

COMPANY NUMBER: 01738920

**SUMMERLEAZE LIMITED
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

SATURDAY



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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 2015

INTRODUCTION

The directors present their Strategic Report together with the consolidated financial statements for the year ended 31 March 2015.

REVIEW OF THE BUSINESS

The directors are concerned at the result for the year, but recognise the improvement made in the face of the challenging commercial conditions, and the progress made during the year with the development of its businesses.

Group turnover increased substantially, primarily due to a rise in wood pellet sales volumes and price, and also in aggregate sales due to improved market conditions. However, this was off-set by increases in related costs such as pellet purchases, aggregate extraction, haulage and royalties.

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.

FINANCIAL KEY PERFORMANCE INDICATORS

The financial highlights of the year were:

- Loss for the year after taxation of £484,099 (2014: £1,513,208 loss)
- Retained loss for the year of £984,099 (2014: £2,013,208 loss)
- Revenue has increased to £26,364,038 (2014: £20,452,661)
- Closing positive cash balance of £6,423,071 (2014: £14,027,423)
- Net assets of £60,823,696 (2014: £61,606,195).

An interim dividend of £250 (2014: £250) per share, a total of £500,000 (2014: £500,000) was paid during the year. The directors do not recommend the payment of a final dividend.

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

Summerleaze 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 | £23,689 (2014 - £56,490) |
| • Sponsorship of the Thames Valley Adventure Playground | £14,362 (2014 - £7,238) |
| • Sponsorship of Holyport Football Club | £Nil (2014 - £383) |
| • Sponsorship of Maidenhead Colts RFC | £4,000 (2014 - £4,800) |

SUMMERLEAZE LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

In addition, charitable donations were made during the year at a total cost to the company of £5,830 (2014: £196).

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

17 December 2015



J P Malkinson
Director and Company Secretary

**SUMMERLEAZE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

The Directors present their report and financial statements for the year ended 31 March 2015.

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
Mrs H R Robertson – retired 31 August 2014
Mr J P Malkinson
Mr M A Lowe
Mr B G Prior

PROVISION OF INFORMATION TO AUDITOR

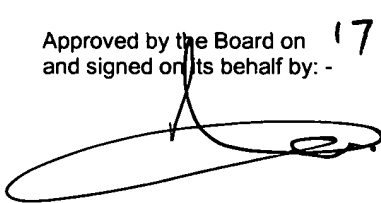
Each of the persons who are directors at the time when this report is approved has confirmed that:

- (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 17 December 2015
and signed on its behalf by: -



J P Malkinson
Director and Company Secretary

SUMERLEAZE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2015

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 2015 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and Note of Historical Cost Profits and Losses 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 2015 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

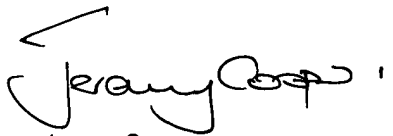
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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: 17th December 2015.

SUMMERLEAZE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

		Year Ended 31 March 2015		Year Ended 31 March 2014	
	Notes	£	£	£	£
TURNOVER	2	26,364,038		20,452,661	
Other operating income		<u>1,914,986</u>		<u>920,466</u>	
			28,279,024		21,373,127
Raw materials and consumables		11,015,062		6,969,048	
Other external charges		10,042,167		9,990,127	
Staff costs	6	4,490,926		3,783,412	
Depreciation and other amounts written off tangible and intangible fixed assets					
Depreciation of assets at historic cost		2,536,357		2,450,745	
Depreciation of revalued mineral estates		705,630		286,807	
Impairment of fixed assets		66,000		-	
		<u>3,307,987</u>		<u>2,737,552</u>	
			(28,856,142)		(23,480,139)
OPERATING PROFIT BEFORE DEPRECIATION/AMORTISATION (EBITDA)			2,730,869		630,540
Depreciation and other amounts written off tangible and intangible fixed assets			(3,307,987)		(2,737,552)
OPERATING (LOSS) FOR THE YEAR	5		(577,118)		(2,107,012)
Other interest receivable and similar income	3	50,720		135,599	
Interest payable and similar charges	4	(32,304)		(127,776)	
Intercompany provision		(3,172)		1,285	
Investment impairment		-		(200,000)	
Profit on sale of fixed assets		<u>100,105</u>		<u>341,186</u>	
			115,349		150,294
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			(461,769)		(1,956,718)
Taxation on loss on ordinary activities	7		<u>(22,330)</u>		<u>443,510</u>
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	20		£ (484,099)		£ (1,513,208)

All amounts relate to continuing activities.

