Companies House

Viking Consortium Acquisition Limited

Report and Financial Statements

Year Ended

31 December 2012

Company Number 6067505

BDO

Viking Consortium Acquisition Limited

Report and financial statements
for the year ended 31 December 2012

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Directors

H Meissner
M Guerreiro
C Doussinague
R L Milnes-James
P A Gerstrom
V Nicoli
A Santos
J Grima Terre

Secretary and registered office

S Reed, 2 Coldbath Square, London, EC1R 5HL

Company number

6067505

Auditors

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

Viking Consortium Acquisition Limited

Report of the directors
for the year ended 31 December 2012

The directors present their report and financial statements for the year ended 31 December 2012

Results

The profit and loss account is set out on page 6 and shows the loss for the year

The company did not pay an interim dividend during the year (2011 - £Nil), and the directors do not propose the payment of a final dividend (2010 £nil)

Principal activity and review of the business

The principal activity of the company is that of an investment holding and financing company

In the opinion of the directors the financial statements give a fair review of the development of the business during the year and of its position at the end of the year There have been no significant events outside the normal course of business since the balance sheet date

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

A comprehensive review of the state of affairs of the group, together with key performance indicators and risks and uncertainties, is contained in the report and financial statements of Viking Consortium Holdings Limited, the ultimate parent undertaking

Going concern

After making enquiries and having undertaken a detailed forward projection the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future and continue to be compliant with its covenants Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Future developments

The directors aim to pursue policies conducive to the well-being of the company and shareholders As the entity acts as a holding company the directors will focus on generation of appropriate dividend income and monitoring the performance of the investments

Risk Management

The company has established risk and financial management policies intended to protect the company from certain risks that may hinder achievement of the company's performance objectives This framework aims to limit undue counterparty exposure, to ensure suitable levels of working capital are maintained, and to monitor and manage risk

The company is exposed to interest rate risk on its debt which bears interest at variable rates Increases in these rates result in increased interest expense and increased interest payment The company controls these interest rate risks through the use of derivatives, specifically interest rate and inflation rate swaps The application of these derivatives economically converts the hedged portions of variable-interest debt from variable to fixed interest Details of the company's outstanding loans are disclosed in note 12

Directors

The directors of the company during the year were

H Meissner
M Guerreiro
C Doussinague
R L Milnes-James
P A Gerstrom
V Nicoli
A Santos
J Grima Terre

Appropriate directors' and officers' liability insurance cover is in place in respect of all the company's directors

Post balance sheet events

There are no material post balance sheet events

Policy on the payment of creditors

The company agrees terms with its creditors on an individual basis through negotiation and will pay invoices as they fall due

Directors' responsibilities

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 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, and
- 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

Viking Consortium Acquisition Limited

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes 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

Ernst & Young LLP resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006

On behalf of the Board

R L Milnes-James
Director

19 April 2013

Viking Consortium Acquisition Limited

Independent auditor's report

TO THE MEMBERS OF VIKING CONSORTIUM ACQUISITION LIMITED

We have audited the financial statements of Viking Consortium Acquisition Limited for the year ended 31 December 2012 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 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 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 statement of directors' responsibilities, 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 APB's website at www frc org uk/apb/scope/private cfm

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 loss 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 matters 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

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

BDO LLP

Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

22 April 2013

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

Viking Consortium Acquisition Limited

Profit and loss account
for the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Administrative expenses		**(145)**	(434)
After exceptional items			
Re-finance cost	6	**-**	(7,416)
Operating profit/(loss)	3	**(145)**	(7,850)
Interest receivable and similar income	4	**7,263**	6,569
Interest payable and similar charges	5	**(40,378)**	(39,603)
Profit/(Loss) on ordinary activities before taxation		**(33,260)**	(40,884)
Taxation on loss on ordinary activities	7	**8,406**	8,553
Loss for the financial year	14	**(24,854)**	(32,331)

All amounts relate to continuing activities
There are no recognised gains or losses other than those shown above

The notes on pages 8 to 16 form part of these financial statements

Viking Consortium Acquisition Limited

Balance sheet
at 31 December 2012

Company number 6067505	Note	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Investments	8		**374,775**		374,775
Current assets					
Debtors	9	**257,801**		252,033	
Cash at bank		**16**		37	
		257,817		252,070	
Creditors: amounts falling due within one year	10	**(659,279)**		(636,469)	
Net current liabilities			**(401,462)**		(384,399)
Total assets less current liabilities			**(26,687)**		(9,624)
Creditors· amounts falling due after more than one year	11		**(247,858)**		(240,067)
Net liabilities			**(274,545)**		(249,691)
Capital and reserves					
Called up share capital	13		**-**		-
Reserves	14		**(274,545)**		(249,691)
Shareholders' deficit	15		**(274,545)**		(249,691)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the Board of Directors and authorised for issue on 19 April 2013

R L Milnes-James
Director

The notes on pages 8 to 16 form part of these financial statements

Viking Consortium Acquisition Limited

Notes forming part of the financial statements
for the year ended 31 December 2012

1 Accounting policies

The financial statements are prepared under the historical cost convention and are in accordance with applicable UK accounting standards

