

**Dauson Environmental Group Limited**  
**Group Strategic Report, Report of the Directors and**  
**Audited Consolidated Financial Statements for the Year Ended 30th June 2014**

Haines Watts Wales LLP, Statutory Auditors  
7 Neptune Court  
Vanguard Way  
CARDIFF  
CF24 5PJ

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**Dauson Environmental Group Limited**

**Contents of the Consolidated Financial Statements  
for the Year Ended 30th June 2014**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>7</b>
<b>Report of the Independent Auditors</b>	<b>9</b>
<b>Consolidated Profit and Loss Account</b>	<b>11</b>
<b>Consolidated Balance Sheet</b>	<b>12</b>
<b>Company Balance Sheet</b>	<b>14</b>
<b>Consolidated Cash Flow Statement</b>	<b>15</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>16</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>18</b>

**Dauson Environmental Group Limited**

**Company Information  
for the Year Ended 30th June 2014**

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<b>Directors:</b>	Mr M Kenney Mr. D J Neal
<b>Secretary:</b>	Mr. D J Neal
<b>Registered office:</b>	Newtown Road Rumney Cardiff CF3 2EJ
<b>Registered number:</b>	07040124
<b>Auditors:</b>	Haines Watts Wales LLP, Statutory Auditors 7 Neptune Court Vanguard Way CARDIFF CF24 5PJ
<b>Bankers:</b>	HSBC City Branch 114 St Mary Street Cardiff CF10 1LF
<b>Solicitors:</b>	Dolmans Solicitors 17-21 Windsor Place Cardiff CF10 3DS

## **Dauson Environmental Group Limited**

### **Group Strategic Report for the Year Ended 30th June 2014**

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The directors present their strategic report of the company and the group for the year ended 30th June 2014.

The directors consider that the results for the year and the financial position at the end of the year were disappointing but acceptable, considering the ongoing challenges in a highly regulated environment that various Group companies have dealt with during the period under review and in a market driven by legislation, financial and regulatory constraints

#### **Review of business**

This financial period has been influenced by the following significant factors:

Once again high professional costs for the period under review relating to the maintenance of the Environmental Permits and regulatory requirements. These amounted to £380,719 (2013: £456,636) together with other exceptionally high costs of £410,000 including £407,410 of bad debt charges impacted on the results for the year.

The Atlantic Recycling MRF plant was working at capacity processing legacy waste as well as current waste. This was at the cost of new of waste streams which had an influence over revenue in Atlantic, although costs increased to cover additional processing in connection with the legacy waste. By March 2014 Atlantic managed to increase its waste streams and start breaking even for the first time in 3 years, when catastrophe struck in the form of a major fire, which destroyed both the MRF plant and mobile plant. This had an immediate impact on the business as the site was inaccessible, so skip and bulk waste had to be diverted to third-party processors. It wasn't until December 2014 that the plant regained full operational capabilities with repairs carried out by and funded by the Group, in the absence of insurance payments. Had the fire not taken place the Groups losses would have reduced by £490,000 for the 2014 YE.

The reputation of the Group means that new customer relationships continue to be gained, who want to take advantage of the leading edge technology provided by the Group to achieve their ultimate individual objectives in diverting waste from Landfill to recycling/recovery of reusable recycled products.

This multi-disciplined Group has the ability to balance revenue between Construction Related, Haulage & Soil/Aggregate Supply and Waste Management and continues to support the Group through its continued evolving and development, mitigating trading risks and losses.

The Groups unique location of its 130 acre Ecopark, within 2 miles of the City centre and its easy access to the South Wales motorway network makes it very accessible. The Group employ c200 employees and a significant resource continues to be directed towards, training, personal development and succession planning.

2013/14 was challenging period for the group balanced between regulatory compliance activity and investments in infrastructure and plant following the fire in Atlantic Recycling. The last major investment the previous year in an automated bailing system for Refuse Derived Fuel (RDF) which increased the efficiency of the residual waste processing and intended to support the return of Atlantic Recycling Ltd to profitable trading for the 2013/14 period was badly damaged and the baler shed was destroyed.

## **Dauson Environmental Group Limited**

### **Group Strategic Report for the Year Ended 30th June 2014**

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The Group achieved a post-tax loss of £961,073 (2013: Profit £140,294) attributable to the members of the parent company for the year:

Neal Soil Suppliers Ltd ("Neal Soil") Revenues are improved but suffered from delayed contract starts and revised buyer terms. It operates in a difficult market sector which is showing signs of recovery. The directors consider the operations of Neal Soil Suppliers Ltd "Neal Soil" and its wholly owned subsidiary Neal Aggregate Suppliers Ltd "NAS" as one trading operation. Neal Soil pay the overheads excluding interest for NAS. On a combined basis they had total revenues of £8.9m and Gross Profit of £2.6m for the period under review.