The notes on pages 14 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
CONSOLIDATED STATEMENT OF
TOTAL RECOGNISED GAINS AND LOSSES
AND NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
(Loss) for the financial year	(484,099)	(1,513,208)
Actuarial gain/ (loss) related to pension scheme net of deferred tax	<u>201,600</u>	<u>(884,000)</u>
TOTAL RECOGNISED GAINS AND LOSSES SINCE LAST FINANCIAL STATEMENTS	£ (282,499)	£ (2,397,208)

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Retained (loss) on ordinary activities before taxation	(461,769)	(1,956,718)
Realisation of property revaluation gains of previous years	489,871	372,150
Differences between actual and historical cost depreciation	<u>676,174</u>	<u>227,649</u>
HISTORICAL COST PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	£ 704,276	£ (1,356,919)
RETAINED HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION AND DIVIDENDS	£ 181,946	£ (1,413,409)

The notes on pages 14 to 36 form part of these financial statements

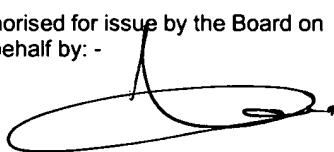
SUMMERLEAZE LIMITED
CONSOLIDATED BALANCE SHEET
31 MARCH 2015
COMPANY NO. 01738920

		Year Ended 31 March 2015		Year Ended 31 March 2014	
	Notes	£	£	£	£
FIXED ASSETS					
Goodwill	9		-		-
Tangible assets	10		49,855,607		45,299,244
Deposits, options, licences and rights over land	11		11,371		11,371
Other investments	13		<u>542,623</u>		<u>542,623</u>
			50,409,601		45,853,238
DEBTORS: amounts falling due after more than one year	15		260,489		260,412
CURRENT ASSETS					
Stocks	14	1,632,183		1,088,043	
Debtors: amounts falling due within one year	15	8,125,025		5,488,120	
Cash at bank and in hand		<u>6,423,071</u>		<u>14,027,423</u>	
		16,180,279		20,603,586	
CREDITORS: amounts falling due within one year	16	<u>(5,489,350)</u>		<u>(4,064,772)</u>	
NET CURRENT ASSETS			<u>10,690,929</u>		<u>16,538,814</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			61,361,019		62,652,464
PROVISION FOR LIABILITIES AND CHARGES	18		<u>(1,950,123)</u>		<u>(2,027,449)</u>
NET ASSETS EXCLUDING PENSION SCHEME			59,410,896		60,625,015
Defined benefit pension scheme Asset	24		<u>1,412,800</u>		<u>981,180</u>
NET ASSETS INCLUDING PENSION SCHEME			<u>£ 60,823,696</u>		<u>£ 61,606,195</u>
CAPITAL AND RESERVES					
Called up share capital	19		2,000		2,000
Share premium	20		3,737,644		3,737,644
Revaluation reserve	20		4,358,106		5,524,151
Capital redemption reserve	20		110		110
Profit and loss account	20		<u>52,725,836</u>		<u>52,342,290</u>
SHAREHOLDERS' FUNDS	21		<u>£ 60,823,696</u>		<u>£ 61,606,195</u>

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

17 December 2015

J P Malkinson
Director



The notes on pages 14 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
COMPANY BALANCE SHEET
31 MARCH 2015
COMPANY NO. 01738920

		Year Ended 31 March 2015		Year Ended 31 March 2014	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10		23,440,598		28,739,697
Deposits, options, licences and rights over land	11		10,371		10,371
Investments in subsidiary undertakings	12		640,501		640,501
Other investments	13		<u>542,623</u>		<u>542,623</u>
			24,634,093		29,933,192
DEBTORS: amounts falling due after more than one year	15		25,848,277		15,258,878
CURRENT ASSETS					
Stocks	14	296,280		196,765	
Debtors: amounts falling due within one year	15	2,789,405		2,029,182	
Cash at bank and in hand		<u>4,804,077</u>		<u>12,864,012</u>	
		7,889,762		15,089,959	
CREDITORS: amounts falling due within one year	16	<u>(2,800,998)</u>		<u>(2,301,661)</u>	
NET CURRENT ASSETS			<u>5,088,764</u>		<u>12,788,298</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			55,571,134		57,980,368
CREDITORS: amounts falling due after more than one year	17		(2,109,171)		(2,109,171)
PROVISION FOR LIABILITIES AND CHARGES	18		<u>(1,950,123)</u>		<u>(2,027,449)</u>
NET ASSETS EXCLUDING PENSION SCHEME			51,511,840		53,843,748
Defined benefit pension scheme asset	24		<u>1,412,800</u>		<u>981,180</u>
NET ASSETS INCLUDING PENSION SCHEME			<u>£ 52,924,640</u>		<u>£ 54,824,928</u>
CAPITAL AND RESERVES					
Called up share capital	19		2,000		2,000
Share premium	20		3,737,644		3,737,644
Revaluation reserve	20		4,358,106		5,524,151
Capital redemption reserve	20		110		110
Profit and loss account	20		<u>44,826,780</u>		<u>45,561,023</u>
SHAREHOLDERS' FUNDS	21		<u>£ 52,924,640</u>		<u>£ 54,824,928</u>

Approved and authorised for issue by the Board on 17 December 2015
and signed on its behalf by: -