The following principal accounting policies have been applied

Basis of preparation

The financial statements are prepared under the historical cost convention and are in accordance with applicable UK accounting standards

Exemption from preparing consolidated financial statements

The financial statements contain information about Viking Consortium Acquisition Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Viking Consortium Holdings Limited, a company registered in England & Wales

Exceptional items

The Group presents as exceptional items on the face of the profit and loss statement those material items of income and expense which, because of the nature and expected infrequency of events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance

Going concern

After making enquiries and having undertaken a detailed forward projection the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future and continue to be compliant with its covenants Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Cash flow statement exemption

The company has taken advantage of the exemption granted by FRS 1 (revised) whereby it is not required to publish its own cash flow statement on the grounds that the ultimate parent undertaking produces publicly available group financial statements

Fixed asset investment

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

1 Accounting policies *(continued)*

Deferred tax

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 exception

- 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 periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Interest rate swaps

The company's criteria for interest rate swaps are

- the instrument must be related to an asset or a liability, and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa

Interest differentials are recognised by accruing with net interest payable Interest rate swaps are not re-valued to fair value or shown on the company balance sheet at the year end If they are terminated early, the gain/loss is spread over the remaining maturity of the original instrument

Interest-bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

Revenue recognition

(a) Interest income

Revenue is recognised as interest accrues using the effective interest method

(b) Dividends

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

2 Employees

(a) Staff costs

There were no staff costs for the year ended 31 December 2012 (2011 - £Nil)

(b) Directors' remuneration

The directors received no remuneration for their services to the company during the year (2011 - £Nil) The remuneration of the directors for services to the company are paid by other group companies and are disclosed in those companies' financial statements It is not deemed feasible to allocate amounts to the company

3 Operating loss

	2012 £'000	2011 £'000
This is stated after charging		
Auditors' remuneration	**25**	11

The auditors' remuneration can be analysed as follows

	2012 £'000	2011 £'000
Audit of the financial statements	**4**	5
Other fees paid to auditor		
- Taxation	**21**	6
	25	11

4 Interest receivable and similar charges

	2012 £'000	2011 £'000
Interest receivable from group undertakings	**7,263**	6,569

5 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable on loans	**20,210**	22,911
Interest payable to group undertakings	**19,030**	15,554
Amortisation of deferred finance costs	**1,138**	1,138
	40,378	39,603

6 Exceptional items

	2012 £'000	2011 £'000
Recognised in arriving at operating loss		
Re-finance costs	-	7,416

Refinancing costs were incurred in relation to the discussions between the group's shareholders and the lenders to Viking Consortium Acquisition Limited that were completed on 2 December 2011 These costs include Senior lender advisory costs as well as the cost of advisory services purchased by group companies The costs also include refinancing fees that are payable to Senior lenders at the earlier of September 2015 and March 2016 (respectively) or a refinancing of the Senior debt

7 Taxation on loss from ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2012 £'000	2011 £'000
Current tax		
UK corporation tax on loss during the year	**(8,148)**	(8,545)
Adjustment in respect of prior periods	**(258)**	(8)
Tax on loss on ordinary activities	**(8,406)**	(8,553)

(b) Factors affecting current tax charge

The tax assessed for the year is higher (2011 - lower) than the standard rate of corporation tax in the UK of 24 5% (2011 - 26 5%)

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	**(33,260)**	**(40,884)**
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24 5% (2011 - 26 5%)	**(8,149)**	**(10,834)**
Effects of		
Unrelieved tax losses carried forward	-	**2,289**
Adjustments in respect of prior years	**(257)**	**(8)**
Current tax credit (note 7(a))	**(8,406)**	**(8,553)**

7 Taxation on loss from ordinary activities *(continued)*

(c) Deferred tax

A deferred tax asset of £9,412,372 (2011 - £1,915,988) has not been recognised on the basis that it is unlikely that there will be suitable profits in the future against which the asset can be utilised

(d) Corporate tax rate change

The main UK corporation tax rate from 1 April 2011 of 26% was reduced to 24% from 1 April 2012, resulting in an effective corporation tax rate of 24 5% for this accounting period A number of changes to the UK corporation tax system were announced in the March 2012 Budget Statement The Finance Act 2012 which was substantially enacted on 6 July 2012 includes legislation reducing the main rate of corporation tax from 26% to 24% from 1 April 2012 and further reducing the main rate of corporation tax from 24% to 23% from 1 April 2013

A further reduction to the main rate of corporation tax was proposed in the Chancellor's Autumn Statement, released on 5 December 2012 This proposes a further 1% cut in the main rate of corporation tax from 1 April 2014 in addition to the 1% already proposed such that the rate would become 21% from this date In the March 2013 Budget Statement, the Chancellor announced a further 1% cut from 1 April 2015 to 20% from this date These changes have not been substantively enacted at the balance sheet date and therefore have not been reflected in these financial statements The change is not expected to materially impact the financial statements

8 Investments

	2012 £'000	2011 £'000
Cost	**374,775**	374,775
Net book value	**374,775**	374,775