Neal Soils produced a pre-tax loss of £595,39 (2013: Profit £291,776) for the year. Some of the results were attributable to the sale of assets. The overheads continue to include some additional costs in respect of Neal Aggregate Suppliers Ltd overheads.

Atlantic Recycling Ltd ("Atlantic"). The fire in March at Atlantic had a catastrophic effect on the company's ability to trade. By March 2014 there were signs that the company had returned to profitability and if it had been allowed to continue uninterrupted the losses in Atlantic would have been c£500,000 less for the year. The MRF plant was working at capacity processing legacy waste as well as current waste for 9 months of the year until the fire. This resulted in a pre-tax loss of £1,103,869 (2013: £1,197,655). Since the start of the current financial year Atlantic Recycling Ltd returned to trading in profitably in November.

Cardiff Demolition Co. Ltd has improved its market share in a highly competitive market. It continues to maintain a competitive position and continues to gain contracts Pre-tax profits increased to £771,317 (2013: £384,001) for the year, this pre tax profit was influenced by a bad debt charge of £63,000.

Neal Aggregate Suppliers Ltd ("Neal Agg") during its first trading year achieved a pre-tax profit of £133,414 (2013: £561,246). The washplant continues to work to capacity and a second plant is still being considered. The only income recorded for Neal Agg is scrap metal sales which were well below the previous year. The majority of its overheads were covered by Neal Soil during the review period.

Bluefield Land Ltd ("Bluefield") reported no income for the period awaiting property sales from existing land bank of two sites in South Wales with outline planning for housing. Bluefields pre tax loss for the period was £192,340 (2013: £90,829) Bluefield continues to have a minority interest in Bluefield Caernarvon Ltd ("BC") who's partner is a major Welsh construction company. BC owns land in North Wales currently being marketed for a mixed use development including a Data Centre and support businesses as well as new housing.

#### **Mission statement**

"Dauson Group and its affiliates mission, is to increase profitability through innovation in managing environments, which will contribute towards minimising landfill, help to reduce carbon emissions and making the difference to our environment for all our futures".

## **Dauson Environmental Group Limited**

### **Group Strategic Report for the Year Ended 30th June 2014**

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#### **Key non-financial performance indicators**

1. The Group relies on significant Capital Expenditure for both Infrastructure and Plant and Machinery. The group has been able to finance necessary infrastructure costs from its cash flow. Plant and machinery has been financed with asset finance over relatively short period compared with the plants normal working life, freeing up available finance for replacement and additional plant.
2. The Ecopark operates in a SSSI area and continues to work with the Regulator (the NRW) to bring and maintain the Ecopark in a state of high compliance with its permits. The Group have prevented any pollution or harm to human life or the Environment as a result of its operations on the Ecopark. This was the case after the catastrophic fire in Atlantic in March 2014 where a significant amount of fire water had to be collected and tinkered off site.
3. The Group was achieving its recycling of waste targets by achieving 100% diversion from landfill for 9 months of the review period.
4. The continual development and investment in technology is enabling the Group to discover treatment of new types of waste streams each year. Major investment in infrastructure has been started and planned to be complete by the end 2015.
5. The strategic objective of receiving higher value waste streams, but less volume is now taking affect.
6. The operation of the washplant is now producing sand and aggregate to satisfy industry protocols.

The Group are involved in three main sector operating activities:

Construction/Development Related: Bluefield Land Ltd and Cardiff Demolition Co. Ltd

Haulage, Soil and Aggregate Recycling Supply: Neal Soil Suppliers Ltd, Neal Aggregate Suppliers Ltd

Waste Management: Atlantic Recycling Ltd

## **Dauson Environmental Group Limited**

### **Group Strategic Report for the Year Ended 30th June 2014**

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#### **Critical issues facing the group**

To ensure that we fulfil our duty of care towards the environment and comply with the various environmental and quality performance standards issued by government and regulatory bodies.

Continue to develop innovative methods to face the challenges that the Dauson Group will encounter in a complex and changing market and operating environment, whilst continuing to build its reputation by demonstrating the Groups' environmental awareness and responsibility.

The generation of a series of environmentally beneficial and innovative production processes in soil processing, recycling commercial waste materials and green waste recycling are seen as the main innovators. Significant long term contracts have been negotiated with Blue-chip customers who continue underpin future investments at the Ecopark.

The problems associated with the UK's changing weather conditions, the continuing current economic climate and pressure on cash management remain as the biggest challenge to the Group.

The legislative measures to control the economy have heavily impacted on public spending. New projects continue to be delayed and it is taking longer for the Group to achieve its medium term objectives satisfactory level of profitability.

The core key areas remain unchanged that will support the group to achieve future success:

Improved infrastructure

Acquiring up to date technology

Securing adequate long term investment and funding.

The group continues to recognise like most businesses that the risk of staying the same is greater than the risk of changing in this fast developing sector and current uncertain financial environment.

