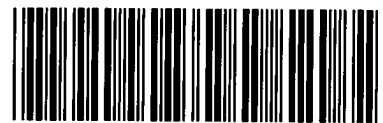


COMPANY NUMBER: 01738920

**SUMMERLEASE LIMITED
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

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SUMMERLEAZE LIMITED

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SUMMERLEAZE LIMITED
COMPANY INFORMATION

DIRECTORS:

Mr P H Prior
Mr J P Malkinson
Mr M A Lowe
Mr B G Prior

SECRETARY:

Mr J P Malkinson

REGISTERED OFFICE:

7 Summerleaze Road
Maidenhead
Berkshire
SL6 8SP

COMPANY NUMBER:

01738920

AUDITORS:

Crowe Clark Whitehill LLP
Aquis House
49 – 51 Blagrove Street
Reading
Berkshire
RG1 1PL

SUMMERLEAZE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

INTRODUCTION

The directors present their Strategic Report together with the consolidated financial statements for the year ended 31 March 2017.

REVIEW OF THE BUSINESS

The directors are pleased to note the significant increase in underlying EBITDA during the year to £2.3M (up from £1M in 2015-16), but recognise that significant progress is still required to achieve the group's profit potential. The year's results continued to be hampered by ongoing commissioning of the new anaerobic digestion plant at Bishop's Cleeve, and by losses, albeit significantly reduced, in the Forever Fuels wood pellet business. However, it should also be recognised that the substantial effort and cost invested in recent years in promoting the residential development of the group's property portfolio has now resulted in four allocated sites within the local borough draft plan. Overall, the directors consider that the company is in a strong position to move forward, and to use its substantial asset base to drive growth and enhanced shareholder value in the business.

PRINCIPAL RISKS AND UNCERTAINTIES

In addition to normal commercial and economic factors, the principal specific risk facing the business is that of government intervention in the areas of environment and energy policy. The company has a long-established track record of developing early-stage renewable energy projects, and, if the directors are to continue risking shareholder funds in such endeavours, it is vital that any government support mechanisms introduced are practical and equitable. Our company operates in an arena where a proper return on effort and capital risk is only likely to be achieved in the medium to long term. The board will continue to review the risks to shareholder capital posed by political uncertainty with a view to changing its investment stance if it considers those risks have become unacceptably high.

The group's business is impacted by the general risks associated with the gas and electricity markets. Profitability is affected by some factors beyond the group's control, such as a fall in the market price of electricity, or increased competition in the markets in which the group operates. These matters are reviewed by management at regular intervals.

Liquidity Risk

It is the strategy of the group to maintain a continuity of funding through the use of bank facilities from time to time, as required. The group negates liquidity risk through the holding of liquid assets in cash balances, as noted in the financial key performance indicators below, to ensure that it meets its day-to-day capital requirements.

FINANCIAL KEY PERFORMANCE INDICATORS

The financial highlights of the year were:

- Loss for the year after taxation of £2,450,340 (2016: £2,046,658 loss)
- Revenue has increased to £29,779,093 (2016: £28,403,168)
- EBITDA pre FRS102 pension adjustment has increased to £2,327,911 (2016: £1,034,762)
- Closing positive cash balance of £7,134,884 (2016: £4,293,036)
- Net assets of £55,656,310 (2016: £57,932,650).

An interim dividend of £300 (2016: £250) per share, a total of £600,000 (2016: £500,000) was paid during the year. The directors do not recommend the payment of a final dividend.

SUMMERLEASE LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

LAND AND BUILDINGS

The directors are of the opinion that the existing use value of the company's freehold land and buildings is in excess of net book value.

CORPORATE SOCIAL RESPONSIBILITY

Summerlease Limited is committed to meeting its corporate social responsibility through involvement with local community projects. The company's support over the last year included the following amounts:

- | | |
|---|-------------------------|
| • Sponsorship of the North Maidenhead Cricket Club | £72,387 (2016: £12,776) |
| • Sponsorship of the Thames Valley Adventure Playground | £13,080 (2016: £12,050) |
| • Sponsorship of Maidenhead Colts RFC | £4,000 (2016: £4,000) |

In addition, charitable donations were made during the year at a total cost to the company of £5,250 (2016: £5,250).

FUTURE DEVELOPMENTS

The directors do not consider there are any future developments to disclose.

The directors are of the opinion that the existing use value of the company's freehold land and buildings is in excess of net book value.

Approved by the Board on
and signed on its behalf by: -

19 December 2017



J P Malkinson
Director and Company Secretary

SUMMERLEAZE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Directors present their report and financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The group continued to be primarily engaged in aggregates extraction, waste management, electricity generation from anaerobic digestion, the supply of wood pellets for sustainable heating, and property management and development.

DIRECTORS

The directors during the year were as follows:

Mr P H Prior
Mr J P Malkinson
Mr M A Lowe
Mr B G Prior

PROVISION OF INFORMATION TO AUDITOR

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

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditor, Crowe Clark Whitehill LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Approved by the Board on
and signed on its behalf by: -

19 December 2017



J P Malkinson
Director and Company Secretary

SUMERLEAZE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the Strategic Report and 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SUMMERLEASE LIMITED

We have audited the financial statements of Summerlease Limited for the year ended 31 March 2017 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of changes in equity and the related notes numbered 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 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 Strategic Report and the Directors' Report 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.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SUMMERLEASE LIMITED (CONTINUED)

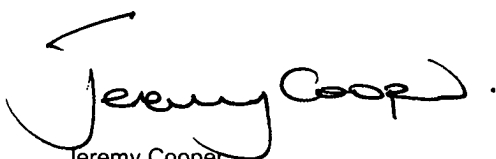
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept 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.



Jeremy Cooper
Senior Statutory Auditor
For and on behalf of
CROWE CLARK WHITEHILL LLP
Statutory Auditor

Reading

Date: 19th December 2017.

SUMMERLEAZE LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

		31 March 2017	31 March 2016
	Notes	£	£
TURNOVER	4	29,779,093	28,403,168
Other operating income		<u>1,076,506</u>	<u>1,311,427</u>
		30,855,599	29,714,595
Raw materials and consumables		10,490,583	11,135,423
Other external charges		12,114,957	11,670,247
Staff costs	8	6,896,148	5,711,163
Depreciation and other amounts written off tangible and intangible fixed assets			
Depreciation of assets at historic cost		3,745,191	2,951,763
Depreciation of revalued mineral estates		264,096	397,026
Impairment of fixed assets		67,516	112,983
		<u>4,076,803</u>	<u>3,461,772</u>
		<u>(33,578,491)</u>	<u>(31,978,605)</u>
OPERATING PROFIT BEFORE DEPRECIATION/AMORTISATION (EBITDA) AND FRS 102 PENSION ADJUSTMENT		2,327,911	1,034,762
Adjustment for FRS 102 pension adjustment		(974,000)	163,000
Depreciation and other amounts written off tangible and intangible fixed assets		(4,076,803)	(3,461,772)
OPERATING (LOSS) FOR THE YEAR	7	(2,722,892)	(2,264,010)
Other interest receivable and similar income	5	59,702	70,501
Interest payable and similar charges	6	(47,545)	(16,902)
Intercompany provision		(59,618)	(21,108)
Profit on sale of investments		164,693	-
Profit on sale of fixed assets		<u>125,246</u>	<u>229,404</u>
		242,478	261,895
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,480,414)	(2,002,115)
Taxation on loss on ordinary activities	9	<u>30,074</u>	<u>(44,543)</u>
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		£ (2,450,340)	£ (2,046,658)
OTHER COMPREHENSIVE INCOME			
Actuarial (loss)/gain related to pension scheme net of deferred tax		<u>804,000</u>	<u>(218,000)</u>
Total comprehensive income for the year		<u>£ (1,646,340)</u>	<u>£ (2,264,658)</u>

All amounts relate to continuing activities.

