

# **Cory Environmental (Central) Limited**

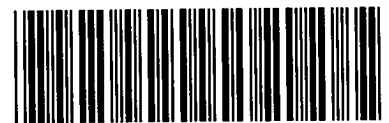
Report and Financial Statements

Year Ended

31 December 2013

Company Number 2773558

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# **Cory Environmental (Central) Limited**

## **Report and financial statements for the year ended 31 December 2013**

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### **Directors**

R L Milnes-James  
P A Gerstrom  
A M Holl

### **Secretary and registered office**

S Kahveci, 2 Coldbath Square, London, EC1R 5HL

### **Company number**

2773558

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Cory Environmental (Central) Limited

## Strategic Report for the year ended 31 December 2013

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2013.

### Principal activity

The principal activity of the company is that of the provision of environmental services. Principal activities include the management and operation of landfills. The company also seeks to enhance earnings through maximising methane gas power generation at all of its landfill sites.

In the opinion of the directors the financial statements give a fair view of the development of the business during the period and of its position at the end of the year. There have been no significant events outside the normal course of business since the balance sheet date.

A comprehensive review of the state of affairs of the group, together with key performance indicators and risks and uncertainties, is contained in the report and financial statements of Viking Consortium Holdings Limited, the ultimate parent undertaking.

### Results

The profit and loss account is set out on page 7 and shows the loss for the year.

### Review of the business

A summary of the results and key performance indicators are shown in the table below.

	2013	2012
Tonnage to landfill (thousand tonnes)	673.2	763.7
Consented Void capacity (thousand m <sup>3</sup> )	8,967	9,980
Average monthly number of employees	51	49

Inputs to landfill in the year totalled 0.7Mt compared with 0.8Mt in 2012. The decline in landfill volume is primarily due to a reduction in contaminated soils due to the relative availability of these materials, which is dictated by local construction activities. Underlying municipal and commercial & industrial waste volumes were in line with 2012.

The weighted average landfill gate fees were consistent with 2012.

Landfill gas production in the year was higher than in 2012 due to the purchase of landfill gas assets at the end of 2012 at the company's Lyme and Wood, and Vigo Utopia landfill sites as well as the Berwick Farm landfill site, which is operated by SITA UK moving from royalty revenues to gas sale revenues.

### Going concern

The company is an obligor under the terms of facilities in place at Viking Consortium Acquisition Limited (VCAL) and Viking Consortium Borrower Limited (VCBL). Funding for the obligor companies is managed through the group's central treasury function and where required, funding in the form of working capital and letters of credit, is made available to group companies through access to the facilities at VCAL. The facilities at VCAL are due for renewal in September 2015 and for VCBL, March 2016. Further detail on the group's financing arrangements is available in the statutory accounts for the Viking companies.

The Directors have a reasonable expectation that the Company will continue to have access to sufficient resources to continue in operational existence for the foreseeable future and accordingly, they continue to adopt the going concern basis in preparing the financial statements.

# **Cory Environmental (Central) Limited**

## **Strategic Report for the year ended 31 December 2013**

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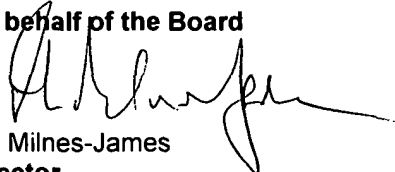
### **Future developments**

The directors aim to pursue policies conducive to the well-being of the company, its employees and shareholders. Opportunities to expand existing businesses and to branch out into new areas are kept under constant review, evaluated and implemented if financially and operationally feasible.

### **Risk management**

The company's operations expose it to a variety of risks that include competitive and market risks, legislative and planning risks, and financial risks such as credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects of these risks. These risks and the policies in place to mitigate them are discussed in more detail in the financial statements of the ultimate parent company Viking Consortium Holdings Limited.

### **On behalf of the Board**



**R L Milnes-James  
Director**

Date 30 April 2014

# **Cory Environmental (Central) Limited**

## **Report of the directors for the year ended 31 December 2013**

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The directors present their directors' report together with the audited financial statements for the year ended 31 December 2013.

### **Dividends**

The company did not pay an interim dividend during the year (2012 - £Nil). The directors do not propose payment of a final dividend (2012 - £Nil).

