

**Company Registration No. 02250123**

**BDR Property Limited**

**Report and Financial Statements**

**31 December 2013**

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# **BDR Property Limited**

## **Report and financial statements 2013**

### **Officers and professional advisers**

#### **Directors**

P Taylor  
V F Orts-Llopis  
C J Ellis  
K E Billington  
G E Gillies  
D Finnegan

#### **Company Secretary**

C Nunn

#### **Registered Office**

Ground Floor West  
900 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7RG

#### **Auditor**

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

# **BDR Property Limited**

## **Directors' report**

The Directors of BDR Property Limited (the "Company") present their annual report and the audited financial statements for the year ended 31 December 2013.

### **Principal activity**

The principal activity of the Company during the financial year ended 31 December 2013 was the management of the Thurcroft landfill site.

### **Directors**

The following individuals served as Directors of the Company during the year ended 31 December 2013 and up to the date of this report:

P Taylor  
V F Orts-Llopis  
C J Ellis  
K E Billington  
G E Gillies  
D Finnegan

### **Results and dividends**

The results of the Company for the year ended 31 December 2013 are set out on page 7. The profit for the financial year ended 31 December 2013 amounted to £37,000 (2012: £35,000). The Company did not pay an interim dividend during the year (2012: £nil) and furthermore, the Directors do not recommend the payment of a final dividend (2012: £nil). The profit (2012: profit) for the financial year has been transferred to (2012: transferred to) reserves, resulting in a corresponding increase (2012: increase) in total shareholders' funds in the year.

### **Going concern**

The Directors, having assessed the responses of their enquiries to the parent company, FCC Environment (UK) Limited ("FCC E UK"), have reviewed projected cash flows and continue to adopt the going concern basis in preparing the Directors' report and financial statements. Full details of the going concern considerations can be found in note 1 of the notes to the financial statements.

### **Post balance sheet event**

On 22 January 2014, Azincourt Investment S.L., the immediate parent company of FCC E UK successfully completed the refinancing of its businesses. As part of the refinancing, FCC E UK has agreed working capital facilities totalling £60million until December 2017. In addition, FCC demonstrated their continued commitment to FCC E UK with and £80million cash injection in return for equity.

### **Financial risk management**

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk. Due to the nature of the Company's activities and the assets contained within the Company's balance sheet, the only financial risks the Directors consider relevant to the Company are liquidity and credit risk.

### **Liquidity and credit risk**

The Company's exposure to credit and liquidity risk is reduced as it is a subsidiary of FCC E UK and participates in a cash-pooling agreement with the other members of the Group. Credit risk arises from the risk of having credit exposures to customers, including outstanding receivables. The Company reviews the credit ratings of all significant customers regularly and continues to monitor the quality of debtor balances on an ongoing basis. Liquidity risk is the risk that the Company does not have sufficient cash resources to meet its commitments. The Company prepares and reviews cash flow forecasts frequently to ensure that it has sufficient resources to meet its cash flow commitments.

# **BDR Property Limited**

## **Directors' report**

### **Directors' indemnities**

During the financial year, qualifying third party indemnity provisions for the benefit of all Directors of the Company were in force and continue to be in force at the date of this report. Such provisions were made by the Company's ultimate parent undertaking, Fomento de Construcciones y Contratas, S.A. ("FCC").

### **Disclosure of information to the auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006 (the "Act").

### **Auditor**

Pursuant to section 487 of the Act, the auditor will be deemed to be reappointed annually by the Company and Deloitte LLP will therefore continue in office until further notice.

### **Small companies exemption**

The Company has taken advantage of the exemptions for small companies set out in s415A of the Act as amended by The Companies Act 2006 (Amendment) (Accounts and Reports) Regulations 2008 (2008/393), {reg. 6(2)}.

Approved by the Board of Directors  
and signed on its behalf by:



C Nunn  
Company Secretary

10 Sept 2014

# **BDR Property Limited**

## **Directors' responsibilities statement**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of BDR Property Limited**

We have audited the financial statements of BDR Property Limited for the year ended 31 December 2013, which comprise of the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 14. 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 auditor**

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

### **Scope of the audit of 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 annual 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 implication of our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of BDR Property 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic report or in preparing the Directors' report.



Makhan Chahal (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

11th September 2014

## BDR Property Limited

### Profit and loss account Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	125	5
Cost of sales		(77)	30
<b>Gross profit</b>		<b>48</b>	<b>35</b>
Administrative expenses		(11)	-
<b>Profit on ordinary activities before taxation</b>	3	<b>37</b>	<b>35</b>
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>	9	<b>37</b>	<b>35</b>

All results in the year ended 31 December 2013 and the previous financial year relate to continuing operations.

There are no recognised gains and losses in either the financial year ended 31 December 2013 or the previous financial year other than as stated in the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been presented.




