

Financial Statements

Agrivert Biogas Limited

For the year ended 31 December 2013



Registered number: 06657846

Company Information

Directors	R B A Maddan J A W Astor (resigned 31 January 2014) R J Hunt
Company secretary	R J Hunt
Registered number	06657846
Registered office	The Stables Radford CHIPPING NORTON Oxfordshire OX7 4EB
Independent auditor	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 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

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.

Principal activities

The principal activity of the company during the year was that of a holding company for investments in joint ventures and subsidiaries which are involved in the generation of renewable energy through anaerobic digestion.

Directors

The directors who served during the year were:

R B A Maddan
J A W Astor (resigned 31 January 2014)
R J Hunt

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 2013

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 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 2014** and signed on its behalf.



R J Hunt
Secretary

Independent Auditor's Report to the Members of Agrivert Biogas Limited

We have audited the financial statements of Agrivert Biogas Limited for the year ended 31 December 2013, 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/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 2013 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 Biogas 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.

A handwritten signature in black ink, appearing to read "Robert Napper", followed by the initials "OK" and "WP".

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

Date: 25 March 2014

Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Administrative expenses		(24,066)	(101,593)
Operating loss	2	(24,066)	(101,593)
Income from group undertakings		150,000	-
Income from joint venture		300,000	443,000
Interest payable and similar charges		(212,017)	(102,740)
Profit on ordinary activities before taxation		213,917	238,667
Tax on profit on ordinary activities		-	-
Profit for the financial year	9	213,917	238,667

The notes on pages 7 to 12 form part of these financial statements.

Balance Sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	3		164,009		90,924
Current assets					
Debtors	4	7,759,447		7,600,205	
Cash at bank		58,777		6,045	
		<u>7,818,224</u>		<u>7,606,250</u>	
Creditors: amounts falling due within one year	5	<u>(139,213)</u>		<u>(194,317)</u>	
Net current assets			<u>7,679,011</u>		<u>7,411,933</u>
Total assets less current liabilities			<u>7,843,020</u>		<u>7,502,857</u>
Creditors: amounts falling due after more than one year	6		<u>(7,477,566)</u>		<u>(7,157,387)</u>
Accruals and deferred income	7		<u>(134,575)</u>		<u>(153,508)</u>
Net assets			<u><u>230,879</u></u>		<u><u>191,962</u></u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		<u>230,878</u>		<u>191,961</u>
Shareholders' funds			<u><u>230,879</u></u>		<u><u>191,962</u></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 its behalf by
25 MARCH 2014


R. J. Hunt
Director

The notes on pages 7 to 12 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2013

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 company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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

1.2 Going concern

The company relies on the support of its parent company, Agrivert Limited. This company has pledged its support for the foreseeable future. The directors have reviewed the cashflow forecasts and working capital requirements for the company and based on this, together with the support from its parent company, consider that it is appropriate to prepare the accounts on a going concern basis.

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 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 joint venture companies and group undertakings. 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 2013 on contracts where it acts as agent was £628,520 (2012: £580,011)

1.5 Investments in subsidiaries and joint ventures

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.6 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. Operating loss

The operating loss is stated after charging:

	2013 £	2012 £
Auditor's remuneration	1,250	1,250
Auditor's remuneration - non-audit	1,000	1,000
Amortisation of loan issue costs	20,704	18,946

During the year, no director received any emoluments (2012 - £NIL).

3. Fixed asset investments

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 January 2013	90,423	501	90,924
Additions	73,085	-	73,085
At 31 December 2013	163,508	501	164,009
Net book value			
At 31 December 2013	163,508	501	164,009
At 31 December 2012	90,423	501	90,924

Notes to the Financial Statements

For the year ended 31 December 2013

3. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Agrivert Oxfordshire Limited	Ordinary	100%
Agrivert (Wallingford) Limited	Ordinary A	100%
Agrivert (RBWM) Limited	Ordinary	100%
Agrivert (CW) Limited	Ordinary	100%
Agrivert (West London) Limited	Ordinary	85%

Joint ventures

The company owns 50% of the share capital of Oxford Renewable Energy Limited, a joint venture with M & M Skip Hire Limited, which is registered in the United Kingdom.

