

# Financial Statements

## Agrivert Group Limited

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For the Year Ended 31 December 2016



Registered number: 06968842

## Company Information

**Directors**

R B A Maddan  
P J Earl  
H G Waters

**Company secretary**

P J Earl

**Registered number**

06968842

**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 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

### **Principal activity**

The principal activity of the Company is that of a holding company.

### **Results**

The profit for the year, after taxation, amounted to £24,245 (2015: £1,618,296).

### **Director**

The director who served during the year was:

R B A Maddan

P J Earl

H G Waters

### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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.

## Directors' Report (continued)

For the Year Ended 31 December 2016

### 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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small Companies Note

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 14 June 2017 and signed on its behalf.



P J Earl  
Director

## Independent Auditor's Report to the Members of Agrivert Group Limited

We have audited the financial statements of Agrivert Group Limited for the year ended 31 December 2016, which comprise the Statement of Income and Retained Earnings, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of 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 Auditor**

As explained more fully in the Directors' Responsibilities Statement on page 1, 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**

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 2016 and of its 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.



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

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

### **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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

*Grant Thornton UK LLP*

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

*14 June 2017*

## Statement of Income and Retained Earnings

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Administrative expenses		(3,196)	(110,619)
Exceptional other operating charges		-	(46,017)
<b>Operating loss</b>	4	<b>(3,196)</b>	<b>(156,636)</b>
Income from shares in group undertakings		-	2,000,000
Interest receivable and similar income	6	624,929	472,998
Interest payable and expenses	7	(597,488)	(695,666)
<b>Profit before tax</b>		<b>24,245</b>	<b>1,620,696</b>
Tax on profit		-	(2,400)
<b>Profit after tax</b>		<b>24,245</b>	<b>1,618,296</b>
Retained earnings at the beginning of the year		2,033,021	414,725
Profit for the year		24,245	1,618,296
<b>Retained earnings at the end of the year</b>		<b>2,057,266</b>	<b>2,033,021</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

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




## Balance Sheet

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	9	9,832,910	9,832,910
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	13,978,791	9,567,399
Debtors: amounts falling due within one year	10	-	3,813,074
		<u>13,978,791</u>	<u>13,380,473</u>
Creditors: amounts falling due within one year	11	(12,500)	(35,486)
<b>Net current assets</b>		<u>13,966,291</u>	<u>13,344,987</u>
<b>Total assets less current liabilities</b>		<u>23,799,201</u>	<u>23,177,897</u>
Creditors: amounts falling due after more than one year	12	(12,687,492)	(12,090,433)
<b>Net assets</b>		<u><u>11,111,709</u></u>	<u><u>11,087,464</u></u>
<b>Capital and reserves</b>			
Called up share capital		5,111	5,111
Share premium account	14	53,535	53,535
Merger reserve	14	8,995,797	8,995,797
Profit and loss account	14	2,057,266	2,033,021
		<u><u>11,111,709</u></u>	<u><u>11,087,464</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 14 June 2017  
**P J Earl**  
 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 2016

## 1. General information

Agrivert Group Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is at The Stables, Radford, Chipping Norton, Oxfordshire, OX7 4EB.

Registered Number: 06968842.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The following principal accounting policies have been applied:

### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 6 Statements of Changes in Equity;
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Agrivert Holdings Limited for the year ended 31 December 2016 and these financial statements may be obtained from Companies House.

### 2.3 Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the European Economic Area and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The information contained within these accounts represents the financial position and performance of the individual company only for the year ended 31 December 2016, and not that of the group.

### 2.4 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 cash position. The directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the annual financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.7 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 2. Accounting policies (continued)

### 2.9 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.10 Dividends

Equity dividends are recognised when they become legally payable.

### 2.11 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except where attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity. Such tax is recognised in other comprehensive income or directly in equity as appropriate.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of Income and Retained Earnings, when, and if, better information is obtained.

### Investments

Investments in subsidiaries are accounted for at cost less impairment. At each reporting date investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. Management applies judgment in assessing whether there is any indication of impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount.

## 4. Operating profit/(loss)

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

	2016	2015
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2,600	6,000

## 5. Employees

The Company has no employees other than directors. Directors are remunerated through Agrivert Limited.