#### **Internal analysis**

The Dauson Group is strong in proven resources, well located with a wealth of experience and a serious contender to maximise the growth opportunity present in the waste recycling market within South East Wales and construction related industries. The management team has been strengthened and will continue to be strengthened by market sector specialist/professionals.

#### **External Analysis**

Over the past decade, the volume of waste handled by waste treatment and disposal companies has steadily declined, driven by government policies designed to minimise waste and encourage recycling. However, government policies have triggered significant changes in the industry. There has been a large shift from the disposal of waste to the treatment of waste. The treatment of waste generates much higher revenue than disposal. Over the five years through 2014-15, industry revenue is expected to grow at a compound annual rate of 7.7%. In the current year, revenue is projected to rise by 3% to reach £3.3 billion.

The main services provided by the industry are waste treatment, waste disposal and electricity generation. The share of revenue generated by each of the different segments of the industry is changing rapidly. In 2003-04, over 70% of municipal waste was sent to landfill, which was the cheapest means of disposal. In 2005-06, landfill gate fees still generated the largest share of industry revenue, at close to 52%. By 2014-15, landfill gate-fee revenue is expected to decline to 35% of industry revenue. The cost of sending waste to landfill has risen sharply due to progressive increases in landfill tax, which is not itself included in industry revenue, from £11 per tonne in 2000 to £80 per tonne in 2014. These targeted increases in recycling and separation of waste present opportunities to waste management businesses to increase both their recycling and composting/anaerobic digestion offerings in the coming years.

The external opportunities created for the Dauson Group to succeed continue to be mainly legislative driven and with limited threats from competition because of its location and extensive facilities at the Ecopark and are well placed to capture a larger market share providing it can gain financial stability.

## Dauson Environmental Group Limited

### Group Strategic Report for the Year Ended 30th June 2014

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#### Financial performance

Consolidated Group financial performance for the last 3 years is summarised as follows:

Dauson Group	Audited 2012£'000's	Audited 2013£'000's	Audited 2014£'000's
Turnover	12,507	14,700	15,044
Profit/(Loss) before tax	(421)	(69)	(1,007)
Shareholders funds	1,681	1,799	790

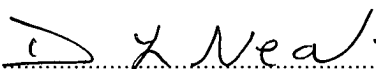
#### POST BALANCE SHEET EVENTS

There are no events that occurred since the year end which requires reporting or disclosing in the financial statements.

#### Results and dividends

The Loss after taxation of the Group for the year amounted to £961,073 (2013: Profit £140,294). The directors have not recommended a dividend.

#### On behalf of the board:



Mr. D J Neal - Director

Date: 20/3/15



## **Dauson Environmental Group Limited**

### **Report of the Directors for the Year Ended 30th June 2014**

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The directors present their report with the financial statements of the company and the group for the year ended 30th June 2014.

#### **Dividends**

No dividends will be distributed for the year ended 30th June 2014.

#### **Directors**

The directors shown below have held office during the whole of the period from 1st July 2013 to the date of this report.

Mr M Kenney

Mr. D J Neal

#### **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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **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 group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**Dauson Environmental Group Limited**

**Report of the Directors  
for the Year Ended 30th June 2014**

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**Auditors**

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

**On behalf of the board:**

  
.....  
Mr. D J Neal - Director

Date: 20/3/15 .....

## **Report of the Independent Auditors to the Members of Dauson Environmental Group Limited**

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We have audited the financial statements of Dauson Environmental Group Limited for the year ended 30th June 2014 on pages eleven to thirty five. 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 seven, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and of the parent company's affairs as at 30th June 2014 and of the group's 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.

### **Emphasis of Matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the individual parent company's ability to continue as a going concern. The company incurred a loss of £50,364 during the year ended 30 June 2014 and, at that date, the company had net liabilities of £1,983,092. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the individual parent company's ability to continue as a going concern.

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

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
Dauson Environmental Group Limited**

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**Matters on which we are required to report by exception**

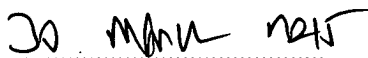
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Stephen Lucey (Senior Statutory Auditor)  
for and on behalf of Haines Watts Wales LLP, Statutory Auditors  
7 Neptune Court  
Vanguard Way  
CARDIFF  
CF24 5PJ

Date: .....



