

EQUIP RVG LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2013

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EQUIP RVG LIMITED

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EQUIP RVG LIMITED

COMPANY INFORMATION

Directors

S Creed
M Gover
A Hinton
J Lea

Secretary

J Lea

Registered office

The Old Academy
21 Horse Fair
Banbury
Oxfordshire
OX16 OAH

Company number

4952392

Auditor

KPMG LLP
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Bankers

Barclays Bank Plc
Barclays House
PO Box 1500 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Managers of the eQuip scheme

Cranmer Lawrence & Company Limited
Kings Head House
27 London End
Beaconsfield
Bucks
HP9 2HN

EQUIP RVG LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013.

Principal activities

The company was established to issue residual value guarantees (RVG's) on recycling equipment.

Directors

The following directors have held office during the period:

S Creed
J Lea
M Gover
A Hinton

Results

The results of the company's activities are summarised on page 6. The surplus for the financial year amounted to £397,941 (2012: £277,370). The directors do not propose the payment of a final dividend (2012: £nil).

Review of activities

eEquip RVG Limited is a wholly owned subsidiary of The Waste and Resources Action Programme (Company Registration No 4125764). The company aims to help recycling companies lease the machinery they need by guaranteeing its future residual value. In the last financial year eEquip RVG Ltd provided guarantees covering £1.8m (2012: £0.5m) of recycling equipment.

The directors estimate that approximately 30% of the residual value guarantees could crystallise, and accordingly provision has been made for this percentage of guarantees given. An additional provision of up to 50% of the residual value guarantee has been made in certain cases where the risk of recovery has been assessed to be higher than 30%.

The directors have considered the amount of capital required to ensure that current and future guarantees can be met. The cash reserves, including short term investments, of £2.5 million represent their view of the appropriate amount of capital for the current and projected future position.

Disclosure of information to 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 auditors are 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 auditors are aware of that information.

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2013**

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departure 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board



J Lea
Director

11 August 2013

EQUIP RVG LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUIP RVG LIMITED

We have audited the financial statements of eEquip RVG Limited for the year ended 31 March 2013 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 March 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EQUIP RVG LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUIP RVG 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.

B. J Stapleton 14 August 2013

Benjamin Stapleton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

EQUIP RVG LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
Incoming resources			
Grants receivable from parent company		212,963	220,561
Repayment of state aid from lessees		<u>3,969</u>	<u>12,738</u>
Total incoming resources		<u>216,932</u>	<u>233,299</u>
Resources expended			
Management fees		(212,963)	(164,400)
Provision for residual value guarantees	10	56,497	394,423
Guarantees paid	4	<u>331,408</u>	<u>(194,590)</u>
Direct income/(expenditure)		<u>174,942</u>	<u>35,433</u>
Administration expenses		<u>(7,588)</u>	<u>(3,045)</u>
Operating surplus		<u>384,286</u>	<u>265,687</u>
Interest receivable	2	19,291	17,395
Interest payable	3	<u>(2,222)</u>	<u>(2,791)</u>
Operating surplus on ordinary activities before taxation		<u>401,355</u>	<u>280,291</u>
Taxation on surplus on ordinary activities	5	<u>(3,414)</u>	<u>(2,921)</u>
Surplus for the financial year	6	<u>397,941</u>	<u>277,370</u>
Balance brought forward		<u>1,544,616</u>	<u>1,267,246</u>
Balance carried forward at 31 March		<u>1,942,557</u>	<u>1,544,616</u>

There are no deficits or surpluses for the period other than those reflected above. All activities are continuing.

The notes on pages 8 to 11 form part of these financial statements.

EQUIP RVG LIMITED**BALANCE SHEET
AS AT 31 MARCH 2013**

	Note	£	2013 £	£	2012 £
Current assets					
Debtors	7	147,176		63,275	
Short term investments	8	2,324,863		-	
Cash at bank and in hand		290,583		2,474,552	
		<u>2,762,622</u>		<u>2,537,827</u>	
Creditors' Amounts falling due within one year					
	9	<u>(102,268)</u>		<u>(218,916)</u>	
Net current assets			2,660,354		2,318,911
Total assets less current liabilities			2,660,354		2,318,911
Provision for liabilities and charges	10		<u>(717,796)</u>		<u>(774,294)</u>
Net assets			<u>1,942,558</u>		<u>1,544,617</u>
Capital and residual interest					
Called up share capital	12		1		1
Residual interest	13		<u>1,942,557</u>		<u>1,544,616</u>
			<u>1,942,558</u>		<u>1,544,617</u>

The financial statements were approved by the Board on 14 August and signed on its behalf by



J Lea
Director

Company Registration No. 4952392

The notes on pages 8 to 11 form part of these financial statements.