The average monthly number of employees, excluding directors, during the year was 0 (2015: 0).

## 6. Interest receivable

	2016	2015
	£	£
Interest receivable from group companies	624,929	472,998

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 7. Interest payable and similar expenses

	2016 £	2015 £
Other loan interest payable	-	34,796
Loans from group undertakings	597,488	244,197
Preference share dividends	-	416,673
	<u>597,488</u>	<u>695,666</u>

## 8. Exceptional items

	2016 £	2015 £
Exceptional refinancing costs	-	46,017
	<u>-</u>	<u>46,017</u>

## 9. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2016	9,832,910
At 31 December 2016	<u>9,832,910</u>
<b>Net book value</b>	
At 31 December 2016	<u>9,832,910</u>
At 31 December 2015	<u>9,832,910</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 9. Fixed asset investments (continued)

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Agrivert Limited	Ordinary	100 %	Waste processing and engineering
Agrivert Biogas Limited (*)	Ordinary	100 %	Holding company
Agrivert Composting Limited (*)	Ordinary	100 %	Holding company
Agrivert (Ardley) Limited (*)	Ordinary	100 %	Waste processing
Agrivert (Hertfordshire) Limited (*)	Ordinary	100 %	Waste processing
Agrivert (Bucks) Limited (*)	Ordinary	100 %	Dormant
Agriver (Cassington) Limited (*)	Ordinary	100 %	Waste processing and renewable energy
Agrivert (RBWM) Limited (*)	Ordinary	100 %	Waste processing
Agrivert Oxfordshire Limited (*)	Ordinary	100 %	Dormant
Agrivert (Wallingford) Limited (*)	Ordinary	100 %	Waste processing and renewable energy
Agrivert (CW) Limited (*)	Ordinary	100 %	Waste processing
Agrivert (West London) Limited (*)	Ordinary	100 %	Waste processing and renewable energy
Agrivert (North London) Limited (*)	Ordinary	100 %	Waste processing and renewable energy
Agrivert (South Wales) Limited (*)	Ordinary	100 %	Waste processing and renewable energy
Agrivert (Farms) Limited (*)	Ordinary	100 %	Farming

(\*) = held indirectly

All of the above are incorporated in England and Wales.

# Notes to the Financial Statements

For the Year Ended 31 December 2016

## 10. Debtors

	2016 £	2015 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<u>13,978,791</u>	<u>9,567,399</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	-	3,797,936
Other debtors	-	9,996
Prepayments and accrued income	-	5,142
	<u>-</u>	<u>3,813,074</u>

## 11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	<u>12,500</u>	<u>35,486</u>

## 12. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>12,687,492</u>	<u>12,090,433</u>

Amounts owed to group undertakings falling due after more than one year have no fixed repayment date and attract interest of 5%.

## 13. Deferred taxation

	2015 £
At beginning of year	2,400
Charged to profit or loss	<u>(2,400)</u>



# Notes to the Financial Statements

For the Year Ended 31 December 2016

## **14. Reserves**

### **Share Premium**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

### **Merger Reserve**

The merger relief reserve represents the difference between the fair value of the consideration for the acquisition of 100% of Agrivert Limited and its subsidiary undertakings and the nominal value of the shares issued.

### **Profit and Loss account**

The profit and loss account includes all current and prior period retained profit and losses.

## **15. Contingent liabilities**

The Company has provided a guarantee, capped at £1m, to RBWM Commercial Services Limited ("RCS") in respect of any liabilities to RCS of Agrivert (RBWM) Limited, a subsidiary of Agrivert Biogas Limited, which arise under the terms of the contract.

## **16. Related party transactions**

There are no related party transactions which are required to be disclosed under FRS 102 section 33.1A.

## **17. Controlling party**

The parent company is Agrivert Holdings Limited, for which consolidated accounts are publicly available.

Agrivert Holdings Limited is incorporated in England and Wales. Its registered head office is The Stables, Radford, Chipping Norton, Oxfordshire, OX7 4EB.

The Directors consider the ultimate controlling party Highland Trust through its 100% ownership Green Renewable Energy Limited which owns 58% of Agrivert Holdings Limited.