**Dauson Environmental Group Limited**

**Consolidated Profit and Loss Account  
for the Year Ended 30th June 2014**

	Notes	2014 £	2013 £
<b>Turnover</b>		15,044,735	14,700,574
Cost of sales		(11,974,808)	(11,484,134)
<b>Gross profit</b>		3,069,927	3,216,440
Administrative expenses		(3,624,998)	(2,956,474)
		(555,071)	259,966
Other operating income		178,064	178,064
<b>Group operating (loss)/profit</b>	3	(377,007)	438,030
Share of operating profit in Associates		27,233	16,616
Profit/loss on sale of tang fa		-	88,990
		(349,774)	543,636
Interest receivable and similar income	5	-	5,086
		(349,774)	548,722
Interest payable and similar charges	6	(657,973)	(617,367)
<b>Loss on ordinary activities before taxation</b>		(1,007,747)	(68,645)
Tax on loss on ordinary activities	7	(1,411)	186,231
<b>(Loss)/profit on ordinary activities after taxation</b>		(1,009,158)	117,586
Minority interest - equity		48,085	22,707
<b>(Deficit)/retained profit for the group carried forward</b>		(961,073)	140,293

**Continuing operations**

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

**Total recognised gains and losses**

The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements

**Dauson Environmental Group Limited (Registered number: 07040124)**

**Consolidated Balance Sheet  
30th June 2014**

	<b>Notes</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Fixed assets</b>			
Intangible assets	9	14,740	58,952
Tangible assets	10	6,511,345	6,491,733
Investments	11	74,672	47,474
		<u>6,600,757</u>	<u>6,598,159</u>
<b>Current assets</b>			
Stocks	12	3,037,259	3,052,250
Debtors	13	3,503,253	4,863,591
Cash at bank and in hand		5,618,956	4,883,160
		<u>12,159,468</u>	<u>12,799,001</u>
<b>Creditors</b>			
Amounts falling due within one year	14	(14,105,312)	(12,740,511)
<b>Net current (liabilities)/assets</b>		<u>(1,945,844)</u>	<u>58,490</u>
<b>Total assets less current liabilities</b>		<u>4,654,913</u>	<u>6,656,649</u>
<b>Creditors</b>			
Amounts falling due after more than one year	15	(3,736,744)	(4,133,805)
<b>Provisions for liabilities</b>	19	<u>(128,061)</u>	<u>(723,577)</u>
<b>Net assets</b>		<u><u>790,108</u></u>	<u><u>1,799,267</u></u>

The notes form part of these financial statements

**Dauson Environmental Group Limited (Registered number: 07040124)**

**Consolidated Balance Sheet - continued  
30th June 2014**

	<b>Notes</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Capital and reserves</b>			
Called up share capital	20	1,007,221	1,007,221
Profit and loss account	21	19,574	980,647
		<hr/>	<hr/>
<b>Shareholders' funds</b>	27	1,026,795	1,987,868
		<hr/>	<hr/>
<b>Minority interests</b>	22	(236,687)	(188,601)
		<hr/>	<hr/>
<b>Total equity</b>		<u>790,108</u>	<u>1,799,267</u>

The financial statements were approved by the Board of Directors on 20/3/15 and were signed on its behalf by:



Mr. D J Neal - Director

The notes form part of these financial statements

**Dauson Environmental Group Limited (Registered number: 07040124)**

**Company Balance Sheet  
30th June 2014**

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments	11	911,089	911,089
		<u>911,089</u>	<u>911,089</u>
<b>Current assets</b>			
Debtors	13	1,427,359	1,324,309
<b>Creditors</b>			
Amounts falling due within one year	14	(4,321,540)	(4,168,126)
<b>Net current liabilities</b>		<u>(2,894,181)</u>	<u>(2,843,817)</u>
<b>Total assets less current liabilities</b>		<u>(1,983,092)</u>	<u>(1,932,728)</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,007,221	1,007,221
Profit and loss account	21	(2,990,313)	(2,939,949)
<b>Shareholders' funds</b>	27	<u>(1,983,092)</u>	<u>(1,932,728)</u>

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

The financial statements were approved by the Board of Directors on 20/3/15 and were signed on its behalf by:

  
Mr. D J Neal - Director

The notes form part of these financial statements



**Dauson Environmental Group Limited**

**Consolidated Cash Flow Statement  
for the Year Ended 30th June 2014**

	<b>Notes</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Net cash inflow from operating activities</b>	<b>1</b>	2,559,782	1,529,507
<b>Returns on investments and servicing of finance</b>	<b>2</b>	(657,973)	(606,280)
<b>Taxation</b>		-	(47,578)
<b>Capital expenditure and financial investment</b>	<b>2</b>	(100,346)	997,089
		<u>1,801,463</u>	<u>1,872,738</u>
<b>Financing</b>	<b>2</b>	(1,065,667)	(1,499,562)
<b>Increase in cash in the period</b>		<u>735,796</u>	<u>373,176</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	<b>3</b>		
Increase in cash in the period		735,796	373,176
Cash outflow from decrease in debt and lease financing		<u>1,065,667</u>	<u>1,499,560</u>
Change in net debt resulting from cash flows		1,801,463	1,872,736
New finance leases		<u>(1,710,635)</u>	<u>(139,086)</u>
<b>Movement in net debt in the period</b>		90,828	1,733,650
<b>Net debt at 1st July</b>		<u>(5,058,596)</u>	<u>(6,792,246)</u>
<b>Net debt at 30th June</b>		<u>(4,967,768)</u>	<u>(5,058,596)</u>