### **Strategic review**

A review of the business for the year ended 31 December 2013, including an analysis of key financial indicators, is included in the Strategic Report on page 1.

### **Political and charitable contributions**

During the year the company made charitable contributions of £470 (2012 - £1,275). The company did not make any political contributions.

### **Directors**

The directors of the company during the year were:

R L Milnes-James  
P A Gerstrom  
A M Holl

Appropriate directors' and officers' liability insurance cover is in place in respect of all the company's directors.

### **Post balance sheet events**

In the opinion of the directors there have been no material post balance sheet events.

### **Policy on the payment of creditors**

The company agrees terms with its creditors on an individual basis through negotiation and will pay invoices as they fall due.

# Cory Environmental (Central) Limited

## Report of the directors for the year ended 31 December 2013 (*continued*)

### Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 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 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.

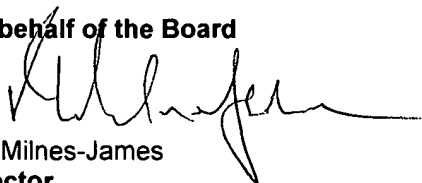
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board



R L Milnes-James  
Director

Date 30 April 2014

# **Cory Environmental (Central) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF CORY ENVORNMENTAL (CENTRAL) LIMITED**

We have audited the financial statements of Cory Environmental (Central) Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Cory Environmental (Central) Limited

## Independent auditor's report (*continued*)

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

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

- adequate accounting records have not been kept, 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.

*BDO LLP*

Marc Reinecke (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date *30/4/2014*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Cory Environmental (Central) Limited

## Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
<b>Turnover</b>	2	41,682	36,802
Cost of sales		(40,024)	(30,745)
<b>Gross profit</b>		1,658	6,057
Administrative expenses		(2,928)	(3,948)
Other operating income	3	(74)	195
<b>Operating (loss) / profit</b>	6	(1,344)	2,304
Profit on sale of tangible fixed assets		141	52
Interest payable and similar charges	7	(847)	(613)
<b>(Loss) / profit on ordinary activities before taxation</b>		(2,050)	1,743
Taxation on (loss) / profit from ordinary activities	8	(365)	349
<b>(Loss) / profit for the financial year</b>		(2,415)	2,092

All amounts relate to continuing activities.

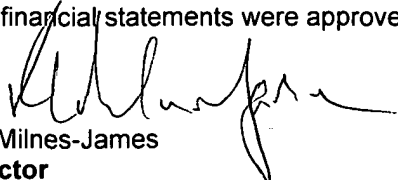
The notes on pages 9 to 22 form part of these financial statements.

# Cory Environmental (Central) Limited

## Balance sheet at 31 December 2013

<i>Company number 2773558</i>	<b>Note</b>	<b>2013 £'000</b>	<b>2013 £'000</b>	<b>2012 £'000</b>	<b>2012 £'000</b>
<b>Fixed assets</b>					
Intangible assets	9		260		278
Tangible assets	10		27,823		30,129
			28,083		30,407
<b>Current assets</b>					
Stocks	12	43		22	
Debtors	13	15,680		17,731	
Cash at bank and in hand		3,546		1,591	
		19,269		19,344	
<b>Creditors: amounts falling due within one year</b>	14	(23,649)		(24,783)	
<b>Net current liabilities</b>			(4,380)		(5,439)
<b>Total assets less current liabilities</b>			23,703		24,968
<b>Creditors: falling due after more than one year</b>	15		(700)		(700)
<b>Provisions for liabilities</b>	16		(14,509)		(13,359)
<b>Net assets</b>			8,494		10,909
<b>Capital and reserves</b>					
Called up share capital	17		100		100
Profit and loss account	18		8,394		10,809
<b>Shareholders' funds</b>	19		8,494		10,909

The financial statements were approved by the Board of Directors and authorised for issue on *30 April 2014*

  
R.L. Milnes-James  
Director

The notes on pages 9 to 22 form part of these financial statements.

# Cory Environmental (Central) Limited

## Notes forming part of the financial statements for the year ended 31 December 2013

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Exemption from preparing consolidated financial statements*

The financial statements contain information about Cory Environmental (Central) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, Viking Consortium Holdings Limited, a company registered in England & Wales.