J P Malkinson
Director

The notes on pages 14 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

		Year Ended 31 March 2015	Year Ended 31 March 2014
	Notes	£	£
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	26	900,467	(384,664)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		50,720	135,599
Interest paid		<u>(7,304)</u>	<u>(5,776)</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND THE SERVICING OF FINANCE		43,416	129,823
TAXATION			
UK corporation tax		-	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire intangible and tangible fixed assets		(12,502,572)	(5,626,938)
Receipts from sales of tangible fixed assets		<u>4,393,799</u>	<u>3,246,677</u>
NET CASH (OUTFLOW) FROM CAPITAL AND FINANCIAL INVESTMENT EXPENDITURE		(8,108,773)	(2,380,261)
EQUITY DIVIDENDS PAID		(500,000)	(500,000)
(DECREASE)/INCREASE IN CASH	27	<u>£ (7,664,890)</u>	<u>£(3,135,102)</u>

The notes on pages 14 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

RECONCILIATION OF NET CASH FLOWS TO MOVEMENT IN NET CASH

		Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
MOVEMENT IN NET CASH IN THE YEAR		(7,664,890)	(3,135,102)
NET CASH AT 31 MARCH 2014		<u>14,027,423</u>	<u>17,162,525</u>
NET CASH AT 31 MARCH 2015	27	<u>£ 6,362,533</u>	<u>£ 14,027,423</u>

The notes on pages 14 to 36 form part of these financial statements

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

a) Accounting convention

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. The result for the parent Summerleaze Limited for the year is shown in Note 20.

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.

e) Research and development

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

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 profit and loss account over its estimated economic life.

Goodwill – 33.3% straight line

g) Revaluation of land and buildings and mineral estates

The company took advantage of the arrangements under FRS 15, which allows retention of the carrying value of revalued freehold land and buildings acquired prior to 31 December 1999. All additions since that date are stated at cost.

FRS 15 requires any category of fixed assets carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this, mineral estates are subject to a full valuation every five years and an interim valuation carried out in the third year of this cycle.

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

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

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 an estimated independent professional market valuation for each forest estate.

The disposal of timber to external customers is treated as turnover 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.

j) Investment properties

In accordance with SSAP 19, 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.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

k) Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss 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.

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 profit and loss account 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 profit and loss account 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.

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.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

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 profit and loss account.

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 Profit and Loss account as the related expenditure is incurred.

Grant income of £35,794 (2014: - £11,899) has been recognised in the Profit and Loss account, and no amounts (2014 - £nil) have been deferred to be released in future periods.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

2. TURNOVER

All turnover arises in the United Kingdom.

In the opinion of the directors, it would be seriously prejudicial to disclose information regarding classes of business and markets.

3. INVESTMENT INCOME

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Other interest receivable	-	17
Bank and money market interest receivable	<u>50,720</u>	<u>135,582</u>
	<u>£ 50,720</u>	<u>£ 135,599</u>

4. INTEREST PAYABLE

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Pension finance costs	25,000	122,000
Other interest payable	<u>7,304</u>	<u>5,776</u>
	<u>£ 32,304</u>	<u>£ 127,776</u>

5. OPERATING LOSS

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Operating loss is arrived at after charging/(crediting):		
Auditors' remuneration - consolidated	68,100	66,200
Auditors' remuneration - parent	37,000	35,950
Auditors' remuneration - other services	7,000	6,850
Depreciation of fixed assets - owned assets	3,241,987	2,737,552
Impairment of tangible fixed assets	66,000	-
Operating lease rentals	135,000	131,000
Research and development	4,490	19,489
Rent receivable	<u>(231,091)</u>	<u>(304,431)</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

6. DIRECTORS AND OTHER EMPLOYEES

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

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Wages and salaries	3,763,887	3,053,680
Social security costs	407,886	346,725
Other pension costs	<u>319,153</u>	<u>383,007</u>
	£ 4,490,926	£ 3,783,412

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

	2015 Number	2014 Number
Management, sales and administration	30	20
Operations	<u>56</u>	<u>47</u>
	<u>86</u>	<u>67</u>

The emoluments of the directors were as follows:-

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Fees	1,667	4,000
Other emoluments	<u>751,867</u>	<u>709,631</u>

One director had benefits accruing under defined benefit pension schemes (2014:2).

No contributions were made on behalf of any director to a defined contribution scheme (2014: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 2015 £	Year Ended 31 March 2014 £
Emoluments	<u>228,512</u>	<u>204,328</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Current tax		
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	14,517	(188,439)
FRS 17 pension charge/(credit)	<u>7,813</u>	<u>(255,071)</u>
Movement in deferred tax provision	<u>22,330</u>	<u>(443,510)</u>
Taxation on loss on ordinary activities	<u>£ 22,330</u>	<u>£ (443,510)</u>

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

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Loss on ordinary activities before tax	<u>(461,769)</u>	<u>(1,956,718)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014: 23%)	(96,976)	(450,045)
Effects of:		
Expenses not deductible for tax purposes	429,934	141,601
Capital allowances for period in excess of depreciation	160,383	281,764
Other timing differences, including FRS17 adjustment	31,290	52,440
Non taxable income	(270,499)	(25,760)
Brought forward trading losses set against current profits	<u>(254,132)</u>	<u>-</u>
Current tax charge	<u>£ -</u>	<u>£ -</u>

The future tax charge will be affected by tax losses carried forward of approximately £1.18 million (2014: £2.65 million).