The notes on pages 13 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
CONSOLIDATED BALANCE SHEET
31 MARCH 2017
COMPANY NO. 01738920

	Notes	£	31 March 2017 £	£	31 March 2016 £	£
FIXED ASSETS						
Goodwill	11			24,000		-
Tangible assets	12			48,728,139		50,395,168
Deposits, options, licences and rights over land	13			10,471		11,371
Other investments	15			<u>243</u>		<u>542,623</u>
				48,762,853		50,949,162
DEBTORS: amounts falling due after more than one year						
	17			209,610		158,575
CURRENT ASSETS						
Stocks	16		891,481		1,679,417	
Debtors: amounts falling due within one year	17		6,132,877		7,627,635	
Cash at bank and in hand			<u>7,134,884</u>		<u>4,293,036</u>	
			14,159,242		13,600,088	
CREDITORS: amounts falling due within one year						
	18		<u>(5,773,603)</u>		<u>(5,447,493)</u>	
NET CURRENT ASSETS				<u>8,385,639</u>		<u>8,152,595</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				57,358,102		59,260,332
CREDITORS: amounts falling due after more than one year						
	19			(756,955)		(896,632)
PROVISION FOR LIABILITIES AND CHARGES	21			<u>(2,315,637)</u>		<u>(1,875,850)</u>
NET ASSETS EXCLUDING PENSION SCHEME				54,285,510		56,487,850
Defined benefit pension scheme Asset	25			<u>1,370,800</u>		<u>1,414,800</u>
NET ASSETS INCLUDING PENSION SCHEME				<u>£ 55,656,310</u>		<u>£ 57,902,650</u>
CAPITAL AND RESERVES						
Called up share capital	22			2,000		2,000
Share premium				3,737,644		3,737,644
Revaluation reserve				4,291,666		4,291,666
Capital redemption reserve				110		110
Profit and loss account				<u>47,624,890</u>		<u>49,871,230</u>
SHAREHOLDERS' FUNDS				<u>£ 55,656,310</u>		<u>£ 57,902,650</u>

Approved and authorised for issue by the Board on 19 December 2017
and signed on its behalf by: -

J P Malkinson
Director



The notes on pages 13 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
COMPANY BALANCE SHEET
31 MARCH 2017
COMPANY NO. 01738920

		31 March 2017		31 March 2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12		19,525,054		19,430,493
Deposits, options, licences and rights over land	13		10,471		10,371
Investments in subsidiary undertakings	14		640,500		640,500
Other investments	15		<u>243</u>		<u>542,623</u>
			20,176,268		20,623,987
DEBTORS: amounts falling due after more than one year	17		27,030,885		31,459,474
CURRENT ASSETS					
Stocks	16	321,298		264,485	
Debtors: amounts falling due within one year	17	2,296,146		3,249,806	
Cash at bank and in hand		<u>7,004,647</u>		<u>2,648,603</u>	
		9,622,091		6,162,894	
CREDITORS: amounts falling due within one year	18	<u>(5,342,078)</u>		<u>(5,148,386)</u>	
NET CURRENT ASSETS			<u>4,280,013</u>		<u>1,014,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			51,487,166		53,097,969
PROVISION FOR LIABILITIES AND CHARGES	21		<u>(2,322,938)</u>		<u>(1,883,151)</u>
NET ASSETS EXCLUDING PENSION SCHEME			49,164,228		51,214,818
Defined benefit pension scheme asset	25		<u>1,370,800</u>		<u>1,414,800</u>
NET ASSETS INCLUDING PENSION SCHEME			<u>£ 50,535,028</u>		<u>£ 52,629,618</u>
CAPITAL AND RESERVES					
Called up share capital	22		2,000		2,000
Share premium			3,737,644		3,737,644
Revaluation reserve			4,291,666		4,291,666
Capital redemption reserve			110		110
Profit and loss account			<u>42,503,608</u>		<u>44,598,198</u>
SHAREHOLDERS' FUNDS			<u>£ 50,535,028</u>		<u>£ 52,629,618</u>

Total Profit/(Loss) for the year for the unconsolidated company was £(2,298,590) (2016: £522,978)

Approved and authorised for issue by the Board on 19 December 2017
and signed on its behalf by: -


J P Malkinson
Director

The notes on pages 13 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 MARCH 2017

Group	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2015	2,000	3,737,644	4,358,106	110	52,669,448	60,767,308
Loss for the year	-	-	-	-	(2,046,658)	(2,046,658)
Pension actuarial gain/(loss) net of deferred tax	-	-	-	-	(218,000)	(218,000)
Total Comprehensive Income for the year	-	-	-	-	(2,264,658)	(2,264,658)
Depreciation transfer	-	-	(66,440)	-	66,440	-
Sale of previously revalued properties	-	-	-	-	-	-
Dividends paid	-	-	-	-	(600,000)	(600,000)
At 31 March 2016	£ 2,000	£ 3,737,644	£ 4,291,666	£ 110	£ 49,871,230	£ 57,902,650
At 1 April 2016	2,000	3,737,644	4,291,666	110	49,871,230	57,902,650
Loss for the year	-	-	-	-	(2,450,340)	(2,450,340)
Pension actuarial gain/(loss) net of deferred tax	-	-	-	-	804,000	804,000
Total Comprehensive Income for the year	-	-	-	-	(1,646,340)	(1,646,340)
Depreciation transfer	-	-	-	-	-	-
Dividends paid	-	-	-	-	(600,000)	(600,000)
At 31 March 2017	£ 2,000	£ 3,737,644	£ 4,291,666	£ 110	£ 47,624,890	£ 55,656,310
Company						
At 1 April 2015	2,000	3,737,644	4,358,106	110	44,826,780	52,924,640
Loss for the year	-	-	-	-	522,978	522,978
Pension actuarial gain/(loss) net of deferred tax	-	-	-	-	(218,000)	(218,000)
Total Comprehensive income for the year	-	-	-	-	340,978	304,978
Depreciation transfer	-	-	(66,440)	-	66,440	-
Sale of previously revalued properties	-	-	-	-	-	-
Dividends paid	-	-	-	-	(600,000)	(600,000)
At 31 March 2016	£ 2,000	£ 3,737,644	£ 4,291,666	£ 110	£ 44,598,198	£ 52,629,618
At 1 April 2016	2,000	3,737,644	4,291,666	110	44,598,198	52,629,618
Profit for the year	-	-	-	-	(2,298,590)	(2,298,590)
Pension actuarial gain/(loss) net of deferred tax	-	-	-	-	804,000	804,000
Total Comprehensive Income for the year	-	-	-	-	(1,494,590)	(1,494,590)
Depreciation transfer	-	-	-	-	-	-
Dividends paid	-	-	-	-	(600,000)	(600,000)
At 31 March 2017	£ 2,000	£ 3,737,644	£ 4,291,666	£ 110	£ 42,503,608	£ 50,535,028