The notes form part of these financial statements

**Dauson Environmental Group Limited**

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30th June 2014**

**1. Reconciliation of operating (loss)/profit to net cash inflow from operating activities**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit	(377,007)	438,030
Depreciation charges	1,879,388	1,817,735
Profit on disposal of fixed assets	(43,771)	(504,984)
Government grants	(178,064)	(178,064)
Decrease/(increase) in stocks	14,991	(16)
Decrease/(increase) in debtors	1,324,649	(848,634)
(Decrease)/increase in creditors	(60,404)	805,440
<b>Net cash inflow from operating activities</b>	<b><u>2,559,782</u></b>	<b><u>1,529,507</u></b>

**2. Analysis of cash flows for headings netted in the cash flow statement**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	-	5,086
Interest paid	(209,653)	(193,756)
Interest element of hire purchase payments	(448,320)	(423,610)
Dividends received	-	6,000
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(657,973)</u></b>	<b><u>(606,280)</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(398,220)	(92,555)
Sale of tangible fixed assets	297,839	1,089,644
Sale of fixed asset investments	35	-
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<b><u>(100,346)</u></b>	<b><u>997,089</u></b>
<b>Financing</b>		
New loans in year	664,561	-
Loan repayments in year	(173,985)	(478,561)
Capital repayments in year	(1,556,243)	(1,021,001)
<b>Net cash outflow from financing</b>	<b><u>(1,065,667)</u></b>	<b><u>(1,499,562)</u></b>

The notes form part of these financial statements

**Dauson Environmental Group Limited**

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30th June 2014**

**3. Analysis of changes in net debt**

	At 1.7.13 £	Cash flow £	Other non-cash changes £	At 30.6.14 £
Net cash:				
Cash at bank and in hand	4,883,160	735,796		5,618,956
	<u>4,883,160</u>	<u>735,796</u>		<u>5,618,956</u>
Debt:				
Hire purchase	(2,981,867)	1,556,243	(1,710,635)	(3,136,259)
Debts falling due within one year	(5,681,390)	(157,275)	-	(5,838,665)
Debts falling due after one year	(1,278,499)	(333,301)	-	(1,611,800)
	<u>(9,941,756)</u>	<u>1,065,667</u>	<u>(1,710,635)</u>	<u>(10,586,724)</u>
Total	<u><u>(5,058,596)</u></u>	<u><u>1,801,463</u></u>	<u><u>(1,710,635)</u></u>	<u><u>(4,967,768)</u></u>

The notes form part of these financial statements

## **Dauson Environmental Group Limited**

### **Notes to the Consolidated Financial Statements for the Year Ended 30th June 2014**

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#### **1. Accounting policies**

##### **Accounting convention**

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

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2014.

All subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside of the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as Associates. In the group financial statements, Associates are accounted for using the equity method.

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customer. For demolition, site clearance and waste disposal activities turnover represents the sales value of work undertaken during the year and the despatch of soil and stone arising from site clearance. For skip hire activities, turnover represents charges for hire periods during the year.

##### **Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of five years.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 12.5% on cost
Other Intangibles	- at varying rates on cost
Plant and machinery	- 33% on cost, 12.5% on cost and 12.5% to 50% on cost
Fixtures and fittings	- 33% on reducing balance, 33% on cost, 25% on cost and 12.5% & 25% on cost
Motor vehicles	- 33% on cost, 20% on cost and 12.5% to 50% on cost
Haulage vehicles	- 33% on reducing balance, 25% on cost and 12.5% on cost

##### **Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

##### **Deferred tax**

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

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**1. Accounting policies - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

**Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

**Going concern**

The directors are satisfied that there is sufficient support within the group to allow the individual parent company to continue in business for the foreseeable future and therefore it is considered appropriate that the accounts are prepared on a going concern basis.

**2. Staff costs**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,692,108	3,383,925
Social security costs	402,659	336,824
Other pension costs	23,586	23,586
	<u>4,118,353</u>	<u>3,744,335</u>

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

	<b>2014</b>	<b>2013</b>
Administration and support	23	30
Production	105	86
	<u>128</u>	<u>116</u>

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**3. Operating (loss)/profit**

The operating loss (2013 - operating profit) is stated after charging/(crediting):

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	930,838	596,466
Depreciation - assets on hire purchase contracts	904,337	1,107,725
Profit on disposal of fixed assets	(43,771)	(504,984)
Goodwill amortisation	44,212	44,212
	<u>          </u>	<u>          </u>
Directors' remuneration	70,384	56,588
Directors' pension contributions to money purchase schemes	8,929	8,929
	<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>
------------------------	----------	----------

**4. Auditors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditors for the audit of the company's financial statements	<u>31,500</u>	<u>23,237</u>

**5. Interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deposit account interest	<u>-</u>	<u>5,086</u>

**6. Interest payable and similar charges**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	69,526	106,584
Other interest	5,810	1,669
Loan	134,317	85,504
Hire purchase	448,320	423,610
	<u>657,973</u>	<u>617,367</u>