#### *Going concern*

The company is an obligor under the terms of facilities in place at Viking Consortium Acquisition Limited (VCAL) and Viking Consortium Borrower Limited (VCBL). Funding for the obligor companies is managed through the group's central treasury function and where required, funding in the form of working capital and letters of credit, is made available to group companies through access to the facilities at VCAL. The facilities at VCAL are due for renewal in September 2015 and for VCBL, March 2016. Further detail on the group's financing arrangements is available in the statutory accounts for the Viking companies.

The Directors have a reasonable expectation that the Company will continue to have access to sufficient resources to continue in operational existence for the foreseeable future and accordingly, they continue to adopt the going concern basis in preparing the financial statements

#### *Cash flow statement exemption*

The company has taken advantage of the exemption granted by FRS 1 (revised) whereby it is not required to publish its own statement of cash flows on the grounds that the ultimate parent undertaking produces publicly available group financial statements.

#### *Revenue recognition*

Revenue is recognised when full performance of the service is rendered to the customer, this is considered to be when waste is delivered to one of the company's landfill sites and deposited by the customer. It represents the income receivable (including landfill tax and excluding value added tax and trade discounts) in the ordinary course of business for services provided.

#### *Intangible assets - Goodwill*

Goodwill is the difference between the fair value of the consideration paid and the fair value of the asset and liabilities acquired.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line balance basis over its useful economic life up to a maximum of 15 years. It is reviewed for impairment at the end of the first full financial period following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

# Cory Environmental (Central) Limited

## Notes forming part of the financial statements for the year ended 31 December 2013

### 1 Accounting policies (*continued*)

#### *Tangible assets*

Fixed assets are initially recorded at cost. The landfill void is filled in sections or "cells". Site costs incurred during the year in preparing a cell are capitalised and depreciated over the life of that cell once usage of it commences. The provision for the company's minimum unavoidable costs in relation to the final landfill site restoration is capitalised as a fixed asset.

Depreciation is not normally charged in respect of freehold land except in the case of landfill sites where depreciation is charged over the operational life of the site.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	-	Over the life of the associated site
Long leasehold property	-	Over the life of the respective contract
Plant and machinery	-	3 to 40 years
Landfill site restoration	-	Over life of cell(s)
Cell preparation costs	-	Over of cell(s)

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Stocks*

Stock, principally raw materials and consumables, is stated at the lower of cost and net realisable value. Cost includes, where appropriate, relevant overheads.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### *Operating leases*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### *Interest-bearing loans and borrowings*

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

# **Cory Environmental (Central) Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2013 (*continued*)**

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### **1 Accounting policies (*continued*)**

#### *Pensions*

The company operates the following defined contribution pension schemes:

The Cory Environmental Voyager Replacement Pension;  
The Cory Environmental Odyssey Replacement Pension;  
The Cory Environmental Nestor Replacement Pension; and  
The Cory Environmental Pension Scheme.

These are run on behalf of the employees and operated by Cory Environmental Management Limited in the United Kingdom. Contributions to the schemes are charged to the profit and loss account when payable.

#### *Aftercare provision*

A provision is maintained against commitments in respect of the future maintenance of landfill sites, which will crystallise over a period estimated to be in the order of 60 years following closure, based on discounted forecast cash flows. An assessment of these future costs is made periodically, and the rate of provision adjusted to reflect current estimates regarding remaining site lives and annual post-closure costs. Provision for all such costs is charged to the profit and loss account on the basis of usage of void space. The unwinding of the discount is charged to the profit and loss account as a finance charge.

#### *Landfill restoration*

Full provision is made for future value of the group's minimum unavoidable costs in relation to restoration liabilities at its landfill sites for each cell as usage commences for that cell. This is capitalised as a fixed asset and depreciated over the life time of the cell(s).

#### *Insurance provisions*

The company maintains insurance policies with significant excesses, below which claims are borne by the company. Full provision is made for the estimated costs of claims or losses arising from past events falling outside the limits of these policies.

#### *Liabilities and damages*

Full provision is made for onerous contracts. If in the opinion of the directors, there is a likelihood of claims arising from third parties, these are provided for in the accounts.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the legal form.

### **2 Turnover**

Turnover, which is stated net of value added tax, relates to the company's principal continuing activity, which the directors consider constitutes a single class of business. The geographical origin and destination of turnover was the United Kingdom.