The notes on pages 13 to 36 form part of these financial statements

SUMMERLEASE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
CASH FLOW		
Cashflows from Operating Activities		
Operating profit or loss	<u>(2,722,892)</u>	<u>(2,264,010)</u>
Adjustments for:		
Depreciation and amortisation charges	4,009,287	3,348,789
Impairment of fixed assets	67,516	112,983
Decrease/(increase) in stocks	787,936	(47,234)
Decrease/(increase) in debtors	1,443,723	557,836
(Decrease)/increase in creditors	319,539	(170,813)
FRS 102 defined benefit pension non cash movement	902,000	(163,000)
Inter company impairment	(59,618)	(21,108)
Option write off	1,000	-
Felled woodland transferred to cost of sales	61,668	255,783
FRS 102 defined benefit pension Deferred Tax Charge	72,000	-
Increase/(Release) of provision	<u>397,861</u>	<u>(77,348)</u>
Net cash generated by operating activities	<u>5,280,020</u>	<u>1,531,878</u>
Cash flows from Investing Activities		
Interest received	5,702	13,501
Purchased goodwill	(24,000)	-
Payments to acquire deposits	(100)	-
Receipts from sales of Investments	707,073	-
Payments to acquire tangible fixed assets	(3,446,793)	(7,872,558)
Receipts from sales of tangible fixed assets	<u>1,100,598</u>	<u>3,844,846</u>
Net cash used in investing activities	<u>(1,657,520)</u>	<u>(4,014,211)</u>
Cash flows from Financing Activities		
Repayment of hire purchase capital	(133,107)	-
New hire purchase capital	-	1,029,738
Dividends paid	(600,000)	(600,000)
Interest paid	<u>(47,545)</u>	<u>(16,902)</u>
Net cash used in/ (generated by) finance activities	<u>(780,652)</u>	<u>412,836</u>
Increase/(decrease) in cash	<u>2,841,848</u>	<u>(2,069,497)</u>
Cash balances at 1 April 2016	<u>4,293,036</u>	<u>6,362,533</u>
Cash balances at 31 March 2017	<u>7,134,884</u>	<u>4,293,036</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
	2017 £	2016 £
Cash at bank	<u>7,134,884</u>	<u>4,293,036</u>

The notes on pages 13 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. COMPANY INFORMATION

Summerleaze Limited (the company) and its subsidiaries (together, the group) are engaged in aggregates extraction, waste management, electricity generation from anaerobic digestion, the supply of wood pellets for sustainable heating, and property management and development.

The company is a private limited company (registered number 01738920), which is incorporated and domiciled in the UK. The address of the registered office is 7 Summerleaze Road, Maidenhead, Berkshire, UK.

2. ACCOUNTING POLICIES

a) Accounting convention

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold land and buildings and leasehold mineral estates and in accordance with applicable accounting standards.

The company has sufficient cash resources as well as the ability to raise further funds if required. The directors are therefore confident that the company has sufficient resources to continue in operational existence for the foreseeable future.

b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries, on a line by line basis except as noted below. Intra group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

The accounts of Summerleaze Mountains AG, a wholly owned subsidiary, have not been consolidated within these accounts as the directors consider the amounts involved to be immaterial.

No profit and loss account is presented for the parent company, Summerleaze Limited as permitted by Section 408 of the Companies Act 2006.

c) Liquid resources

Liquid resources are defined as cash balances in deposit accounts without instant access.

d) Turnover

Turnover represents invoiced sales to external customers net of value added tax. Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

e) Research and development

Research and development expenditure is written off in the year in which it is incurred.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (continued)

f) Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the statement of comprehensive income over its estimated economic life.

Goodwill – 20% straight line

g) Revaluation of land and buildings and mineral estates

The company has applied the 'deemed cost' provisions of FRS102 in that valuations of previously revalued assets will no longer be undertaken.

All fair value adjustments now go through the statement of comprehensive income. However, in order to separate previous unrealised and realised amounts the directors have set up a separate reserve called Revaluation Reserve.

When previously revalued assets are disposed of, their book value is eliminated and an appropriate transfer made from the revaluation reserve to the statement of comprehensive income.

h) Depreciation of tangible fixed assets

Depreciation is calculated to provide for the estimated cost, in the period of provision, of the diminution in value of land from which gravel has been extracted. No depreciation is provided for on other freehold land. Leasehold mineral estates are amortised over the period during which mineral extraction takes place. Buildings in general are not depreciated since, in the opinion of the directors, their value is not material. The buildings are fully maintained to preserve their operational capability. Depreciation on other fixed assets is calculated using the straight line basis, at rates sufficient to write them down over their expected useful lives, which are reviewed by the directors on a regular basis.

The rates used are:-

Freehold property (where depreciated)		50 years
Fixed plant at freehold mineral estates	-	0 – 20 years
Mobile plant and commercial vehicles	-	5 – 10 years
Generator equipment	-	15 years
Fixtures, fittings and office equipment	-	3 – 10 years
Motor vehicles	-	5 years

i) Forest Estates

The forest estates have been predominantly acquired as a source of sustainable biomass for the long term production of renewable energy.

The forest estates are included in the financial statements at purchase cost together with any incidental costs of acquisition.

No provision is made for depreciation on these assets on the grounds that the estimated remaining useful economic life of the Woodlands exceeds 50 years. Each year a review is carried out whereby the directors consider the carrying value and the recoverable amount relating to the Woodlands, where the recoverable amount is considered to be the higher of net realisable value or the value in use. The directors have been assisted in their review by obtaining historical estimated independent professional market valuations.

The disposal of timber to external customers is treated as other operating income in the financial statements. An appropriate proportion of the cost of these assets is transferred to cost of sales. Any disposal of land is treated as the disposal of fixed assets.

It is the company's policy to manage its freehold forest estates sustainably and therefore there is normally a requirement to replant after felling. Replanting costs are capitalised in the year they are incurred.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (continued)

j) Investment properties

In accordance with FRS 102, investment properties are included in the financial statements at their open market values, with no depreciation applied to them.