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**7. Taxation**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the loss on ordinary activities for the year was as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	(9,073)	(62,636)
Deferred tax	10,484	(123,595)
Tax on loss on ordinary activities	<u>1,411</u>	<u>(186,231)</u>

**Factors affecting the tax charge/(credit)**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(1,007,747)</u>	<u>(68,645)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	(201,549)	(13,729)
Effects of:		
Expenses not deductible for tax purposes	42,221	71,959
Income not taxable for tax purposes	(27,370)	(35,613)
Depreciation in excess of capital allowances	66,061	20,345
Adjustments to tax charge in respect of previous periods	(9,073)	(70,324)
Losses carried forward	8,008	23,344
Losses utilised	38,148	5,301
Marginal relief	74,405	(62,377)
Other non trade adjustments	(244)	(1,542)
Bank and other interest	320	-
Current tax charge/(credit)	<u>(9,073)</u>	<u>(62,636)</u>

**8. Loss of parent company**

As permitted by Section 408 of the Companies Act 2006, the profit and loss of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £50,364 (2013: £26,504 loss).

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**9. Intangible fixed assets**

**Group**

**Goodwill  
£**

**Cost**

At 1st July 2013  
and 30th June 2014

541,827

**Amortisation**

At 1st July 2013  
Amortisation for year

482,875

44,212

At 30th June 2014

527,087

**Net book value**

At 30th June 2014

14,740

At 30th June 2013

58,952

**10. Tangible fixed assets**

**Group**

**Freehold  
property  
£**

**Other  
Intangibles  
£**

**Plant and  
machinery  
£**

**Cost**

At 1st July 2013

708,690

2,489,298

8,784,678

Additions

-

49,035

1,987,393

Disposals

-

-

(350,353)

At 30th June 2014

708,690

2,538,333

10,421,718

**Depreciation**

At 1st July 2013

200,343

740,430

4,771,619

Charge for year

60,299

341,941

1,175,851

Eliminated on disposal

-

-

(125,583)

At 30th June 2014

260,642

1,082,371

5,821,887

**Net book value**

At 30th June 2014

448,048

1,455,962

4,599,831

At 30th June 2013

508,347

1,748,868

4,013,059



**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**10. Tangible fixed assets - continued**

**Group**

	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Haulage vehicles £</b>	<b>Totals £</b>
<b>Cost</b>				
At 1st July 2013	98,089	825,992	597,225	13,503,972
Additions	-	72,427	-	2,108,855
Disposals	-	-	(91,374)	(441,727)
At 30th June 2014	98,089	898,419	505,851	15,171,100
<b>Depreciation</b>				
At 1st July 2013	98,089	685,218	516,540	7,012,239
Charge for year	-	212,088	44,996	1,835,175
Eliminated on disposal	-	-	(62,076)	(187,659)
At 30th June 2014	98,089	897,306	499,460	8,659,755
<b>Net book value</b>				
At 30th June 2014	-	1,113	6,391	6,511,345
At 30th June 2013	-	140,774	80,685	6,491,733

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**10. Tangible fixed assets - continued**

**Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Other Intangibles £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Haulage vehicles £</b>	<b>Totals £</b>
<b>Cost</b>					
At 1st July 2013	703,106	5,126,552	652,497	148,110	6,630,265
Additions	-	1,646,204	64,431	-	1,710,635
Disposals	-	(72,884)	(33,056)	-	(105,940)
Transfer to ownership	-	-	-	(91,374)	(91,374)
At 30th June 2014	703,106	6,699,872	683,872	56,736	8,143,586
<b>Depreciation</b>					
At 1st July 2013	190,424	1,511,927	260,797	68,614	2,031,762
Charge for year	87,888	669,570	128,535	18,344	904,337
Eliminated on disposal	-	(30,012)	(5,112)	-	(35,124)
Transfer to ownership	-	-	-	(50,569)	(50,569)
At 30th June 2014	278,312	2,151,485	384,220	36,389	2,850,406
<b>Net book value</b>					
At 30th June 2014	424,794	4,548,387	299,652	20,347	5,293,180
At 30th June 2013	512,682	3,614,625	391,700	79,496	4,598,503

**11. Fixed asset investments**

**Group**

	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1st July 2013	47,474
Additions	27,233
Disposals	(35)
At 30th June 2014	74,672
<b>Net book value</b>	
At 30th June 2014	74,672
At 30th June 2013	47,474

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**11. Fixed asset investments - continued**

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1st July 2013	
and 30th June 2014	911,089
<b>Net book value</b>	
At 30th June 2014	911,089
At 30th June 2013	911,089