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)

## 3 Other operating income

	2013 £'000	2012 £'000
Rental income	15	21
Clay aggregate sales	(90)	1
Planning site extension	-	2
Other contract income	1	171
	<hr/>	<hr/>
	(74)	195
	<hr/>	<hr/>

## 4 Employees

	2013 £'000	2012 £'000
Staff costs consist of:		
Wages and salaries	1,607	1,392
Social security costs	182	154
Other pension costs	118	78
	<hr/>	<hr/>
	1,907	1,624
	<hr/>	<hr/>

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

	Number	Number
Operations	22	22
Administration	29	27
	<hr/>	<hr/>
	51	49
	<hr/>	<hr/>

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 5 Directors' remuneration

	2013 £'000	2012 £'000
Aggregate remuneration in respect of qualifying services	137	169
Aggregate contributions to money purchase pension schemes	11	12
	<u>148</u>	<u>181</u>
	<b>Number</b>	<b>Number</b>
Number of directors accruing benefits under money purchase scheme	<u>1</u>	<u>1</u>

In 2013, one director received remuneration from the company for his services to the company during the year (2012 - one director). The remuneration of the remaining directors for services to the group are paid by a parent company and are disclosed in that company's financial statements. The remuneration disclosed in these financial statements are in respect of one director only.

## 6 Operating profit

	2013 £'000	2012 £'000
This has been arrived at after charging:		
Operating lease rentals:		
- vehicles, plant and equipment	68	58
- land and buildings	68	68
Amortisation (note 9)	18	2
Depreciation (note 10)	5,129	619
Auditors' remuneration*	<u>8</u>	<u>(9)</u>

\*The prior year auditors remuneration is show net of a release of prior year over accrual.

## 7 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable to fellow group undertakings	499	389
Unwinding of discount on aftercare provision (note 16)	<u>348</u>	<u>224</u>
	<u>847</u>	<u>613</u>

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 *(continued)*

## 8 Taxation on (loss) / profit from ordinary activities

### *(a) Tax on (loss) / profit on ordinary activities*

The tax charge is made up as follows:

	2013 £'000	2012 £'000
<i>Current tax</i>		
UK corporation tax on (loss) / profit of the year	167	628
Adjustments in respect of prior years	(340)	3
	<hr/>	<hr/>
UK corporation tax (note 8(b))	(173)	631
Deferred tax credit (note 8(c))	538	(980)
	<hr/>	<hr/>
Tax on (loss) / profit on ordinary activities	<u>365</u>	<u>(349)</u>

### *(b) Factors affecting current tax charge*

The tax assessed for the year is higher (2012 - lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £'000	2012 £'000
(Loss) / profit on ordinary activities before tax	(2,050)	1,743
	<hr/>	<hr/>
(Loss) / profit on ordinary activities at the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(477)	427
	<hr/>	<hr/>
Effects of:		
Expenses not deductible for tax purposes	812	346
Depreciation in advance of capital allowances	33	(344)
Other timing differences	(201)	199
Adjustments in respect of prior years	(340)	3
	<hr/>	<hr/>
Current tax (credit)/charge for year (note 8(a))	<u>(173)</u>	<u>631</u>



# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)

## 8 Taxation on (loss) / profit from ordinary activities (*continued*)

### (c) *Deferred tax*

Deferred taxation recognised in the financial statements is as follows:

	2013 £'000	2012 £'000
Decelerated capital allowances	195	310
Other timing differences	3,330	3,753
	<hr/>	<hr/>
Deferred tax asset (note 13)	3,525	4,063
	<hr/>	<hr/>
Deferred tax asset at beginning of year	4,063	3,083
Credit to the profit and loss account	136	11
Adjustments in respect of prior years	(674)	-
Deferred tax asset not previously recognised	-	969
	<hr/>	<hr/>
Deferred tax asset at end of year	3,525	4,063
	<hr/>	<hr/>

### (d) *Corporate tax rate change*

The main UK corporation tax rate from 1 April 2012 of 24% was reduced to 23% from 1 April 2013, resulting in an effective corporation tax rate of 23.25% for this accounting period. A number of changes to the UK corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2013 which was substantially enacted on 2 July 2013 includes legislation reducing the main rate of corporation tax from 24% to 23% from 1 April 2013 and further reducing the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015.