8. DIVIDENDS

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Equity shares		
Ordinary shares		
Interim dividend paid of £250 (2014: £250) per ordinary share	<u>£ 500,000</u>	<u>£ 500,000</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

9. INTANGIBLE FIXED ASSETS – GROUP

GOODWILL	Year Ended 31 March 2015 £
COST	
At 1 April 2014	69,999
Additions	-
Impairment	<u>-</u>
At 31 March 2015	<u>69,999</u>
AMORTISATION	
At 1 April 2014	69,999
Charge for the year	<u>-</u>
At 31 March 2015	<u>69,999</u>
NET BOOK VALUE	
At 31 March 2015	<u><u>£ -</u></u>
At 31 March 2014	<u><u>£ -</u></u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

10. 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	Assets Under the Course of Construction	Total
	£	£	£	£	£	£	£	£	£	£		£
COST OR VALUATION:												
1 April 2014	11,524,297	387,146	4,961,079	15,262,894	5,878,086	22,164,217	3,001,784	3,493,633	287,049	269,669	3,339	67,233,193
Additions	-	-	63,965	106,145	13,441	1,265,686	372,392	1,531,915	163,567	27,817	8,957,644	12,502,572
Transfers	(2,075,000)	-	-	2,075,000	(344,528)	-	-	-	-	-	-	(344,528)
Disposals	-	-	(3,379,277)	(638,121)	(71,237)	(186,068)	-	(30,934)	(75,437)	-	-	(4,381,074)
Impairment	-	-	-	-	-	(66,000)	-	-	-	-	-	(66,000)
31 March 2015	<u>9,449,297</u>	<u>387,146</u>	<u>1,645,767</u>	<u>16,805,918</u>	<u>5,475,762</u>	<u>23,177,835</u>	<u>3,374,176</u>	<u>4,994,614</u>	<u>375,179</u>	<u>297,486</u>	<u>8,960,983</u>	<u>74,944,163</u>
DEPRECIATION:												
1 April 2014	4,318,959	215,813	-	1,165,293	-	12,501,180	1,574,667	1,689,860	222,386	245,791	-	21,933,949
Charge for period	705,630	34,334	-	25,566	-	1,553,909	321,684	521,874	56,847	22,143	-	3,241,987
Transfers	(2,075,000)	-	-	2,075,000	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(27,446)	(59,934)	-	-	(87,380)
31 March 2015	<u>2,949,589</u>	<u>250,147</u>	<u>-</u>	<u>3,265,859</u>	<u>-</u>	<u>14,055,089</u>	<u>1,896,351</u>	<u>2,184,288</u>	<u>219,299</u>	<u>267,934</u>	<u>-</u>	<u>25,088,556</u>
NET BOOK VALUE:												
31 March 2015	<u>£6,499,708</u>	<u>£ 136,999</u>	<u>£ 1,645,767</u>	<u>£13,540,059</u>	<u>£5,475,762</u>	<u>£9,122,746</u>	<u>£1,477,825</u>	<u>£ 2,810,326</u>	<u>£ 155,880</u>	<u>£ 29,552</u>	<u>£8,960,983</u>	<u>£49,855,607</u>
31 March 2014	<u>£7,205,338</u>	<u>£ 171,333</u>	<u>£ 4,961,079</u>	<u>£14,097,601</u>	<u>£5,878,086</u>	<u>£9,666,376</u>	<u>£1,427,117</u>	<u>£ 1,806,773</u>	<u>£ 64,663</u>	<u>£ 23,878</u>	<u>£ -</u>	<u>£45,299,244</u>

Notes - As permitted by SSAP19, the directors have reviewed the year end values of all five investment properties. Revaluations have been performed where appropriate such that the properties are included within the financial statements at their approximate open market value.

The recoverable amounts relating to the freehold forest estates have been estimated by a suitably qualified valuer, 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 £344,528 relates to felled woodland during the year that has been transferred to the profit and loss account as per accounting policy 1i).