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

**Subsidiaries**

**Neal Soil Suppliers Limited**

Country of incorporation: UK

Nature of business: Site clearance and sale of compactable materials

	%
Class of shares:	holding
Ordinary	100.00

**Cardiff Demolition Company Limited**

Country of incorporation: UK

Nature of business: Demolition and clearing of building sites

	%
Class of shares:	holding
Ordinary	100.00

**Atlantic Recycling Limited**

Country of incorporation: UK

Nature of business: Recycling operations

	%
Class of shares:	holding
Ordinary	100.00

**Bluefield Land**

Country of incorporation: UK

Nature of business: Regenerating brownfield sites

	%
Class of shares:	holding
Ordinary	75.00

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

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**11. Fixed asset investments - continued**

**Neal Aggregate Suppliers Limited**

Country of incorporation: UK

Nature of business: Treatment and sale of construction waste

	%
Class of shares:	holding
Ordinary	100.00

**Atlantic Composting Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Atlantic Ecopark Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Atlantic Organics (UK) Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Atlantic Organics (Wales) Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Action Recycling Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Atlantic Power Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

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**11. Fixed asset investments - continued**

**Dauson Holdings UK Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Neal Recycling Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Plantline (CO) Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Atlantic Waste Management Limited**

Country of incorporation: UK

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Associated companies**

**Envirosavers Limited**

Country of incorporation: UK

Nature of business: Clearance of hazardous waste

	%
Class of shares:	holding
Ordinary	30.00

**Bluefield Caernarfon Limited**

Country of incorporation: UK

Nature of business: Property development

	%
Class of shares:	holding
Ordinary	26.25

**Bluefield Caernarfon Management Limited**

Country of incorporation: UK

Nature of business: Property management and estate services

	%
Class of shares:	holding
Ordinary	26.25

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**11. Fixed asset investments - continued**

The closing balance on investments held as fixed assets relates to the shares owned by Dauson Environmental Group Limited in:

Envirosavers Limited (under equity method of accounting)

As an associate undertaking, the results for Envirosavers Limited have been incorporated into the group results by accounting for the groups share of reserves as at 30 June 2014. The year end of this company is 31 January and so the management accounts have been used to incorporate the results for the year ended 30 June 2014 into the consolidated accounts.

**12. Stocks**

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Stocks	1,558,177	1,573,168
Work-in-progress	1,479,082	1,479,082
	<u>3,037,259</u>	<u>3,052,250</u>

**13. Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	3,050,185	3,619,143	-	-
Amounts owed by group undertakings	-	-	1,427,359	1,324,308
Amounts owed by participating interests	-	92,241	-	-
Amounts recoverable on contract	217,883	196,909	-	-
Other debtors	5,426	19,797	-	1
Called up share capital not paid	8	8	-	-
Prepayments	229,751	935,493	-	-
	<u>3,503,253</u>	<u>4,863,591</u>	<u>1,427,359</u>	<u>1,324,309</u>

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**14. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 16)	5,838,665	5,681,390	-	-
Other loans (see note 16)	82,613	-	-	-
Hire purchase contracts (see note 17)	1,749,008	1,153,730	-	-
Trade creditors	1,923,587	2,270,149	-	-
Amounts owed to group undertakings	-	-	4,318,040	4,164,626
Amounts owed to participating interests	72,284	31,642	-	-
Tax	(3,044)	-	-	-
Social security and other taxes	631,918	419,284	-	-
VAT	626,532	716,791	-	-
Other creditors	122,619	53,427	-	-
Invoice factoring	1,102,873	1,332,260	-	-
Directors' current accounts	53,784	67,594	-	-
Accrued expenses	1,726,409	836,180	3,500	3,500
Deferred government grants	178,064	178,064	-	-
	<u>14,105,312</u>	<u>12,740,511</u>	<u>4,321,540</u>	<u>4,168,126</u>

**15. Creditors: amounts falling due after more than one year**

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 16)	1,104,514	1,278,499
Other loans (see note 16)	424,673	-
Hire purchase contracts (see note 17)	1,387,251	1,828,137
Deferred Grants	99,689	199,378
Directors' loan accounts	15,000	15,000
Accruals and deferred income	6,424	35,224
Deferred government grants	699,193	777,567
	<u>3,736,744</u>	<u>4,133,805</u>

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**16. Loans**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank loans	5,838,665	5,681,390
Other loans	82,613	-
	<u>5,921,278</u>	<u>5,681,390</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	1,104,514	1,278,499
Other loans - 1-2 years	214,469	-
	<u>1,318,983</u>	<u>1,278,499</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>210,204</u>	<u>-</u>

**17. Obligations under hire purchase contracts**

**Group**

	<b>Hire purchase contracts</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	1,749,008	1,153,730
Between one and five years	1,387,251	1,762,825
In more than five years	-	65,312
	<u>3,136,259</u>	<u>2,981,867</u>



**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**18. Secured debts**

The following secured debts are included within creditors:

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans	6,943,179	6,959,889
Hire purchase contracts	3,136,259	2,981,867
Invoice discounting creditor	1,102,873	1,332,260
	11,182,311	11,274,016

Bank loans and overdrafts included in short term liabilities are secured by a multilateral guarantee given by all group companies together with a first mortgage on freehold land owned by group company directors. Security is given by a debenture including a fixed charge over present freehold and leasehold property. There is a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future dated 12 June 1998.

