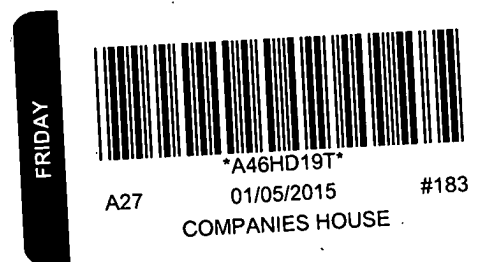


# Financial Statements

## Agrivert (Ardley) Limited

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For the year ended 31 December 2014



Registered number: 05807721

## Company Information

<b>Directors</b>	R B A Maddan R J Hunt
<b>Company secretary</b>	R J Hunt
<b>Registered number</b>	05807721
<b>Registered office</b>	The Stables Radford CHIPPING NORTON Oxfordshire OX7 4EB
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South OXFORD OX4 2WB

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# Directors' Report

For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

## **Principal activities**

During the period, the principal activity of the company was the operation of an in-vessel composting ("IVC") facility used for the processing and recycling of organic wastes. The main customers are the waste management industry and local authorities

## **Results**

The profit for the year after taxation was £138,774 (2013: £112,649).

## **Directors**

The directors who served during the year were:

R B A Maddan  
R J Hunt

## **Directors' responsibilities statement**

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

## **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# Directors' Report

For the year ended 31 December 2014

## **Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25 March 2015 and signed on its behalf.



**R J Hunt**  
Secretary

## Independent Auditor's Report to the Members of Agrivert (Ardley) Limited

We have audited the financial statements of Agrivert (Ardley) Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor**

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. 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Independent Auditor's Report to the Members of Agrivert (Ardley) 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Directors' report.

*Grant Thornton UK LLP*

Tracey James (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
OXFORD

25 March 2015

## Profit and Loss Account

For the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1,2	<b>1,227,415</b>	1,129,670
Cost of sales		<u>(1,066,289)</u>	<u>(994,594)</u>
<b>Gross profit</b>		<b>161,126</b>	135,076
Other operating income	3	<u><b>116,450</b></u>	<u>106,925</u>
<b>Operating profit</b>	4	<b>277,576</b>	242,001
Interest receivable and similar income		<b>9,030</b>	2,455
Interest payable and similar charges	5	<u><b>(103,045)</b></u>	<u>(110,972)</u>
<b>Profit on ordinary activities before taxation</b>		<b>183,561</b>	133,484
Tax on profit on ordinary activities	6	<u><b>(44,787)</b></u>	<u>(20,835)</u>
<b>Profit for the financial year</b>	15	<u><u><b>138,774</b></u></u>	<u><u>112,649</u></u>

The notes on pages 7 to 14 form part of these financial statements.



## Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	7		3,346,714		3,658,102
<b>Current assets</b>					
Debtors	8	543,688		389,776	
Cash at bank		1,092,233		1,212,306	
		<u>1,635,921</u>		<u>1,602,082</u>	
<b>Creditors: amounts falling due within one year</b>	9	(590,080)		(554,465)	
<b>Net current assets</b>			<u>1,045,841</u>		<u>1,047,617</u>
<b>Total assets less current liabilities</b>			<u>4,392,555</u>		<u>4,705,719</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(2,560,613)		(2,818,471)
<b>Provisions for liabilities</b>					
Deferred tax	11		(265,705)		(220,918)
<b>Accruals and deferred income</b>	12		(482,349)		(521,216)
<b>Net assets</b>			<u>1,083,888</u>		<u>1,145,114</u>
<b>Capital and reserves</b>					
Called up share capital	14		893,638		893,638
Profit and loss account	15		190,250		251,476
<b>Shareholders' funds</b>			<u>1,083,888</u>		<u>1,145,114</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on their behalf by 25 March 2015.

  
**R J Hunt**  
 Director

The notes on pages 7 to 14 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2014

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounting policies remain unchanged from the prior year and are set out below.

### **1.2 Going concern**

The Financial statements are prepared on the going concern basis. In assessing whether the going concern assumption is appropriate, the directors have taken into account all the relevant available information about the future trading including profit and the cash position. It is considered appropriate to adopt the going concern basis of accounting in the preparation of the annual financial statements.

### **1.3 Cash flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

This relates to the fees for the processing of waste for the principal customer, which are recognised in relation to the tonnage of waste processed.

The company is party to certain contracts where it acts as an agent for other subsidiary undertakings of Agrivert Group Limited. In these circumstances the company does not recognise the amounts billed as turnover in the financial statements, only recognising any margin which it generates on those contracts. The amount billed by the company for the year ended 31 December 2014 on contracts where it acts as agent was £1,169,813 (2013: £943,828).

### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	5 - 20 years straight line
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### **1.6 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 1. Accounting Policies (continued)

### 1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

### 1.8 Government grants

Deferred government grants are released to the profit and loss account over the period of the contract based on agreed levels of waste processing. The grants are recognised in full when the total contractually agreed tonnage has been processed.

### 1.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

## 3. Other operating income

	2014	2013
	£	£
Government grants receivable	116,450	106,925

# Notes to the Financial Statements

For the year ended 31 December 2014

## 4. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	320,961	323,855
Auditor's remuneration	5,150	5,000
Auditor's remuneration - non-audit	1,200	1,000
Pension costs	597	1,238
Operating lease costs - plant	63,259	56,459
Amortisation of government grants	(116,450)	(106,925)
	<u>320,961</u>	<u>323,855</u>

During the year, no director received any emoluments (2013 - £NIL).