# BDR Property Limited

## Balance sheet at 31 December 2013

	Notes	2013 £'000	2012 £'000
<b>Current assets</b>			
Cash at bank and in hand		-	-
Debtors: amounts due within one year	6	5,000	5,000
		<u>5,000</u>	<u>5,000</u>
<b>Creditors: amounts falling due within one year</b>	7	(57)	(94)
<b>Net current assets and net assets</b>		<u>4,943</u>	<u>4,906</u>
<b>Capital and reserves</b>			
Called up share capital	8	1,850	1,850
Share premium account	9	3,210	3,210
Profit and loss account	9	(117)	(154)
<b>Shareholders' funds</b>	10	<u>4,943</u>	<u>4,906</u>

The financial statements of BDR Property Limited, registered number 02250123 were approved by the Board of Directors on 10 Sept 2014.

Signed on behalf of the Board of Directors

  
V F Orts-Llopis  
Director

# BDR Property Limited

## Cash flow statement Year ended 31 December 2013

	2013 £'000	2012 £'000
Net cash movement from operating activities	-	-
Movement in cash in the year	-	-

### Reconciliation of operating profit to net cash flow from operating activities

	2013 £'000	2012 £'000
Operating profit	37	35
Decrease in creditors	(37)	(35)
Net cash outflow from operating activities	-	-

### Reconciliation of net cash flow to movement in net debt

	2013 £'000	2012 £'000
Movement in cash in the year	-	-
Change in net debt	-	-
Net funds at 1 January	-	-
Net funds at 31 December	-	-

# **BDR Property Limited**

## **Notes to the financial statements** **Year ended 31 December 2013**

### **1. Accounting policies**

These financial statements are prepared in accordance with applicable United Kingdom accounting standards.

The following accounting policies have been applied consistently in both the current and previous financial year in dealing with items which are considered material in relation to the financial statements.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Going concern**

The Directors, having assessed the responses of their enquiries to the immediate parent company, FCC E UK (and consequently FCC), have reviewed projected cash flows and carefully considered the risks to the Company's trading performance and cashflows, and continue to adopt the going concern basis in preparing the Directors' report and financial statements, despite the current uncertain economic outlook.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Turnover**

Turnover is stated net of value added tax and trade discounts but inclusive of landfill tax where applicable. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Turnover is recognised in respect of waste disposal services when the waste has been received and disposed of. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

#### **Operating leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

# BDR Property Limited

## Notes to the financial statements Year ended 31 December 2013

### 2. Turnover

All turnover is generated in the UK from the Company's principal activity as described in the Directors' report.

### 3. Profit on ordinary activities before taxation

	2013 £'000	2012 £'000
<b>Profit on ordinary activities before taxation is after charging:</b>		
Operating lease rentals - plant and machinery	<u>4</u>	<u>1</u>

Auditor's remuneration in respect of audit fees totalling £4,000 (2012: £5,000) has been met by FCC Recycling (UK) Limited, a fellow subsidiary undertaking of FCC E UK.

### 4. Information regarding Directors and employees

None of the Directors received any remuneration or other benefits through the Company during the year ended 31 December 2013 or the previous financial year. They are all remunerated as Directors or employees of FCC E UK for services to the Group as a whole and as such it is not possible to directly attribute any element of their remuneration to services as a director of this company.

	2013 £'000	2012 £'000
Wages and salaries	22	20
Social security costs	<u>2</u>	<u>2</u>
	<u>24</u>	<u>22</u>
	No.	No.
The average number of employees (excluding Directors) during the year was:	<u>1</u>	<u>1</u>

# BDR Property Limited

## Notes to the financial statements Year ended 31 December 2013

### 5. Tax on profit on ordinary activities

	2013 £'000	2012 £'000
<b>UK Corporation tax</b>		
United Kingdom corporation tax at 23.25% (2012: 24.5%) based on profit for the year	-	-

### Deferred tax

There is no provided or unprovided deferred tax in the current or previous financial year.

The total current tax position for the current year and previous year differs from the average standard rate of 23.25% (2012: 24.5%) for the reasons set out in the following reconciliation:

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	37	35
Factors affecting charge:		
Tax on profit on ordinary activities at average standard rate	9	9
Group relief (claimed)/surrendered	(9)	16
Utilisation of in general provisions	-	(25)
Total current tax	-	-

A number of changes to the UK Corporation Tax system were announced in the March 2013 Budget Statement. The Finance Act 2013 enacted on 17 July 2013 included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and a further reduction from 21% to 20% from 1 April 2015.