Bank loans included in long term creditors are secured over land held by Bluefield Land Limited at Cwmgorse. There is no fixed repayment date of the loan as it becomes repayable when the land is sold.

Hire purchase creditors are secured over the assets to which they relate.

The invoice discounting creditors are secured on the book debts of group companies.

**19. Provisions for liabilities**

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deferred tax	128,061	117,577
Other provisions	-	606,000
Aggregate amounts	128,061	723,577
<b>Group</b>		
	<b>Deferred tax</b>	<b>Other provisions</b>
	<b>£</b>	<b>£</b>
Balance at 1st July 2013	117,577	606,000
Charge for the year	10,484	-
Transferred to accruals	-	(606,000)
Balance at 30th June 2014	128,061	-

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**20. Called up share capital**

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2014 £</b>	<b>2013 £</b>
1,007,221	Ordinary	£1	<u>1,007,221</u>	<u>1,007,221</u>

**21. Reserves**

**Group**

**Profit  
and loss  
account  
£**

At 1st July 2013	980,647
Deficit for the year	(961,073)
At 30th June 2014	<u>19,574</u>

**Company**

**Profit  
and loss  
account  
£**

At 1st July 2013	(2,939,949)
Deficit for the year	(50,364)
At 30th June 2014	<u>(2,990,313)</u>

**22. Minority interests**

Minority interest amounts included in the accounts relate to the amounts that are due to the minority shareholders in Bluefield Land Limited.

**23. Contingent liabilities**

During the year two companies within the group were involved in a legal dispute which was quashed shortly after the year end. The plaintiff has until the 7 April 2015 to put in an appeal against the courts decision.

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**24. Directors' advances, credits and guarantees**

The following advances and credits to a director subsisted during the years ended 30th June 2014 and 30th June 2013:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>D J Neal</b>		
Balance outstanding at start of year	68,784	78,784
Amounts repaid	-	(10,000)
Balance outstanding at end of year	<u>68,784</u>	<u>68,784</u>

In respect of the bank loan liability in Neal Soil Suppliers Limited, the bank facilities in Bluefield Land Limited and the DEG group bank overdraft facility Mr D Neal has provided a personal guarantee to secure liabilities.

**25. Related party disclosures**

**Neal Environmental Limited**

A company related by family association.

During the year the group made purchase of £6,967 (2013:£5,415) from Neal Environmental Limited and made sales of £593 (2013: £nil).

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amount due to related party at the balance sheet date	<u>8,786</u>	<u>-</u>

**Enviosavers Limited**

Associate company

During the year the group made purchases of £276,250 (2013: £285,218 from Envirosavers Limited. No sales were made this year, sales last year amounted to £513.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amount due to related party at the balance sheet date	<u>72,284</u>	<u>-</u>

**Mr & Mrs Neal**

Parents of Director

During the year the group paid rent of £66,000 (2013: £60,500) to Mr & Mrs Neal.

**D J Neal**

Director

During the year the group paid rent of £18,000 (2013: £15,000) to Mr Neal.

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**25. Related party disclosures - continued**

**Bluefield Caernarfon Limited**

Associate company

During the year the group loaned an amount of £16,450 to Bluefield Caernarfon Limited. Since the year end the company has gone into liquidation and so all carrying amounts have been written off.

**Mr L Neal**

Nephew of Director

During the previous year the group loaned an amount of £15,000 to Mr L Neal.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amount due from related party at the balance sheet date	15,000	-

**Mr H Neal**

Father of a Director

During the year the group sold a vehicle to Mr H Neal for £15,000.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amount due from related party at the balance sheet date	15,000	-

**26. Ultimate controlling party**

The company is controlled by the Directors who own 100% of the called up share capital.

**27. Reconciliation of movements in shareholders' funds**

**Group**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the financial year	(961,073)	140,293
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(961,073)</b>	<b>140,293</b>
Opening shareholders' funds	1,987,868	1,847,575
<b>Closing shareholders' funds</b>	<b>1,026,795</b>	<b>1,987,868</b>

**Dauson Environmental Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30th June 2014**

**27. Reconciliation of movements in shareholders' funds - continued**

**Company**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(50,364)	(26,504)
<b>Net reduction of shareholders' funds</b>	<b>(50,364)</b>	<b>(26,504)</b>
Opening shareholders' funds	(1,932,728)	(1,906,224)
<b>Closing shareholders' funds</b>	<b>(1,983,092)</b>	<b>(1,932,728)</b>

**28. Pensions**

The group operates a defined contribution pension scheme. the pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £23,586 (2013: £23,585).

**29. Government grants**

Within creditors are amounts relating to grants received by the group to purchase capital items. These grants are released in line with the stated depreciation rate for the assets to which the grant relates.