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

10. 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 £
COST OR VALUATION:											
1 April 2014	11,524,297	387,146	4,961,079	9,566,195	5,878,086	9,413,052	286,568	444,392	224,362	171,001	42,856,178
Additions	-	-	63,965	93,699	13,441	58,850	-	155,260	104,115	9,115	498,445
Transfers	(2,075,000)	-	-	2,075,000	(344,528)	-	-	-	-	-	(344,528)
Disposals	-	-	(3,379,277)	(638,121)	(71,237)	-	-	(1,500)	(62,938)	-	(4,153,073)
31 March 2015	<u>9,449,297</u>	<u>387,146</u>	<u>1,645,767</u>	<u>11,096,773</u>	<u>5,475,762</u>	<u>9,471,902</u>	<u>286,568</u>	<u>598,152</u>	<u>265,539</u>	<u>180,116</u>	<u>38,857,022</u>
DEPRECIATION:											
1 April 2014	4,318,959	215,813	-	1,139,981	-	7,462,302	279,030	375,262	171,035	154,099	14,116,481
Charge for period	705,630	34,334	-	-	-	505,232	6,474	50,529	37,219	8,261	1,347,679
Transfers	(2,075,000)	-	-	2,075,000	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(300)	(47,436)	-	(47,736)
31 March 2015	<u>2,949,589</u>	<u>250,147</u>	<u>-</u>	<u>3,214,981</u>	<u>-</u>	<u>7,967,534</u>	<u>285,504</u>	<u>425,491</u>	<u>160,818</u>	<u>162,360</u>	<u>15,416,424</u>
NET BOOK VALUE:											
31 March 2015	<u>£ 6,499,708</u>	<u>£ 136,999</u>	<u>£ 1,645,767</u>	<u>£ 7,881,792</u>	<u>£ 5,475,762</u>	<u>£ 1,504,368</u>	<u>£ 1,064</u>	<u>£ 172,661</u>	<u>£ 104,721</u>	<u>£ 17,756</u>	<u>£ 23,440,598</u>
31 March 2014	<u>£ 7,205,338</u>	<u>£ 171,333</u>	<u>£ 4,961,079</u>	<u>£ 8,426,214</u>	<u>£ 5,878,086</u>	<u>£ 1,950,750</u>	<u>£ 7,538</u>	<u>£ 69,130</u>	<u>£ 53,327</u>	<u>£ 16,902</u>	<u>£ 28,739,697</u>

Notes - As permitted by SSAP19, have reviewed the year end values of all five investment properties. Revaluations have been performed where appropriate such that the properties are included within the financial statements at their approximate open market value.

The recoverable amounts relating to the freehold forest estates have been estimated by a suitably qualified valuer, 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 £344,528 relates to felled woodland during the year that has been transferred to the profit and loss account as per accounting policy 1i)

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

10. 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 No 15, which allows the retention of the carrying value. The historical cost of these assets is not known.

All other tangible assets are stated at historical cost.

The gross value of freehold mineral estates in the financial statements is as follows:-

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Open market value for existing use	<u>9,449,297</u>	<u>11,524,297</u>
The historical cost of freehold mineral estates is:		
At cost	4,431,972	4,651,901
Accumulated depreciation based on historical cost	<u>(2,409,892)</u>	<u>(2,604,082)</u>
	<u>2,022,080</u>	<u>2,047,819</u>

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

	Total £
Cost at 1 April 2014 and 31 March 2015	<u>£ 11,371</u>

DEPOSITS, OPTIONS, LICENCES AND RIGHTS OVER LAND - COMPANY

	Total £
Cost at 1 April 2014 and 31 March 2015	<u>£ 10,371</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

12. INVESTMENT IN SUBSIDIARY UNDERTAKING - GROUP

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
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 1b) 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 2015 of AnDigestion Limited was net assets of £5,580,806 (2014: £5,447,545), and a profit for the year ended on that date of £133,261 (2014: profit £452,185).

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 2015 of Forever Fuels Limited was a net assets of £984,530 (2014: net deficit £9,471,412), and a loss for the year ended on that date of £1,544,058 (2014: loss £1,688,076).

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 2015 was a net deficit of £546,716 (2014: net deficit £522,824), and a loss for the year of £8,355 (2014: loss £8,758).

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 2015 of £640,325 (2014: £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 2015 of £1 (2014: £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 2015 of £2 (2014: £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 2015 of £1 (2014: £1).

At 31 March 2015, 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 2015 of £1,334,294 (2014 £1,334,294).

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

12. INVESTMENT IN SUBSIDIARY UNDERTAKINGS – COMPANY (continued)

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Shares at cost		
AnDigestion Limited 90 ordinary shares of £1 each	75	75
The Summerlease 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
Summerlease 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 Summerlease Waste Company Limited	(7,797,177)	(7,797,177)
Connected Place Limited	(838,350)	(838,350)
Summerlease Mountains AG	(94,850)	(94,850)
	<u>£ 640,501</u>	<u>£ 640,501</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.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

13. OTHER INVESTMENTS- GROUP and COMPANY

	Listed investments £	Unlisted Investments £	Total £
Cost:			
At 1 April 2014 and 31 March 2015	<u>542,380</u>	<u>243</u>	<u>542,623</u>

Listed Investments

Listed investments are stated at cost less provision for impairment. The market value, as at 31 March 2015, of the listed investments was £581,362 (2014: £562,703).

