u>74,817</u>	<u>15,049</u>	<u>195,506</u>	<u>285,372</u>
NET BOOK VALUE				
At 31 December 2012	<u>763</u>	<u>11,705</u>	<u>150,186</u>	<u>162,654</u>
At 31 December 2011	<u>1,206</u>	<u>18,393</u>	<u>207,455</u>	<u>227,054</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	3,991,847	4,178,369
Accrued income	347,970	122,442
Prepayments	43,149	8,821
	<u>4,382,966</u>	<u>4,309,632</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Corporation tax	73,382	67,756
Social security and other taxes	14,102	19,354
Other creditors	121,440	27,674
Grants agreed by the board but not paid	16,512,982	15,458,478
Accrued expenses	157,575	179,598
	<u>16,879,481</u>	<u>15,752,860</u>

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2012 £	2011 £
Expiring: Between one and five years	<u>32,400</u>	<u>32,400</u>

11. PROVISIONS FOR LIABILITIES

	2012 £	2011 £
Other provisions	<u>-</u>	<u>4,000,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

11. PROVISIONS FOR LIABILITIES - continued

	Other provisions £
Balance at 1 January 2012	4,000,000
Utilised during year	(2,000,000)
Unused amounts reversed during year	(2,000,000)
Balance at 31 December 2012	-

The provision brought forward related to publicised amounts available as grants for biodiversity projects. This provision has been partially used during this and previous years with the balance reversed at the end of the accounting period due to a change in policy for providing for grants not committed to specific applications.

12. RESERVES

	Other reserves £
At 1 January 2012	1,000,000
At 31 December 2012	1,000,000

Other reserves represent funds set aside by the company to cover the running costs of the scheme in the event that the scheme loses funding. It is the intention to build the reserve to a sufficient level to ensure that all existing committed projects can be managed to their conclusion.

13. RELATED PARTY DISCLOSURES

During the year the company paid £33,342 in director's fees (2011 - £20,657) to the following directors:

M Rutherford £15,297
M Singh £7,746
J Joyce £5,003
G Thomas £3,008
T Cutts £4,227
P Lyons £61

Also during the year the company paid professional fees totalling £392,860 (2011 - £307,249) to The Grant Support People Ltd for grant administration services. This supplier is related to the company by virtue of the fact that one of the directors of each company is married to the other.

14. RECONCILIATION OF MOVEMENTS IN RESERVES

	2012 £	2011 £
Surplus for the financial year	5,213,128	5,376,545
Net addition to reserves	5,213,128	5,376,545
Opening reserves	11,216,889	5,840,344
Closing reserves	16,430,017	11,216,889

15. CAPITAL AND RESERVES

The company is limited by guarantee and has no share capital. Every member undertakes to contribute such amounts as may be required (not exceeding £1) to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member. There were 4 members during the year ended 31 December 2012 (2011 - 4).

The reserves are not attributable to members as the company is prevented by its Memorandum from paying dividends, bonuses or other distributions to the members of the company.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2012**

16. CONTROLLING INTEREST

The company is jointly controlled by the directors and members as listed on page 2.

Waste Recycling Environmental Limited

**Detailed Income and Expenditure Account
for the Year Ended 31 December 2012**

	2012		2011	
	£	£	£	£
Turnover				
FCC Landfill Tax Credits Received	16,590,423		16,760,522	
Yorkshire Water Tax Credits Received	3,103		5,617	
Green Business Network	68,167		-	
	<u> </u>	16,661,693	<u> </u>	16,766,139
Other income				
Sundry receipts	340,665		284,597	
Interest Receivable	597,699		369,467	
	<u> </u>	938,364	<u> </u>	654,064
		<u> </u>		<u> </u>
		17,600,057		17,420,203
Expenditure				
Administration	479,789		425,178	
Entrust Levy	333,234		335,322	
Exceptional items	(530,218)		(758,895)	
Directors' salaries	58,454		54,900	
Directors' fees	33,342		20,657	
Directors' social security	6,966		6,601	
Directors' pension contributions	4,493		4,374	
Wages	459,875		396,973	
Social security	-		40,913	
Pensions	-		25,588	
Commissions	392,860		307,249	
Payments made under Gift Aid provisions	248,262		50,000	
Other grants agreed by the Board	10,728,532		11,020,853	
Sundry expenses	55		(1)	
Auditors' remuneration	8,960		5,085	
Depreciation of tangible fixed assets	88,101		40,165	
	<u> </u>	12,312,705	<u> </u>	11,974,962
		<u> </u>		<u> </u>
		5,287,352		5,445,241
Finance costs				
Bank charges		842		940
		<u> </u>		<u> </u>
NET SURPLUS		<u> </u>		<u> </u>
		5,286,510		5,444,301