This departure from the requirements of the Companies Act 2006, for all properties to be depreciated is, in the opinion of the directors, necessary for the financial statements to give a true and fair view.

k) Pension costs

Contributions to the company's defined contribution pension scheme are charged to the statement of comprehensive income account in the period in which they become payable.

The cost of providing benefits under the company's defined benefit scheme is determined using the projected unit credit actuarial valuation method. The current service cost and gains and losses on settlements and curtailments are included in operating expenses in the profit and loss account. The expected return on assets of funded defined benefit pension plans and the imputed interest on pension plan liabilities comprise the post retirement benefit element of finance costs and finance income in the income statement.

Differences between the actual and expected return on assets, changes in the retirement benefit obligation due to experience and changes in actuarial assumptions are included in the statement of recognised income and expensed in full in the period in which they arise.

l) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:-

- Deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- The recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred taxation balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

m) Stocks and work in progress

Stocks are valued at the lower of cost or net realisable value after making due allowance for obsolete and slow-moving stocks. Stock is measured using the average cost method.

n) Leased assets

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the statement of comprehensive income at a constant rate over the period of the agreement. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

One of the operating leases included within these accounts stipulates two different rental rates; an initial rental payable prior to the commissioning of the relevant plant, and a fixed rental payable following commissioning. The fixed rental is subject to annual indexation and additional rentals are payable based upon turnover should the rental calculated on a turnover basis exceed the fixed rental otherwise payable.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (continued)

o) Repairs and renewals

Expenditure on repairs and the replacement of components not enhancing the value of the plant is written off in the period in which it is incurred.

p) Land restoration

The costs of overburden removal and land restoration are written off in the period in which those costs are incurred.

q) Provision for landfill after-care costs

Under the Environmental Protection Act 1990 and associated legislation and regulations, the company has a responsibility to monitor and control pollution at its landfill sites until such time as the Waste Regulation Authority accepts the surrender of the applicable licence and issues a certificate of completion. A provision for the costs involved is made over the period during which landfill takes place on the basis of the annual volume of void-space consumed. Similar costs incurred during the operating life of these sites are written off directly and not charged to the provision.

r) Foreign currency

Assets, liabilities and costs expressed in foreign currencies are translated into sterling at the rate of exchange ruling on the date on which the transactions occur, except for:-

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date other than those in (ii) below; and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by related or matching forward contracts which are translated at those contractual rates.

Differences arising on the translation of such items are dealt with in the statement of comprehensive income.

s) Investments

Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

Other investments

Investments held as fixed assets are shown at their purchase cost, together with any incidental costs of acquisition, less any provision for impairment.

t) Government grants

Grants are credited to the statement of comprehensive income as the related expenditure is incurred.

Grant income of £Nil (2016: £44,098) has been recognised in the statement of comprehensive income, and £Nil amounts (2016: £nil) have been deferred to be released in future periods.

u) Exploration for and evaluation of mineral resources

All costs associated with exploration and evaluation of mineral resources as well as the research phase, are expensed to the Statement of comprehensive income as incurred. Property, plant & equipment that is acquired in the exploration, evaluation phase or development phase which can then be further utilised within the business irrespective of the outcome of the exploration, evaluation or development phase is capitalised and depreciated over its useful economic life.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (continued)

v) Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

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, 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

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Landfill aftercare provision

Environmental control and aftercare costs are incurred during the operational life of landfill sites and for a considerable period thereafter. The period of aftercare post-closure and the level of costs expected are uncertain and can vary significantly from site to site. Key factors are the type of waste, the rate at which it decomposes, the volume of leachate requiring treatment and regulatory requirements. The provisions are based on latest assumptions reflecting recent historic data and future cost estimates and are recognised in the financial statements at the net present value of the estimated future expenditure required to settle the group's obligations.

Defined Benefit pension liability

The cost of defined benefit pension plans is determined using actuarial valuations which make assumptions about matters such as discount rates, investment returns, mortality rates and inflation. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 25.

Recoverability of amounts owed by group undertakings

The Company reviews the recoverability of amounts owed by group undertakings by considering the net assets of the counterparty. Any amounts which would bring the net assets of the counterparty into net liabilities are provided for.

4. TURNOVER

All turnover arises in the United Kingdom.

	2017 £	2016 £
Sale of goods	27,479,687	25,978,075
Provision of services	1,828,025	2,074,032
Other sales	<u>471,381</u>	<u>351,061</u>
	<u>29,779,093</u>	<u>28,403,168</u>

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

5. INVESTMENT INCOME

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Pension finance income	54,000	57,000
Other interest receivable	4,888	8,697
Bank and money market interest receivable	<u>814</u>	<u>4,804</u>
	<u>£ 59,702</u>	<u>£ 70,501</u>

6. INTEREST PAYABLE

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
On finance leases and hire purchase contracts	<u>47,545</u>	<u>16,902</u>
	<u>£ 47,545</u>	<u>£ 16,902</u>

7. OPERATING LOSS

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Operating loss is arrived at after charging/(crediting):		
Auditors' remuneration - consolidated	72,545	68,350
Auditors' remuneration - parent	38,500	36,850
Auditors' remuneration - other services	7,100	7,500
Depreciation of fixed assets - owned assets	4,009,287	3,348,789
Impairment of tangible fixed assets	67,516	112,983
Operating lease rentals	1,170,451	1,169,927
Research and development	-	3,951
Rent receivable	<u>(232,568)</u>	<u>(221,373)</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

8. DIRECTORS AND OTHER EMPLOYEES

Staff costs, including directors' remuneration and compensation for loss of office, comprise:

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Wages and salaries	4,380,195	4,745,491
Social security costs	844,487	510,036
Other pension costs	<u>1,671,466</u>	<u>455,636</u>
	<u>£ 6,896,148</u>	<u>£ 5,711,163</u>

The average number of employees (including directors) during the year was as follows:

	2017 Number	2016 Number
Management, sales and administration	39	28
Operations	<u>78</u>	<u>88</u>
	<u>117</u>	<u>116</u>

The emoluments of the directors were as follows:-

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Other emoluments	<u>866,277</u>	<u>757,779</u>

One director had benefits accruing under defined benefit pension schemes (2016: 1).

No contributions were made on behalf of any director to a defined contribution scheme (2016: Nil).

The company does not operate any long-term incentive or share option schemes for directors or employees.

The emoluments of the highest paid director were as follows:-

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Emoluments	<u>314,439</u>	<u>229,934</u>

The Company considers the directors to be the only members of key management, and therefore there are no further amounts to disclose.

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

9. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(41,926)	44,543
FRS 102 pension charge/(credit)	<u>72,000</u>	<u>-</u>
Movement in deferred tax provision	<u>30,074</u>	<u>44,543</u>
Taxation on loss on ordinary activities	<u>£ 30,074</u>	<u>£ 44,543</u>

The tax assessed for the period is reconciled below to the standard rate of corporation tax in the UK.