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)

## 9 Intangible assets

	Goodwill £'000
<i>Cost</i>	
At 1 January 2013	280
Additions	-
	<hr/>
At 31 December 2013	280
	<hr/>
<i>Amortisation</i>	
At 1 January 2013	2
Charge for the year	18
	<hr/>
At 31 December 2013	20
	<hr/>
<i>Net book value</i>	
At 31 December 2013	260
	<hr/>
At 31 December 2012	278
	<hr/>

Goodwill is being amortised over the directors' estimate of its useful economic life of 15 years on a straight line basis.

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)

## 10 Tangible assets

	Freehold land and buildings £'000	Long leasehold £'000	Plant and machinery £'000	Total £'000
<i>Cost</i>				
At 1 January 2013	35,507	18,943	10,244	64,694
Additions	1,298	396	1,158	2,852
Disposals	-	-	(209)	(209)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	36,805	19,339	11,193	67,337
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2013	19,620	11,651	3,294	34,565
Charge for the year	1,233	2,421	1,475	5,129
Disposals	-	-	(180)	(180)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	20,853	14,072	4,589	39,514
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2013	15,952	5,267	6,604	27,823
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	15,887	7,292	6,950	30,129
	<hr/>	<hr/>	<hr/>	<hr/>

## 11 Investments

The company has an investment of £1.00 in Parkhill Waste Management Limited. This is a dormant company.

## 12 Stocks

	2013 £'000	2012 £'000
Raw materials	43	22
	<hr/>	<hr/>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 13 Debtors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade debtors	7,063	8,703
Amounts owed by group undertakings	3,601	3,335
Social security and other taxes	11	2
Corporation tax	173	-
Deferred tax asset (note 8(c))	3,525	4,063
Prepayments and accrued income	1,307	1,628
	<u>15,680</u>	<u>17,731</u>

Amounts owed by group undertakings are unsecured with no fixed date of repayment. Interest is charged on outstanding balances at rates in the range of 2.7% to 3.0% (2012 – 2.9% to 3.3%) during the year.

## 14 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	80	258
Amounts owed to fellow group undertakings	15,600	13,731
Corporation tax	-	631
Social security and other taxes	5,286	8,440
Other creditors	1,381	915
Accruals and deferred income	1,302	808
	<u>23,649</u>	<u>24,783</u>

Amounts owed by group undertakings are unsecured with no fixed date of repayment. Interest is charged on outstanding balances at rates in the range of 2.7% to 3.0% (2012 - 2.9% to 3.3%) during the year.

## 15 Creditors: amounts falling due after one year

	2013 £'000	2012 £'000
Preference share capital - redeemable after more than one year	<u>700</u>	<u>700</u>

The preference shares are due in more than one year, and are repayable otherwise than by instalments.

The preference share capital as shown in the balance sheet comprises 700,000 10% non-cumulative redeemable (at no fixed date) preference shares of £1 each, currently redeemable at par. All the preference shares have been allotted, called up and fully paid. There were no allotments during the year.

The interest charge on the preference shares has been waived. Holders of redeemable preference shares are entitled to one vote for each share held at any general meeting.

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 16 Provisions for liabilities

	Landfill restoration £'000	Aftercare £'000	Other £'000	Insurance £'000	Total £'000
At 1 January 2013	3,200	8,595	1,562	2	13,359
Charged for the year	-	1,074	82	23	1,179
Unwinding of discount (note 7)	-	348	-	-	348
Capitalised	609	-	-	-	609
Utilised	(408)	-	(15)	(3)	(426)
Released to the profit and loss account	-	(264)	(295)	(1)	(560)
At 31 December 2013	3,401	9,753	1,334	21	14,509

Landfill restoration provision is the future value of the minimum incremental costs to restore land after a specific cell's capacity is fully utilised and the cell is sealed. Full provision is made when the cell is brought into use.

The aftercare provision is the estimated cost of future maintenance of landfill sites following closure. The costs are estimated for a period of sixty years following closure. The aftercare provision is based on a number of assumptions, including a forecast of costs based on current legislative requirements, an inflation rate and a rate of discount to calculate a net present value of the provision. Any changes to these assumptions as a result of factors such as a change in the regulatory environment or economic developments, will impact the level of provision required. Consequently, the provision is kept under review and adjustments made when necessary. In the year under review the company changes the policy for aftercare provision by increasing the period that costs are estimated for to sixty years from thirty years. The impact of this adjustment is to increase the current year provision by £816,000.