## 5. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	103,045	110,972
	<u>103,045</u>	<u>110,972</u>

## 6. Taxation

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	30,101	46,933
Effect of decreased tax rate on opening liability	-	(26,098)
Adjustments in respect of prior periods	14,686	-
	<u>44,787</u>	<u>20,835</u>
<b>Total deferred tax (see note 11)</b>	<u>44,787</u>	<u>20,835</u>
<b>Tax on profit on ordinary activities</b>	<u>44,787</u>	<u>20,835</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 6. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	183,561	133,484
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	39,447	31,035
Effects of:		
Expenses not deductible for tax purposes	8,048	7,986
Capital allowances for year in excess of depreciation	(7,323)	23,306
Non-taxable government grant income	(25,025)	(24,856)
Group relief	(15,147)	(37,471)
Current tax charge for the year (see note above)	-	-

## 7. Tangible fixed assets

	Plant & machinery £
Cost	
At 1 January 2014	4,896,521
Additions	9,573
At 31 December 2014	4,906,094
Depreciation	
At 1 January 2014	1,238,419
Charge for the year	320,961
At 31 December 2014	1,559,380
Net book value	
At 31 December 2014	3,346,714
At 31 December 2013	3,658,102

# Notes to the Financial Statements

For the year ended 31 December 2014

## 8. Debtors

	2014	2013
	£	£
Trade debtors	405,765	232,769
Amounts owed by group undertakings	-	2,960
Amounts owed by related parties	5,000	-
Other debtors	197	-
Prepayments and accrued income	132,726	154,047
	<u>543,688</u>	<u>389,776</u>

## 9. Creditors:

### Amounts falling due within one year

	2014	2013
	£	£
Bank loans	257,858	230,799
Trade creditors	17,620	34,857
Amounts owed to group undertakings	254,524	228,313
Amounts owed to related parties	1,527	1,863
Other taxation and social security	58,551	58,633
	<u>590,080</u>	<u>554,465</u>

## 10. Creditors:

### Amounts falling due after more than one year

	2014	2013
	£	£
Bank loans	<u>2,560,613</u>	<u>2,818,471</u>

The bank loan is secured by a fixed and floating charge over all the assets of the company, as well as a first ranking legal charge over the lease on the land on which the in-vessel composting ("IVC") plant is situated near Ardley, Oxfordshire. Interest is payable at the higher of 3.5% or the base rate plus a margin, being 2% or 2.5%, depending on specific circumstances.

## 11. Deferred taxation

	2014	2013
	£	£
At beginning of year	220,918	200,083
Charge for year	44,787	20,835
	<u>265,705</u>	<u>220,918</u>
At end of year		

# Notes to the Financial Statements

For the year ended 31 December 2014

## 11. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	266,081	221,508
Tax losses carried forward	(376)	(590)
	<u>265,705</u>	<u>220,918</u>

## 12. Accruals and deferred income

	2014	2013
	£	£
Accruals and deferred income	356,036	278,454
Government grants (note 13)	126,313	242,762
	<u>482,349</u>	<u>521,216</u>

## 13. Government grants

	2014	2013
	£	£
Net balance brought forward	242,762	349,687
Released to the profit and loss account (note 3)	(116,450)	(106,925)
	<u>126,312</u>	<u>242,762</u>

The grant represents amounts received from the Waste & Resources Action Programme ("WRAP") in relation to the construction and operation of the in-vessel composting plant near Ardley, Oxfordshire.

## 14. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
893,638 Ordinary shares of £1 each	<u>893,638</u>	<u>893,638</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 15. Reserves

	Profit and loss account £
At 1 January 2014	251,476
Profit for the year	138,774
Dividends: Equity capital	(200,000)
	<hr/>
At 31 December 2014	190,250
	<hr/>

## 16. Dividends

	2014 £	2013 £
Dividends paid on equity capital	200,000	50,000
	<hr/>	<hr/>

## 17. Contingent liabilities

There were no contingent liabilities as at 31 December 2014 or 31 December 2013.

## 18. Capital commitments

The directors have confirmed that there were no capital commitments at 31 December 2014 or 31 December 2013.

## 19. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
After more than 5 years	61,434	61,000
	<hr/>	<hr/>

The commitment disclosed above is in relation to the rental of the site at Ardley, at which the in-vessel composting plant is situated. Part of the charge is fixed at £5,342 (2013: £5,342) per annum, whilst the rest is a proportion of turnover per annum. The above cost is an average cost based on estimated turnover.



# Notes to the Financial Statements

For the year ended 31 December 2014

## **20. Related party transactions**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related Party Disclosures', not to disclose transactions with other group companies in the group headed by Agrivert Group Limited on the grounds that consolidated accounts are publicly available.

Oxford Renewable Energy Limited is a related party by virtue of it being a joint venture investment of Agrivert Biogas Limited. During the year purchase invoices totalling £12,725 (2013: £13,767) and sales invoices totalling £nil (2013: £128) were raised between the companies. At 31 December 2014 the company owed £nil (2013: £1,617).

Agrivert (Wallingford) Limited is a related party by common ownership. During the period, the company made purchases of £10,165 (2013: £3,204) and sales of £7,853 to Agrivert (Wallingford) Limited. At 31 December 2014, £5,000 (2013: £nil) was outstanding with regards to these sales. At 31 December 2014 the company owed £1,527 (2013: £246) to Agrivert (Wallingford) Limited.

Agrivert (West London) is a related party by common ownership. During the period, the company made purchases of £1,651 (2013: £nil). At 31 December 2014, £nil (2013: £nil) was outstanding.

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

Agrivert Composting Limited is the company's immediate parent undertaking, by virtue of its 100% shareholding in the company. The ultimate parent company is Agrivert Group Limited, for which consolidated accounts are publicly available.