The following company is a subsidiary undertaking, 100% of the ordinary share capital is owned directly by the company, it is incorporated in Great Britain, operates in its country of incorporation, and has a 31 December year end

Company	**Nature of business**
Cory Environmental Holdings Limited	Investment holding company

Details of the subsidiary undertakings of Cory Environmental Holdings Limited are shown in its financial statements

9 Debtors

	2012 £'000	2011 £'000
Amounts owed by group undertakings	**249,395**	243,480
Corporation tax	**8,406**	8,553
	257,801	252,033

Amounts owed by group undertakings are unsecured with no fixed date of repayment Interest is charged on outstanding balances at rates in the range of 2 9% to 3 3% (2011 - 2 7% to 3 3%) during the year

10 Creditors. amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	-	299
Loans (see note 12)	**598**	676
Amounts owed to group undertakings	**655,122**	617,905
Accruals and deferred income	**3,559**	3,451
Other creditors	-	14,138
	659,279	636,469

Amounts owed by group undertakings are unsecured with no fixed date of repayment Interest is charged on outstanding balances at rates in the range of 2 9% to 3 3% (2011 - 2 7% to 3 3%) during the year

11 Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Loans (see note 12)	**231,205**	240,067
Other creditors	**16,653**	-
	247,858	240,067

12 Loans

	2012 £'000	2011 £'000
An analysis of the maturity of loans is given below		
Amounts falling due within one year or on demand		
Repayable otherwise than by way of instalments	**598**	676
Amounts falling due between one and five years		
Repayable otherwise than by instalments	**231,205**	240,067
Details of loans repayable within 5 years		
Senior facilities - acquisition loan	**171,103**	181,167
Senior facilities - efw facility	**35,870**	35,877
Senior facilities - capital expenditure facility	**26,591**	26,597
	233,564	243,641
Finance costs on issue of loan	**(8,299)**	(8,299)
Amortisation of finance costs	**6,538**	5,401
	231,803	240,743

71% of the Senior Facilities loan by nominal value is subject to a hedging agreement, providing an effective fixed rate of interest of 5 386%, and 29% of Senior Facilities loan by nominal value is subject to an inflation hedge The fair value based on a mark-to-market valuation of the interest rate hedge at 31 December 2012 is a liability of £66,302,618 (2011 liability of £60,458,476) and the fair value based on a mark-to-market valuation of the inflation hedge at 31 December 2012 is a liability of £51,946,302 (2011 liability of £50,092,496)

The Senior facilities loan is secured by fixed and floating charges on certain assets and future receivables of Viking Consortium Acquisition Limited and its subsidiary companies, the latter being guarantors in respect of the obligations contained within the finance documents of the company Viking Consortium Acquisition Limited and its subsidiary companies cross guarantee the performance and obligations of other companies within the Viking group as disclosed in note 16

Interest charged at LIBOR plus margin where the margin is determined by the senior adjusted leverage multiple The margin that was applicable during 2012 was 2 25% until 1st June then it changed to 2 5% from 2nd June onwards This facility is repayable September 2015

13 Share capital

	Allotted, called up and fully paid			
	2012 Number	2011 Number	2012 £'000	2011 £'000
Ordinary shares of £1 each	1	1	-	-

14 Reserves

	Profit and loss account £'000
At 1 January 2011	(249,691)
Profit for the year	(24,854)
At 31 December 2012	**(274,545)**

15 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit/(Loss) for the year	**(24,854)**	(32,331)
Net increase/reduction to shareholders' funds	**(24,854)**	(32,331)
Opening shareholders' funds	**(249,691)**	(217,360)
Closing shareholders' funds	**(274,545)**	(249,691)

16 Contingent liabilities

The company, as a subsidiary of Viking Consortium Holdings Limited, is a member guarantor in respect of the obligations contained within the finance documents of Viking Consortium Acquisitions Limited and cross guarantees the performance and obligations of other companies within the Cory group

Viking Consortium Holdings Limited cross guarantees certain other obligations to other group companies including

	2012 £'000	2011 £'000
Parent company acquisition bank debt	**276,239**	284,985
Letters of credit held in favour of the Environmental Agency and local authorities	**25,260**	23,580
Letters of credit for Riverside	**17,500**	17,500
Other letters of credit	**1,967**	1,967
Parent company guarantees	**63,474**	63,053
Performance guarantees/bonds held in favour of local authorities	**21,165**	17,412

17 Related party transactions

The company has taken advantage of the exemption available under FRS 8 from disclosing related party transactions with members of the group headed by Viking Consortium Holdings Limited on the grounds that 100% of the voting rights are controlled within that group and the company is included in consolidated financial statements

18 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Viking Consortium Borrower Limited Viking Consortium Finance Limited is the smallest group of which the company is a member and for which group financial statements are prepared The company's ultimate parent undertaking and controlling party is Viking Consortium Holdings Limited, which is the parent company of the largest group of which the company is a member for which group financial statements are prepared Copies of the financial statements of Viking Consortium Finance Limited and Viking Consortium Holdings Limited can be obtained from 2 Coldbath Square, London, EC1R 5HL

19 Post balance sheet events

There are no material post balance sheet events