14. STOCKS - GROUP

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Raw materials and consumables	216,174	199,126
Work in progress	243,424	159,169
Finished goods and goods for resale	<u>1,172,585</u>	<u>729,748</u>
	<u>£ 1,632,183</u>	<u>£ 1,088,043</u>

STOCKS - COMPANY

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Raw materials and consumables	52,856	37,046
Work in progress	243,424	159,169
Finished goods and goods for resale	<u>-</u>	<u>550</u>
	<u>£ 296,280</u>	<u>£ 196,765</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

15. DEBTORS – GROUP

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Amounts falling due after more than one year		
Other debtors	<u>£ 260,489</u>	<u>£ 260,412</u>
Amounts falling due within one year		
Trade debtors	6,215,123	3,547,627
Other debtors	559,849	425,650
Prepayments and accrued income	1,308,585	1,493,025
Deferred tax asset – see note 18	<u>41,468</u>	<u>21,818</u>
	<u>£ 8,125,025</u>	<u>£ 5,488,120</u>

DEBTORS – COMPANY

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Amounts falling due after more than one year		
Amounts owed by group undertakings	25,587,835	14,998,513
Other debtors	<u>260,442</u>	<u>260,365</u>
	<u>£ 25,848,277</u>	<u>£ 15,258,878</u>
Amounts falling due within one year		
Trade debtors	2,489,766	1,548,844
Other debtors	10,823	126,965
Prepayments and accrued income	254,649	353,373
Deferred tax asset – see note 18	<u>34,167</u>	<u>-</u>
	<u>£ 2,789,405</u>	<u>£ 2,029,182</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

16. CREDITORS – GROUP

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Amounts falling due within one year		
Overdraft	60,538	-
Trade creditors	2,354,197	1,346,539
Taxation and social security	805,467	1,248,097
Other creditors	296,669	155,613
Accruals and deferred income	<u>1,972,479</u>	<u>1,314,523</u>
	<u>£ 5,489,350</u>	<u>£ 4,064,772</u>

CREDITORS – COMPANY

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Amounts falling due within one year		
Trade creditors	661,827	412,662
Taxation and social security	748,077	1,114,281
Other creditors	296,669	155,613
Accruals and deferred income	<u>1,094,425</u>	<u>619,105</u>
	<u>£ 2,800,998</u>	<u>£ 2,301,661</u>

17. CREDITORS – COMPANY

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Amounts falling due after more than one year		
Amounts owed to group undertakings	<u>£ 2,109,171</u>	<u>£ 2,109,171</u>
Repayable in 1 – 2 years	<u>£ 2,109,171</u>	<u>£ 2,109,171</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

18. PROVISION FOR LIABILITIES AND CHARGES- GROUP and COMPANY

	Deferred taxation £	Provision for land restoration £	Landfill provisions £	Total £
At 1 April 2014	-	68,463	1,958,986	2,027,449
Charge/(credit) to profit and loss account	-	77	(77,403)	(77,326)
At 31 March 2015	<u>£ -</u>	<u>£ 68,540</u>	<u>£ 1,881,583</u>	<u>£ 1,950,123</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

As shown in note 15, there is a deferred tax asset of £41,468 relating to trading losses and accelerated capital allowances.

In addition to the above there is a potential deferred tax liability in relation to accelerated capital allowances totalling £Nil (2014: £216,621) attributable to Summerleaze Limited only, and a potential deferred tax asset in relation to trading losses and accelerated capital allowances totalling £135,567 which is attributable to Forever Fuels Limited (2014: £598,176- attributable £482,297 to Summerleaze Limited and £115,879 to Forever Fuels Limited). Neither of these have been provided for on the basis that the reversal of the liability would be offset by the trading losses carried forward, 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 £353,200 (2014: £260,820 liability) relating to the FRS17 pension asset has been included in the accounts and netted off against the FRS17 asset (2014: asset) as per the required accounting treatment

COMPANY

As shown in Note 15, there is a deferred tax asset of £34,167 relating to trading losses and accelerated capital allowances.

No provision has been made for deferred tax on gains recognised on revaluing property and mineral estates to its market value nor on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief and/or utilise any available brought forward capital losses. The total unprovided amount in relation to this is £1,185,010 (2014: £1,375,259). At present it is not envisaged that any tax will become payable in the foreseeable future.

This year's deferred tax liability of £353,200 (2014: £260,820 liability) relating to the FRS17 pension asset has been included in the accounts and netted off against the FRS17 asset (2014: asset) as per the required accounting treatment.