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Loss on ordinary activities before tax	<u>(2,480,414)</u>	<u>(2,002,115)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016: 20%)	(496,083)	(400,423)
Effects of:		
Expenses not deductible for tax purposes	374,301	159,420
Fixed asset differences	(3,090)	279,805
Deferred tax not recognised	210,475	224,329
Change in deferred tax rates	2,367	16,304
Non taxable income	(60,509)	(102,420)
Losses available to carry forward	<u>-</u>	<u>(132,472)</u>
Tax charge	<u>£ 41,296</u>	<u>£ 44,543</u>

The future tax charge will be affected by tax losses carried forward of approximately £2.61 million (2016: £1.31 million).

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

10. DIVIDENDS

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Equity shares		
Ordinary shares		
Interim dividend paid of £300 (2016: £300) per ordinary share	<u>£ 600,000</u>	<u>£ 600,000</u>

11. INTANGIBLE FIXED ASSETS – GROUP

GOODWILL	Year Ended 31 March 2015 £
COST	
At 1 April 2016	69,999
Additions	<u>24,000</u>
At 31 March 2017	<u><u>93,999</u></u>
AMORTISATION	
At 1 April 2016 & 31 March 2017	<u><u>69,999</u></u>
NET BOOK VALUE	
At 31 March 2017	<u>£ 24,000</u>
At 31 March 2016	<u>£ -</u>

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

12. TANGIBLE ASSETS – GROUP

	Freehold mineral estates	Leasehold mineral estates	Investment properties	Freehold land and buildings	Freehold forest estates	Fixed plant and machinery	Mobile plant and machinery	Commercial vehicles	Company cars	Fixtures, fittings and equipment	Total
	£	£	£	£	£	£	£	£	£	£	£
DEEMED COST:											
1 April 2016	10,882,463	387,146	1,653,886	16,791,528	1,535,152	36,463,491	3,387,176	6,838,131	434,427	339,949	78,713,349
Additions	-	11,761	-	1,310,119	187,744	1,566,949	30,000	291,875	30,219	18,127	3,446,794
Transfers	-	-	-	5,153	-	(5,153)	-	-	-	-	-
Disposals	-	-	-	(1)	(700,000)	(233,513)	(92,184)	(198,021)	(85,005)	-	(1,308,724)
Impairment	-	-	-	-	(61,668)	-	-	-	-	-	(61,668)
31 March 2017	<u>10,882,463</u>	<u>398,907</u>	<u>1,653,886</u>	<u>18,106,799</u>	<u>961,228</u>	<u>37,791,774</u>	<u>3,324,992</u>	<u>6,931,985</u>	<u>379,641</u>	<u>358,076</u>	<u>80,789,751</u>
DEPRECIATION:											
1 April 2016	3,205,237	284,481	-	3,298,517	-	16,357,973	1,899,468	2,730,367	251,258	290,880	28,318,181
Charge for period	227,170	40,214	-	46,317	-	2,572,705	331,939	704,126	64,245	22,571	4,009,287
Disposals	-	-	-	-	-	(178,986)	-	(75,339)	(79,047)	-	(333,372)
Provisions for diminution in value	-	-	-	-	-	67,516	-	-	-	-	67,516
31 March 2017	<u>3,432,407</u>	<u>324,695</u>	<u>-</u>	<u>3,344,834</u>	<u>-</u>	<u>18,819,208</u>	<u>2,231,407</u>	<u>3,359,154</u>	<u>236,456</u>	<u>313,451</u>	<u>32,061,612</u>
NET BOOK VALUE:											
31 March 2017	<u>£7,450,056</u>	<u>£ 74,212</u>	<u>£ 1,653,886</u>	<u>£14,761,965</u>	<u>£ 961,228</u>	<u>£ 18,972,566</u>	<u>£1,093,585</u>	<u>£ 3,572,831</u>	<u>£ 143,185</u>	<u>£ 44,625</u>	<u>£48,728,139</u>
31 March 2016	<u>£7,677,226</u>	<u>£ 102,665</u>	<u>£ 1,653,886</u>	<u>£13,493,011</u>	<u>£1,535,152</u>	<u>£ 20,105,518</u>	<u>£1,487,708</u>	<u>£ 4,107,764</u>	<u>£ 183,169</u>	<u>£ 49,069</u>	<u>£50,395,168</u>

Notes - The recoverable amounts relating to the freehold forest estates have been estimated by a director with assistance from specific historical data, and the recoverable amount is deemed to be in excess of the carrying value.

A legal charge exists over a property included within freehold land and buildings in relation to royalties which become payable once extraction on the land begins.

The transfer of £61,668 relates to felled woodland during the year that has been transferred to the statement of comprehensive income as per accounting policy 2i).

The net book value of assets held under finance leases or hire purchase contracts, included above relate to motor vehicles and in 2017 total £1,319,041 (2016 £1,236,182)

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

12. TANGIBLE ASSETS – COMPANY.

	Freehold mineral estates £	Leasehold mineral estates £	Investment properties £	Freehold land and buildings £	Freehold forest estates £	Fixed plant and machinery £	Mobile plant and machinery £	Commercial vehicles £	Company cars £	Fixtures, fittings and equipment £	Total £
DEEMED COST:											
1 April 2016	10,882,463	387,146	1,653,886	10,059,293	1,535,152	9,819,348	299,568	711,397	233,267	180,116	35,761,636
Additions	-	11,761	-	1,310,119	187,744	124,668	30,000	122,170	28,719	13,846	1,829,027
Transfers	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1)	(700,000)	-	-	(27,021)	(26,275)	-	(753,297)
Impairments	-	-	-	-	(61,668)	-	-	-	-	-	(61,668)
31 March 2017	10,882,463	398,907	1,653,886	11,369,411	961,228	9,944,016	329,568	806,546	235,711	193,962	36,775,698
DEPRECIATION:											
1 April 2016	3,205,237	284,481	-	3,214,981	-	8,510,372	288,621	498,549	159,311	169,591	16,331,143
Charge for period	227,170	40,214	-	-	-	556,872	9,116	91,080	32,208	7,329	963,989
Disposals	-	-	-	-	-	-	-	(18,213)	(26,275)	-	(44,488)
31 March 2017	3,432,407	324,695	-	3,214,981	-	9,067,244	297,737	571,416	165,244	176,920	17,250,644
NET BOOK VALUE:											
31 March 2017	£ 7,450,056	£ 74,212	£ 1,653,886	£ 8,154,430	£ 961,228	£ 876,772	£ 31,831	£ 235,130	£ 70,467	£ 17,042	£19,525,054
31 March 2016	£ 7,677,266	£ 102,665	£ 1,653,886	£ 6,844,312	£ 1,535,152	£ 1,308,976	£ 10,947	£ 212,848	£ 73,956	£ 10,525	£19,430,493

Notes The recoverable amounts relating to the freehold forest estates have been estimated by a director with assistance from specific historical data, and the recoverable amount is deemed to be in excess of the carrying value.

A legal charge exists over a property included within freehold land and buildings in relation to royalties which become payable once extraction on the land begins.