### 6. Debtors: amounts due within one year

	2013 £'000	2012 £'000
<i>Unpaid share capital:</i>		
Amounts due from parent undertaking	4,000	4,000
Amounts due from other shareholders	1,000	1,000
	5,000	5,000

### 7. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to fellow subsidiary undertakings	54	88
Accruals	3	6
	57	94

# BDR Property Limited

## Notes to the financial statements Year ended 31 December 2013

### 8. Called up share capital

	2013 Number of shares	2013 £'000	2012 Number of shares	2012 £'000
<b>Authorised</b>				
'A' Ordinary shares of 1p each	1,998	-	1,998	-
'B' Ordinary shares of 1p each	8,002	-	8,002	-
'C' Ordinary shares of £1 each	1,812,040	1,812	1,812,040	1,812
Deferred shares of £1 each	37,500	38	37,500	38
		<u>1,850</u>		<u>1,850</u>
<b>Issued, called up and allotted*</b>				
'A' Ordinary shares of 1p each	1,998	-	1,998	-
'B' Ordinary shares of 1p each	8,002	-	8,002	-
'C' Ordinary shares of £1 each	1,812,040	1,812	1,812,040	1,812
Deferred shares of £1 each	37,500	38	37,500	38
		<u>1,850</u>		<u>1,850</u>

\* At 31 December 2013 and 31 December 2012, 300 of the 'C' Ordinary shares were fully paid. The remaining issued, called up and allotted share capital was unpaid at 31 December 2013 and 31 December 2012.

#### Voting rights

The 'A' and 'B' shares carry 100% of the voting rights, including the right to appoint the Directors. There are no voting rights attached to the 'C' or 'deferred' shares in any circumstances.

#### Rights to receive distributions

Neither the 'A', 'B', nor the 'deferred' shares confer any right to receive any dividend of any other distribution from the Company. The 'C' shares confer all rights to receive dividends and other distributions.

#### Rights in the event of a winding up

In the event of a winding up of the Company, the 'A' and 'B' shareholders have priority over the other shareholders up to the nominal amounts paid up on their shares. The 'C' shareholders are then due £10,000,000 per share after which the 'deferred' shareholders are due an amount equal to the nominal value of their paid up shares. The balance of any remaining assets of the Company will belong to and be distributable to the holders of 'C' shares in proportion to the nominal value of the amounts paid up.

# BDR Property Limited

## Notes to the financial statements Year ended 31 December 2013

### 9. Reserves

	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 January 2013	3,210	(154)	3,056
Profit for the financial year	-	37	37
At 31 December 2013	<u>3,210</u>	<u>(117)</u>	<u>3,093</u>

### 10. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	37	35
Net additions to shareholders' funds	37	35
Opening shareholders' funds	4,906	4,871
Closing shareholders' funds	<u>4,943</u>	<u>4,906</u>

### 11. Contingent liabilities

- (a) The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the Group.
- (b) On 22 January 2014, the Company was a party to the refinancing of Azincourt and its subsidiary companies. As explained above, Azincourt was the company used by Fomento de Construcciones y Contratas, S.A. for the acquisition of the Group and its subsidiary undertakings including the Company. Under the re-financing, the Company has granted legal mortgages (or the relevant Scottish equivalent) over specified real property and fixed charges over certain assets. The Company has granted floating charges over all present and future undertakings not already charged pursuant to any of the above.

### 12. Operating lease commitments

At 31 December 2013 and 31 December 2012, the Company did not have any annual commitments under non-cancellable operating leases

### 13. Related party transactions

The Directors regard three local authorities, which in total hold 20% of the issued share capital of the Company, together with all subsidiary undertakings of FCC E UK, as related parties of the Company. Details of transactions and balances with those related parties are as follows:

# BDR Property Limited

## Notes to the financial statements Year ended 31 December 2013

### 13. Related party transactions (continued)

	Unpaid share capital receivable		Payable	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Doncaster Borough Council	405	405	-	-
Rotherham Borough Council	190	190	-	-
Barnsley Metropolitan Borough Council	405	405	-	-
FCC Environment (UK) Limited	4,000	4,000	-	-
FCC Recycling (UK) Limited	-	-	54	88
	<u>5,000</u>	<u>5,000</u>	<u>54</u>	<u>88</u>

The Company operates under a management agency agreement with FCC Recycling (UK) Limited, a fellow subsidiary of FCC E UK. All trading related transaction processing is undertaken by FCC Recycling (UK) Limited and is then recharged to the Company through the intercompany account. The management fee charged by FCC Recycling (UK) Limited during the year under the agency agreement was £11,000 (2012: £400).

### 14. Ultimate parent company

The immediate parent of the Company is FCC Environment (UK) Limited, a company registered in England and Wales.

The Directors regard Fomento de Construcciones y Contratas, S.A., a company registered in Spain, as the ultimate parent company and Esther Koplowitz Romero de Juseu to be the ultimate controlling party.

Fomento de Construcciones y Contratas, S.A. ("FCC") is the parent company of the largest group of which the Company is a member and for which group accounts are drawn up. FCC Environment (UK) Limited is the parent company of the smallest group of which the Company is a member and for which group accounts are drawn up. Copies of the financial statements of both FCC Environment (UK) Limited and Fomento de Construcciones y Contratas, S.A. are available from the Company Secretary, Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton, NN4 7RG.