19. CALLED UP SHARE CAPITAL

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
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>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

20. RESERVES

Group	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 April 2014	3,737,644	5,524,151	110	52,342,290
Loss for the year	-	-	-	(484,099)
Dividends	-	-	-	(500,000)
Depreciation transfer	-	(676,174)	-	676,174
Sale of previously revalued properties	-	(489,871)	-	489,871
Pension actuarial gain/(loss) net of deferred tax	-	-	-	201,600
At 31 March 2015	<u>£ 3,737,644</u>	<u>£ 4,358,106</u>	<u>£ 110</u>	<u>£ 52,725,836</u>
Company				
At 1 April 2014	3,737,644	5,524,151	110	45,561,023
Loss for the year	-	-	-	(1,601,888)
Dividends	-	-	-	(500,000)
Depreciation transfer	-	(676,174)	-	676,174
Sale of previously revalued properties	-	(489,871)	-	489,871
Pension actuarial gain/(loss) net of deferred tax	-	-	-	201,600
At 31 March 2015	<u>£ 3,737,644</u>	<u>£ 4,358,106</u>	<u>£ 110</u>	<u>£ 44,826,780</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
(Loss) for the year	(484,099)	(1,513,208)	(1,601,888)	(1,965,394)
Dividends	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>
Net (reduction)/additions to shareholders' funds	(984,099)	(2,013,208)	(2,101,888)	(2,465,394)
Pension actuarial gains/(losses) (see note 24)	201,600	(884,000)	201,600	(884,000)
Opening shareholders' funds	<u>61,606,195</u>	<u>64,503,403</u>	<u>54,824,928</u>	<u>58,174,322</u>
Closing shareholders' funds	<u>£ 60,823,696</u>	<u>£ 61,606,195</u>	<u>£ 52,924,640</u>	<u>£ 54,824,928</u>

22. CAPITAL COMMITMENTS

At 31 March 2015 the group had capital commitments as follows:

	Year Ended 31 March 2015	Year Ended 31 March 2014
Contracted for but not provided in these financial statements	<u>£3,291,420</u>	<u>£ 750,762</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

23. OPERATING LEASE COMMITMENTS

At the 31 March 2015 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	Year Ended 31 March 2015	Year Ended 31 March 2014
	£	£
Expiry date:		
Within 1 year	84,000	84,000
Between 2 and 5 years	51,000	-
More than 5 years	<u>31,250</u>	<u>47,000</u>

For one of the above leases additional rentals may become payable should the turnover rental payable exceed the fixed rental payable.

24. 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 £161,934 (2014: £106,129). Contributions totalling £Nil (2014: £Nil) 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 £157,220 (2014: £276,878). Contributions totalling £Nil (2014: £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 2015 by a qualified actuary, independent of the scheme's sponsoring employer.

During the year the Company paid contributions at the rate of 24.0% of pensionable pay. This changed to 37.6% of pensionable pay with effect from 1 April 2015. 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 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. At the 31 March 2015 a payment for £150,000 was outstanding. This has been accrued for under creditors in Note 16 of the accounts.

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

	Year Ended 31 March 2015	Year Ended 31 March 2014	Year Ended 31 March 2013
	£'000	£'000	£'000
Fair value of scheme assets	13,969	11,202	12,561
Present value of scheme liabilities	<u>(12,203)</u>	<u>(9,960)</u>	<u>(10,043)</u>
Surplus/(deficit) in scheme	1,766	1,242	2,518
Unrecognised surplus	-	-	(275)
Asset/(liability) to be recognised	1,766	1,242	2,243
Deferred tax (liability)/asset	<u>(353)</u>	<u>(261)</u>	<u>(516)</u>
Net asset/(liability) to be recognised	<u>1,413</u>	<u>981</u>	<u>1,727</u>

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

24. PENSIONS (Continued)

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

	Year Ended 31 March 2015 £'000	Year Ended 31 March 2014 £'000
Scheme liabilities at start of period	9,960	10,043
Current service cost	149	228
Interest cost	424	408
Contributions by scheme participants	31	40
Actuarial losses/ (gains)	2,032	(325)
Benefits paid, death in service insurance premiums and expenses	(393)	(434)
Scheme liabilities at end of period	<u>12,203</u>	<u>9,960</u>

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

	Year Ended 31 March 2015 £'000	Year Ended 31 March 2014 £'000
Fair value of scheme assets at start of period	11,202	12,561
Expected return on scheme assets	399	286
Actuarial gains/ (losses)	2,284	(1,484)
Contributions by the Group	446	233
Contributions by scheme participants	31	40
Benefits paid, death in service insurance premiums and expenses	(393)	(434)
Fair value of scheme assets at end of year	<u>13,969</u>	<u>11,202</u>

The actual return on the scheme assets over the period ending 31 March 2015 was £2,683,000 (2014: loss of £1,198,000).

Total expense recognised in profit and loss account

	Year Ended 31 March 2015 £'000	Year Ended 31 March 2014 £'000
Current service cost	149	228
Interest cost	424	408
Expected return on scheme assets	(399)	(286)
Gains on curtailment	-	-
Total expense recognised in profit and loss account	<u>174</u>	<u>350</u>

SUMMERLEASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

24. PENSIONS (continued)

Statement of total recognised gains and losses

	Year Ended 31 March 2015 £'000	Year Ended 31 March 2014 £'000
Difference between expected and actual return on scheme assets: Amount: gain/ (loss)	2,284	(1,484)
Experience gains and losses arising on the scheme liabilities: Amount: (loss)/gain	-	(62)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount: (loss)/gain	<u>(2,032)</u>	<u>387</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable)	252	(1,159)
Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable	<u>-</u>	<u>275</u>
Total amount recognised in statement of total recognised gains and losses: Amount: gain/ (loss)	<u>252</u>	<u>(884)</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 is total losses of £3,367,000 (2014: total losses of £3,619,000).