The transfer of £61,668 relates to felled woodland during the year that has been transferred to the statement of comprehensive income as per accounting policy 2i)

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

12. TANGIBLE ASSETS (continued)

A full valuation of two of the three freehold mineral estates was carried out at 31 March 2014 by Matthews & Son – Chartered Surveyors at open market value for existing use. A valuation of the third estate, Taplow, was carried out by Matthews & Son at 31 March 2013. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

In respect of the carrying value of freehold land and buildings acquired prior to 31 December 1999, the company has taken advantage of the arrangements under Financial Reporting Standard 102, which allows the carrying value to become deemed cost.

All other tangible assets are stated at historical cost.

13. DEPOSITS, OPTIONS, LICENCES AND RIGHTS OVER LAND - GROUP

	Total £
Cost at 1 April 2016	11,371
Additions	100
Disposals	<u>(1,000)</u>
Cost at 31 March 2017	<u>£ 10,471</u>

DEPOSITS, OPTIONS, LICENCES AND RIGHTS OVER LAND - COMPANY

	Total £
Cost at 1 April 2016	10,371
Additions	<u>100</u>
Cost at 31 March 2017	<u>£ 10,471</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

14. INVESTMENT IN SUBSIDIARY UNDERTAKING - GROUP

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Shares at cost		
Summerleaze Mountains AG 200,000 registered shares of 1 CHF each	94,850	94,850
<i>Less: provision for diminution in value</i> Summerleaze Mountains AG	<u>(94,850)</u>	<u>(94,850)</u>
	<u>£ -</u>	<u>£ -</u>

Summerleaze Mountain's AG accounts have not been consolidated within these financial statements and so its investment is not eliminated upon consolidation. See note 2b) and below for further information in respect of this entity.

INVESTMENT IN SUBSIDIARY UNDERTAKINGS - COMPANY

The company owns 100% of the issued share capital of AnDigestion Limited (registered in England). The principal activity of the company is waste management and the generation of electricity from waste products. The aggregate of the share capital and reserves as at 31 March 2017 of AnDigestion Limited was net assets of £3,787,565 (2016: £4,063,330), and a loss for the year ended on that date of £275,765 (2016: loss £1,517,476).

The company owns 100% of the issued share capital of Forever Fuels Limited (registered in England). The principal activity of the company is the distribution and supply of wood pellets for sustainable heating systems. The aggregate of the share capital and reserves as at 31 March 2017 of Forever Fuels Limited was net liabilities of £2,499,684 (2016: net liabilities £843,112), and a loss for the year ended on that date of £1,656,562 (2016: loss £1,777,264).

The company owns 100% of the issued share capital of Summerleaze Mountains AG (registered in Switzerland). The company's only activity during the year was the deconstruction of ski lifts. The aggregate of the share capital and reserves as at 31 March 2017 was a net deficit of £638,534 (2016: net deficit £574,111), and a loss for the year of £8,640 (2016: loss £7,918).

The company owns 100% of the issued share capital of Summerleaze Waste Company Limited (registered in England) which has remained dormant throughout the year, and had aggregate share capital and reserves as at 31 March 2017 of £640,325 (2016: £640,325).

The company owns 100% of the issued share capital of Permafuel Limited (registered in England), which has remained dormant throughout the year, and had aggregate share capital and reserves as at 31 March 2017 of £1 (2016: £1).

The company owns 100% of the issued share capital of Green Hydrogen Limited (registered in England), which has remained dormant throughout the year and had aggregate share capital and reserves as at 31 March 2017 of £2 (2016: £2).

The company owns 83.91% of the issued share capital of Connected Place Limited (registered in England), which has remained dormant throughout the year and had aggregate share capital and reserves as at 31 March 2017 of £1 (2016: £1).

At 31 March 2017, Summerleaze Waste Company Limited held 100% of the issued share capital of Lakeview Property Developments Limited (registered in England). The company has remained dormant throughout the year and had aggregate share capital and reserves as at 31 March 2017 of £1,334,294 (2015: £1,334,294).

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

14. INVESTMENT IN SUBSIDIARY UNDERTAKINGS – COMPANY (continued)

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Shares at cost		
AnDigestion Limited 90 ordinary shares of £1 each	75	75
The Summerleaze Waste Company Limited 45,000 deferred shares of £1 each and 9,000 ordinary shares of 10p each	8,437,500	8,437,500
Connected Place Limited 1,945 ordinary shares of £1 each	838,350	838,350
Summerleaze Mountains AG 200,000 registered shares of 1 CHF each	94,850	94,850
Forever Fuels Limited 100 ordinary shares of £1 each	100	100
Permafuel Limited 1 ordinary share of £1	1	1
Green Hydrogen Limited 2 ordinary shares of £1	2	2
<i>Less: provision for diminution in value</i>		
The Summerleaze Waste Company Limited	(7,797,178)	(7,797,178)
Connected Place Limited	(838,350)	(838,350)
Summerleaze Mountains AG	(94,850)	(94,850)
	<u>£ 640,500</u>	<u>£ 640,500</u>

Full provision has been made against the cost of the investment in Connected Place Limited. Although this company owns the rights to certain intellectual property, the company ceased its activities in August 2002, and the directors are of the opinion that the company will not be able to market any products in the foreseeable future.

All subsidiaries are registered in the UK except for Summerleaze Mountains AG who are registered in Switzerland.

The Summerleaze Waste Company Limited, Connected Place Limited, Permafuel Limited and Green Hydrogen Limited are exempt from audit by virtue of s479A of Companies Act 2006.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

15 OTHER INVESTMENTS - GROUP and COMPANY

	Listed investments £	Unlisted Investments £	Total £
Cost:			
At 1 April 2016	542,380	243	542,623
Disposals	<u>(542,380)</u>	<u>-</u>	<u>(542,380)</u>
At 31 March 2017	<u><u>-</u></u>	<u><u>243</u></u>	<u><u>243</u></u>

Listed Investments

Listed investments are stated at cost less provision for impairment. The market value, as at 31 March 2017, of the listed investments was £Nil (2016: £621,750).

16 STOCKS - GROUP

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Raw materials and consumables	449,859	230,548
Work in progress	276,499	219,686
Finished goods and goods for resale	<u>165,123</u>	<u>1,229,183</u>
	<u><u>£ 891,481</u></u>	<u><u>£ 1,679,417</u></u>

Stock recognised in cost of sales for the group during the year as an expense was £10,490,583 (2016 £11,102,771).

STOCKS – COMPANY

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Raw materials and consumables	44,799	44,799
Work in progress	276,499	219,686
Finished goods and goods for resale	<u>-</u>	<u>-</u>
	<u><u>£ 321,298</u></u>	<u><u>£ 264,485</u></u>

Stock recognised in cost of sales for the company during the year as an expense was £625,520 (2016 £1,277,077).