4. Debtors

	2013 £	2012 £
Due after more than one year		
Amounts owed by group undertaking	4,200,000	4,000,000
Due within one year		
Trade debtors	138,953	13,883
Amounts owed by group undertakings	110,580	-
Amounts owed by joint ventures	3,246,364	3,526,364
Other taxation	11,133	14,000
Other debtors	52,417	45,958
	7,759,447	7,600,205

In 2012 the company loaned £4,000,000 to Agrivert (Wallingford) Limited, and in 2013 £200k was loaned to Agrivert (West London) Limited. The loans are not interest bearing.

5. Creditors:

Amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	103,046	122,847
Amounts owed to joint ventures	36,167	71,470
	139,213	194,317

Notes to the Financial Statements

For the year ended 31 December 2013

6. Creditors:

Amounts falling due after more than one year

	2013	2012
	£	£
Other loans	2,242,452	1,927,960
Amounts owed to group undertakings	5,235,114	5,229,427
	<u>7,477,566</u>	<u>7,157,387</u>

Two loans totalling £2,311,288 (2012: £2,000,000), shown above net of £68,836 (2012: £72,040) of amortised issue costs, are secured by way of a fixed charge over the 50 Ordinary A shares held in Agrivert (Wallingford) Limited. Interest is charged on the loan at a rate of 10% since the construction of Agrivert Wallingford Limited has been completed.

Issue costs are amortised over the loan term.

7. Accruals and deferred income

	2013	2012
	£	£
Accruals and deferred income	<u>134,575</u>	<u>153,508</u>

8. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

9. Reserves

	Profit and loss account £
At 1 January 2013	191,961
Profit for the financial year	213,917
Dividends: Equity capital	(175,000)
At 31 December 2013	<u>230,878</u>

Notes to the Financial Statements

For the year ended 31 December 2013

10. Dividends

	2013 £	2012 £
Dividends paid on equity capital	<u>175,000</u>	<u>-</u>

11. Contingent liabilities

The company has provided a guarantee to SITA South Gloucestershire Limited (SITA) in respect of any liabilities of Agrivert Limited which arise under the terms of the contract. There were no other contingent liabilities as at 31 December 2013 or 31 December 2012.

SQN Asset No. 1 holds security over the shares held by the company in Agrivert (West London) Limited and Oxford Renewable Energy Limited in relation to a finance lease held by Agrivert (West London) Limited.

12. 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 at the company's registered office.

The company owns 50% of the share capital of Oxford Renewable Energy Limited ("OREL"), a joint venture with M & M Skip Hire Limited, during the period purchase invoices totalling £254,764 (2012: £584,489) and sales invoices of £nil (2012: £nil) were raised between the companies. At 31 December 2013 the balance owed to OREL was £36,178 (2012: £71,470) and is included in amounts owed to joint ventures. The company also has an outstanding loan payable by OREL of £3,246,364 (2012: £3,526,364), this amount is to be repaid as soon as sufficient funds become available.

Wingate Ventures Limited is a related party by virtue of the fact that it shares a common director with Agrivert Limited and Agrivert Group Limited, who are the company's immediate and ultimate parent undertaking. During the year Wingate Ventures Limited provided advisory services totalling £4,000 (2012: £40,000) in relation to the £200,000 other loans raised during the year.

Agrivert (Wallingford) Limited and Agrivert (West London) Limited are considered to be a related parties. Agrivert Biogas Limited holds 100% of Ordinary Class A shares in Agrivert (Wallingford) Limited and 85% of Ordinary Class A shares in Agrivert (West London) Limited. During the period, the company made purchases of £402,519 (2012: £nil) and sales of £nil (2012: £nil) to Agrivert (Wallingford) Limited. At 31 December 2013, £103,042 (2012: £nil) was outstanding.

During the year, the company issued a loan amounting to £200,000 (2012: £nil) in Agrivert West London Limited and £nil (2012: £4,000,000) in Agrivert (Wallingford) Limited. All amounts were outstanding at 31 December 2013.

Notes to the Financial Statements

For the year ended 31 December 2013

13. Ultimate parent undertaking and controlling party

Agrivert 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.