Assets	Year Ended 31 March 2015 £'000	Year Ended 31 March 2014 £'000	Year Ended 31 March 2013 £'000
Bonds	9,067	7,274	12,119
Cash	250	232	501
Net current assets/(liabilities)	253	41	(59)
Insurance policy buy in	<u>4,399</u>	<u>3,655</u>	<u>-</u>
Total assets	<u>13,969</u>	<u>11,202</u>	<u>12,561</u>

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 2015 % per annum	Year Ended 31 March 2014 % per annum	Year Ended 31 March 2013 % per annum
Inflation	3.1%	3.4%	3.4%
Salary increases	-	-	-
Rate of discount	3.1%	4.3%	4.1%
Allowance for pension in payment increase of RPI or 5% p.a. if less	3.1%	3.4%	3.4%
Allowance for pension in payment increases of CPI or 3% pa if less	2.2%	2.5%	2.5%
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.2%	2.5%	2.5%
Allowance for commutation of pension for cash at retirement	100% of 3N 80ths	100% of 3N 80ths	100% of 3N 80ths

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

24. PENSIONS (continued)

The mortality assumptions adopted at 31 March 2015 imply the following life expectancies:

Male retiring at age 65 in 2015	23.2
Female retiring at age 65 in 2015	25.2
Male retiring at age 65 in 2035	25.3
Female retiring at age 65 in 2035	27.6

Expected long term rates of return

The long-term expected rate of return on cash is determined by reference to UK long dated government bond yields at the balance sheet dates. The long-term expected return on bonds is determined by reference to UK long dated government gilt yields at the balance sheet date. The long-term expected return on insured policy is consistent to the discount rate.

The expected long term rates of return applicable for each period are as follows:

	Year commencing 01/04/2014 % per annum	Year commencing 01/04/2013 % per annum
Bonds	3.2%	2.3%
Cash	2.9%	2.0%
Net current assets	2.9%	2.0%
Insured policy buy-in	4.3%	n/a
Overall for scheme	3.55%	2.29%

Amounts for the current and previous four years

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Fair value of scheme assets	13,969	11,202	12,561	11,507	9,119
Present value of scheme liabilities	12,203	9,960	10,043	11,839	9,773
Surplus/(deficit) in scheme	1,766	1,242	2,518	(332)	(654)
Experience adjustment on scheme assets	2,284	(1,484)	840	1,607	86
Experience adjustment on scheme liabilities	-	(62)	477	(8)	96

The best estimate of contributions to be paid by the Group to the scheme for the period beginning after 31 March 2015 is £340,000 (2014: £479,000).

25. 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.

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.

SUMMERLEAZE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

26. RECONCILIATION OF OPERATING (LOSS) TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Operating (loss)	(577,118)	(2,107,012)
Depreciation and amortisation charges	3,241,987	2,737,552
Impairment of fixed assets	66,000	-
(Increase)/ decrease in stocks	(544,140)	(283,489)
(Increase)/ decrease in debtors	(2,636,982)	(1,099,656)
Increase/ (decrease) in creditors	1,364,040	448,949
FRS 17 non cash movement	(277,350)	(5,000)
Inter company impairment	(3,172)	1,285
Impairment of loans receivable	-	(77,293)
Felled woodland transferred to cost of sales	344,528	-
(Decrease) in provisions	(77,326)	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	£ 900,467	£ (384,664)

27. ANALYSIS OF CHANGES IN NET DEBT

	31 March 2014 £	Cash flow £	31 March 2015 £
Cash in hand	14,027,423	(7,604,352)	6,423,071
Overdraft	-	(60,538)	(60,538)
	<u>£ 14,027,423</u>	<u>£ (7,664,890)</u>	<u>£ 6,362,533</u>

28. RELATED PARTIES

The Group has taken advantage of the exemption in Financial Reporting Standard 8 '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 2015 Summerlease Limited was indebted to Mr P H Prior and certain members of his immediate family for £146,669 (2014: £125,533).

All of the above Director and Shareholder loans are unsecured and repayable on demand. Interest is credited to them at Barclays Bank plc base rate.

During the year to 31 March 2015 non-director family members of Mr P H Prior in aggregate were due commission of £Nil (2014: £101,500). The balance outstanding at the year end was £Nil (2014: £101,500).

The directors of Summerlease Limited during the year received dividends amounting to £147,250 (2014: £147,250).

Forever Fuels Limited rents a property owned by the Summerlease Senior Director's Pension Scheme for £29,000 per annum. At the year-end £104,000 (2014: £75,000) was outstanding. P H Prior is the sole beneficiary of the scheme.

29. ULTIMATE CONTROLLING PARTY

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