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

17. DEBTORS – GROUP

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Amounts falling due after more than one year		
Other debtors	<u>£ 209,610</u>	<u>£ 158,575</u>
Amounts falling due within one year		
Trade debtors	3,867,675	5,294,789
Other debtors	398,808	249,750
Prepayments and accrued income	<u>1,866,394</u>	<u>2,083,096</u>
	<u>£ 6,132,877</u>	<u>£ 7,627,635</u>

DEBTORS – COMPANY

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Amounts falling due after more than one year		
Amounts owed by group undertakings	26,821,322	31,300,946
Other debtors	<u>209,563</u>	<u>158,528</u>
	<u>£ 27,030,885</u>	<u>£ 31,459,474</u>
Amounts falling due within one year		
Trade debtors	1,921,037	2,563,198
Amounts owed by group undertakings	103,160	198,772
Other debtors	14,864	189,056
Prepayments and accrued income	<u>257,085</u>	<u>298,780</u>
	<u>£ 2,296,146</u>	<u>£ 3,249,806</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

18. CREDITORS – GROUP

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Amounts falling due within one year		
Trade creditors	2,000,823	1,777,620
Taxation and social security	771,587	821,696
Other creditors	17,249	171,089
Obligations under finance leases and hire purchase contracts	139,677	133,106
Accruals and deferred income	<u>2,844,267</u>	<u>2,543,982</u>
	<u>£ 5,773,603</u>	<u>£ 5,447,493</u>

CREDITORS – COMPANY

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Amounts falling due within one year		
Trade creditors	646,977	818,284
Amounts owed to group undertakings	2,109,171	2,109,171
Taxation and social security	583,406	669,852
Other creditors	17,249	171,089
Accruals and deferred income	<u>1,985,275</u>	<u>1,379,990</u>
	<u>£ 5,342,078</u>	<u>£ 5,148,386</u>

19. CREDITORS – GROUP

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Amounts falling due after one year		
Obligations under finance leases and hire purchase contracts	<u>£ 756,955</u>	<u>£ 896,632</u>

20. HIRE PURCHASE & FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Within one year	139,677	133,106
Between 2-5 years	632,399	602,181
Over 5 years	<u>124,556</u>	<u>294,451</u>
	<u>£ 896,632</u>	<u>£ 1,029,738</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

21. PROVISION FOR LIABILITIES AND CHARGES- GROUP

	Deferred taxation £	Provision for land restoration £	Landfill provisions £	Total £
At 1 April 2016	3,075	68,595	1,804,180	1,875,850
Charge/(credit) to profit and loss account	<u>41,926</u>	<u>41</u>	<u>397,820</u>	<u>439,787</u>
At 31 March 2017	<u>£ 45,001</u>	<u>£ 68,636</u>	<u>£ 2,202,000</u>	<u>£ 2,315,637</u>

PROVISION FOR LIABILITIES AND CHARGES- COMPANY

	Deferred taxation £	Provision for land restoration £	Landfill provisions £	Total £
At 1 April 2016	10,376	68,595	1,804,180	1,883,151
Charge/(credit) to profit and loss account	<u>41,926</u>	<u>41</u>	<u>397,820</u>	<u>439,787</u>
At 31 March 2017	<u>£ 52,302</u>	<u>£ 68,636</u>	<u>£ 2,202,000</u>	<u>£ 2,322,938</u>

The landfill provision relates to the expected after-care costs of the landfill sites. These costs are expected to be incurred over the next 30 – 60 years.

GROUP

There is a deferred tax liability of £45,001 (2016: asset of £3,075) relating to trading losses and accelerated capital allowances.

In addition to the above there is a potential deferred tax liability in relation to trading losses and accelerated capital allowances totalling £59,899 (2016: £125,766 asset) which is attributable to Forever Fuels Limited and a potential deferred tax asset in relation to trading losses and accelerated capital allowances totalling £210,475 (2016: £271,763) which is attributable to Andigestion. These have not been provided for on the basis that the reversal of the liability would be offset by the trading losses within the group, and that at present it is not envisaged that any tax will become payable in the foreseeable future.

This year's deferred tax liability of £281,000 (2016: £353,000) relating to the FRS102 pension asset has been included in the accounts and netted off against the FRS102 pension asset (2016: asset) in accordance with UK GAAP.

COMPANY

There is a deferred tax liability of £52,302 (2016: £10,376) relating to trading losses and accelerated capital allowances.

There is a further potential deferred tax asset of £1,079,988 (2016: £715,603) in respect of gains recognised on revalued property and mineral estates to its market value, and on the sale of properties where potentially taxable gains have been rolled over into replacement assets. The asset arises as indexation, and other, allowances available on the properties exceed the revaluation gains included within these financial statements.

This year's deferred tax liability of £281,000 (2016: £353,000) relating to the FRS102 pension asset has been included in the accounts and netted off against the FRS102 asset (2016: asset) in accordance with UK GAAP.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

22. CALLED UP SHARE CAPITAL

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Authorised:		
2,360 ordinary shares of £1 each	<u>£ 2,360</u>	<u>£ 2,360</u>
Allotted and fully paid:		
2,000 ordinary shares of £1 each	<u>£ 2,000</u>	<u>£ 2,000</u>

23. CAPITAL COMMITMENTS

At 31 March 2017 the group had capital commitments as follows:

	Year Ended 31 March 2017	Year Ended 31 March 2016
Contracted for but not provided in these financial statements	<u>£ 979,249</u>	<u>£ 1,289,549</u>

24. OPERATING LEASE COMMITMENTS

At the 31 March 2017 the Group had total commitments under non-cancellable operating leases as follows:

	Land and Buildings Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Expiry date:		
Within 1 year	1,207,978	1,170,451
Between 2 and 5 years	2,104,461	2,986,849
More than 5 years	<u>980,746</u>	<u>1,039,392</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

25. PENSIONS

Defined Contribution Schemes

The group contributes to a defined contributions (stakeholder) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £303,059 (2016: £255,051). Contributions totalling £Nil (2016: £7,117) were payable to the fund at the balance sheet date.

Defined Benefit Pension Scheme

The group operates a defined benefit scheme in the UK. This is a separate trustee- administered fund holding the pension scheme assets to meet long- term pension liabilities. The group includes the assets and liabilities of these arrangements in the company's and group's balance sheet. Current service costs, curtailment and settlement gains and losses and net financial returns are included in the profit and loss account in the period to which they relate. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses.

Contributions payable by the group to the fund amounted to £323,773. (2016: £313,420). Contributions totalling £Nil (2016: £Nil) were payable to the fund at the balance sheet date.

A full actuarial valuation was carried out at 31 March 2013 and updated to 31 March 2016 by a qualified actuary, independent of the scheme's sponsoring employer.

During the year the Company paid contributions at the rate of 37.6% of pensionable pay. Member contributions are payable at the rate of 6.0% of pensionable pay. Expenses and insurance premiums are payable in addition. The company also pays contributions of £150,000 annually to meet the deficit with the first payment made on 30 June 2014 and subsequent instalments due on 31 March each year between 2015 and 2020 inclusive.