Other provisions include other landfill related provision as well potential claims made against the company and associated legal costs.

The insurance provision is in respect of the costs of claims which are not insured externally, and fall below the excess threshold of the group's insurance policies. Claims can take several years to be settled.

## 17 Share capital

	2013 Number	2012 Number	Allotted, called up and fully paid 2013 £'000	2012 £'000
Ordinary shares of £1 each	100,000	100,000	100	100

The authorised share capital in 2013 and 2012 is 100,000 shares of £1 each. Ordinary shares entitle the holders to one vote for each share held at any general meeting.

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)

## 18 Reserves

	Profit and loss account £'000
At 1 January 2013	10,809
Loss for the year	(2,415)
	<hr/>
At 31 December 2013	8,394
	<hr/>

## 19 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
(Loss) / Profit for the year	(2,415)	2,092
	<hr/>	<hr/>
Net (reduction) / addition to shareholders' funds	(2,415)	2,092
Opening shareholders' funds	10,909	8,817
	<hr/>	<hr/>
Closing shareholders' funds	8,494	10,909
	<hr/>	<hr/>

## 20 Contingent liabilities

	2013 £'000	2012 £'000
Letters of credit held in favour of the Environment Agency	14,961	14,091
Bonds held in favour of local borough council	827	827
	<hr/>	<hr/>

The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. No such current proceedings are expected to have a material effect on the company.

One of the conditions to obtaining a landfill permit is to satisfy the Environment Agency that adequate financial provision is made to satisfy the potential aftercare cost once a site has closed. In order to satisfy this condition the company commits to a letter of credit or similar financial instrument.

The company, as a subsidiary of Viking Consortium Holdings Limited, is a member guarantor in respect of the obligations contained within the finance documents of Viking Consortium Acquisition Limited and cross guarantees the performance and obligations of other companies within the group.

# Cory Environmental (Central) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 20 Contingent liabilities (continued)

The company cross guarantees certain other obligations to other group companies including:

	2013 £'000	2012 £'000
Parent company acquisition bank debt	277,788	276,239
Letters of credit held in favour of the Environmental Agency and local authorities	29,147	25,260
Letters of credit for Riverside	17,500	17,500
Other letters of credit	2,207	1,967
Parent company guarantees	63,122	63,474
Performance guarantees/bonds held in favour of local authorities	22,352	21,165

## 21 Pensions

The company participates in the following defined contribution pension schemes:

The Cory Environmental Voyager Replacement Pension;  
The Cory Environmental Odyssey Replacement Pension;  
The Cory Environmental Nestor Replacement Pension, and  
The Cory Environmental Pension Scheme.

These are run on behalf of the employees and operated by Cory Environmental Management Limited in the United Kingdom.

The assets of the schemes are held separately from those of the company in independently administered funds.

The total pension cost charge includes contributions payable by the company to the funds and amounted to £118,016 (2012 - £77,969).

## 22 Commitments under operating leases

As at 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2013 £'000	Plant and equipment 2013 £'000	Land and buildings 2012 £'000	Plant and equipment 2012 £'000
Operating leases which expire:				
Within one year	-	3	-	14
In two to five years		57	-	24
Over five years	58	-	57	-
	<u>58</u>	<u>60</u>	<u>57</u>	<u>38</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals.

# **Cory Environmental (Central) Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)**

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## **23 Related party transactions**

The company has taken advantage of the exemption available under FRS 8 from disclosing related party transactions with members of the group headed by Viking Consortium Holdings Limited on the grounds that 100% of the voting rights are controlled within that group and the company is included in consolidated financial statements.

## **24 Ultimate parent undertaking and controlling party**

The company's immediate parent undertaking is Cory Environmental (Central Holdings) Limited. Cory Environmental Management Limited is the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared. The company's ultimate parent undertaking and controlling party is Viking Consortium Holdings Limited, which is the parent undertaking of the largest group of which the company is a member for which group financial statements are prepared.

Copies of the financial statements of Cory Environmental Management Limited and Viking Consortium Holdings Limited can be obtained from 2 Coldbath Square, London, EC1R 5HL.

## **25 Post balance sheet events**

In the opinion of the directors there have been no material post balance sheet events.