Present values of scheme liabilities, fair value of assets and surplus/(deficit)

	Year Ended 31 March 2017 £'000	Year Ended 31 March 2016 £'000	Year Ended 31 March 2015 £'000
Fair value of scheme assets	10,753	13,120	13,969
Present value of scheme liabilities	<u>(9,101)</u>	<u>(11,352)</u>	<u>(12,203)</u>
Surplus/(deficit) in scheme	1,652	1,768	1,766
Unrecognised surplus	<u>-</u>	<u>-</u>	<u>-</u>
Asset/(liability) to be recognised	1,652	1,768	1,766
Deferred tax (liability)/asset	<u>(281)</u>	<u>(353)</u>	<u>(353)</u>
Net asset/(liability) to be recognised	<u>1,371</u>	<u>1,415</u>	<u>1,413</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

25. PENSIONS (Continued)

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Year Ended 31 March 2017 £'000	Year Ended 31 March 2016 £'000
Scheme liabilities at start of period	11,352	12,203
Current service cost	120	193
Interest cost	341	378
Contributions by scheme participants	28	27
Actuarial losses/ (gains)	2,419	(1,125)
Liabilities extinguished on settlements	(4,854)	-
Benefits paid, death in service insurance premiums and expenses	<u>(305)</u>	<u>(324)</u>
Scheme liabilities at end of period	<u>9,101</u>	<u>11,352</u>

Reconciliation of opening and closing balances of the fair value of scheme assets

	Year Ended 31 March 2017 £'000	Year Ended 31 March 2016 £'000
Fair value of scheme assets at start of period	13,120	13,969
Expected return on scheme assets	394	434
Actuarial gains/ (losses)	3,224	(1,342)
Contributions by the Group	354	356
Contributions by scheme participants	28	27
Assets distributed on settlements	(6,062)	-
Benefits paid, death in service insurance premiums and expenses	<u>(305)</u>	<u>(324)</u>
Fair value of scheme assets at end of year	<u>10,753</u>	<u>13,120</u>

The actual return on the scheme assets over the period ending 31 March 2017 was £3,618,000 (2016: return of £908,000).

Total expense recognised in profit and loss account

	Year Ended 31 March 2017 £'000	Year Ended 31 March 2016 £'000
Current service cost	121	194
Losses (gains) on settlements	1,208	-
Net interest on pension scheme asset/liability	<u>(52)</u>	<u>(57)</u>
Total expense recognised in profit and loss account	<u>1,277</u>	<u>137</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

25. PENSIONS (continued)

Assets	Year Ended 31 March 2017 £'000	Year Ended 31 March 2016 £'000	Year Ended 31 March 2015 £'000
Bonds	10,378	9,305	9,067
Cash	384	701	250
Net current assets/(liabilities)	(9)	(1,202)	253
Insurance policy buy in	-	4,316	4,399
Total assets	10,753	13,120	13,969

None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by, or other assets used by, the Group.

Assumptions

	Year Ended 31 March 2017 % per annum	Year Ended 31 March 2016 % per annum	Year Ended 31 March 2015 % per annum
Inflation	3.3%	3.1%	3.1%
Salary increases	-	-	-
Rate of discount	2.7%	3.6%	3.1%
Allowance for pension in payment increase of RPI or 5% p.a. if less	3.3%	3.1%	3.1%
Allowance for pension in payment increases of CPI or 3% pa if less	2.4%	2.2%	2.2%
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.4%	2.2%	2.2%
Allowance for commutation of pension for cash at retirement	100% of 3N 80ths	100% of 3N 80ths	100% of 3N 80ths

The mortality assumptions adopted at 31 March 2016 imply the following life expectancies:

Male retiring at age 65 in 2015	23.4
Female retiring at age 65 in 2015	25.5
Male retiring at age 65 in 2035	25.6
Female retiring at age 65 in 2035	27.8

The best estimate of contributions to be paid by the company to the scheme for period commencing 1 April 2017 is £324,000.

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

26. CONTINGENT LIABILITIES

Barclays Bank Plc has guaranteed an amount of £684,664 on behalf of Summerlease Limited, to the Environment Agency, for a 3 year fixed rate renewable bond, and an amount of £196,000 on behalf of Summerlease Limited to Buckinghamshire County Council.

Barclays Bank Plc has guaranteed an amount of £500,000 on behalf of Summerlease Limited, the parent company, to Devon County Council.

The bonds are secured by fixed and floating charges over all of the company's assets.

Summerlease Limited and its subsidiary undertakings have entered into a composite accounting agreement with their bankers, under which each participating company has provided a guarantee to the bank. Under the terms of the agreement and the guarantees, the bank is authorised to off-set and, in certain circumstances, to seize credit balances, and to apply them in reduction of liabilities, including debit balances, within the composite accounting agreement.

27. RELATED PARTIES

The Group has taken advantage of the exemption in Financial Reporting Standard 102 'Related Party Disclosures' not to disclose transactions with other members of the Group on the grounds that 100% of the voting rights are controlled within the Group.

Transactions with directors

At 31 March 2017 Summerlease Limited was indebted to Mr P H Prior and certain members of his immediate family for £17,250 (2016: £163,972).

All of the above Director and Shareholder loans are unsecured and repayable on demand

The directors of Summerlease Limited during the year received dividends amounting to £176,700 (2016: £176,700).

During the year an area of land was sold to the son of Director P H Prior at a consideration of £130,593 being deemed market value based on external valuations performed. The total consideration was paid before the year end.

During the year Forever Fuels Limited sold assets to P H Prior at a consideration of £7,650. The total consideration was paid before year end.

Summerlease Limited rents a property owned by the Summerlease Senior Director's Pension Scheme for £29,000 per annum which is sublet to Forever Fuels Limited. At the year-end £162,000 (2016: £133,000) was outstanding. P H Prior is the sole beneficiary of the scheme.

28. ULTIMATE CONTROLLING PARTY

The directors consider the ultimate controlling party to be Mr P H Prior and his family.

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

29. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Group		
Financial assets measured at amortised cost	13,210,668	9,996,150
Financial liabilities measured at amortised cost	<u>5,758,971</u>	<u>5,522,429</u>

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2017 £	2016 £
Interest income and expense:		
Total interest income for financial assets held at amortised cost	59,702	13,501
Total interest expense for financial liabilities held at amortised cost	47,545	16,902
Impairment Losses	<u>26,419</u>	<u>2,820</u>

	2017 £	2016 £
Company		
Financial assets measured at amortised cost	29,210,947	34,410,500
Financial liabilities measured at amortised cost	<u>4,758,672</u>	<u>4,478,534</u>

The company's income, expense, gains and losses in respect of financial instruments are summarised below

	2017 £	2016 £
Interest income and expense:		
Interest income	528,083	516,511
Interest expense	<u>240</u>	<u>525</u>

Included within Financial instruments held at amortised cost are Trade Debtors, Other debtors, Cash at Bank, Overdraft, Trade Creditors, Accruals, Other Creditors Intercompany Loans and Finance lease.