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2013**

1. Basis of financial statements and accounting policies

The company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 6 to 11 and which have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of The Waste & Resources Action Programme, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which are wholly-owned within the group. The consolidated financial statements of The Waste & Resources Action Programme, within which this Company is included, can be obtained from the address given in note 14.

These accounts have been prepared on the going concern basis, which assumes the Company will continue to trade without significant curtailment for the foreseeable future. Confirmation has been received from The Waste & Resources Action Programme, that it will provide such support as eEquip RVG Limited requires to enable it to meet its liabilities as and when they fall due for a period not less than one year from the date of approval of these financial statements.

1.1 Income

Revenue grants receivable are initially credited to the Income and Expenditure Account in the period in which the funding is receivable. Income received in advance is carried forward as deferred income. Capital grants receivable are treated as deferred credits and credited to the Income and Expenditure Account over the estimated useful life of the assets.

1.2 Expenditure

All expenditure is charged in the period to which it relates on an accruals basis and a liability is recognised when there is a legal or constructive obligation

1.3 Provisions

Provision is made for the potential shortfalls in residual values of assets underwritten by the scheme based on the directors' current projections of the probable cost.

1.4 Taxation

The charge for taxation is based on the surplus for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

EQUIP RVG LIMITED**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2013****2. Interest receivable**

	2013	2012
	£	£
Bank interest receivable	17,592	15,966
Other interest receivable	1,699	1,429
	<u>19,291</u>	<u>17,395</u>

3. Interest payable

	2013	2012
	£	£
Other interest payable	<u>2,222</u>	<u>2,791</u>

4. Guarantees paid

	2013	2012
	£	£
Net proceeds on lease termination	94,241	101,409
Profit / (loss) on returned assets	237,167	(295,999)
	<u>331,408</u>	<u>(194,590)</u>

5. Taxation

a.) Analysis of charge in period

Current tax

	2013	2012
	£	£
UK corporation tax at 20% (2012: 20%) on the surplus on ordinary activities		
- Current tax on income for the period	3,414	2,921
	<u>3,414</u>	<u>2,921</u>

b.) Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2012: lower) than the small companies rate of corporation tax in the UK (20%; 2012: 20%). The differences are explained below.

	2013	2012
	£	£
Surplus on ordinary activities before tax	401,355	280,291
Current tax at 20% (2012: 20%)	80,271	56,058
<i>Effects of:</i>		
Surplus on activities outside the scope of corporation tax	(76,857)	(53,137)
	<u>3,414</u>	<u>2,921</u>

EQUIP RVG LIMITED**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2013****6. Surplus for the financial year**

	2013	2012
	£	£
Surplus for the financial year is stated after charging:		
Auditor's remuneration – audit of these financial statements	3,000	3,000

There were no employees in the current or previous financial years. No fees were paid to directors.

7. Debtors

	2013	2012
	£	£
Accrued interest	1,102	2,243
Repayment of proceeds from lessor	-	61,032
Amounts due from parent undertaking	30,563	-
Proceeds from sale of asset	115,511	-
	<u>147,176</u>	<u>63,275</u>

8. Short term investments

	2013	2012
	£	£
Cash deposits	<u>2,324,863</u>	-
	<u>2,324,863</u>	<u>-</u>

Short term investments represent bank deposits placed under which access to cash is restricted for up to 95 days from the date of the deposit

9. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Corporation tax	3,414	2,921
Amounts due to parent undertaking	13	14
Trade creditors	30,563	-
Accruals and deferred income	68,278	215,981
	<u>102,268</u>	<u>218,916</u>

10. Provision for liabilities and charges

	£
At 1 April 2012	774,294
Additions	120,823
Released	<u>(177,321)</u>
At 31 March 2013	<u>717,796</u>

The provision represents the directors' best estimate of the Company's liability to pay any residual guarantees on recycling equipment leased by third parties. It is expected that this activity and hence the requirement for a provision will continue for up to 3 years.

EQUIP RVG LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2013

11. Financial commitments

Management fees (including adjustments) payable to the lease guarantee scheme administrator were £212,963 (2012: £164,400). This includes a basic management fee of £125,000 plus VAT payable each year.

12. Share capital

	2013 £	2012 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

13. Residual interest

	Designated funds £
At 1 April 2012	1,544,616
Net incoming resources for year	<u>397,941</u>
At 31 March 2013	<u>1,942,557</u>

Residual interest is the amount found by deducting all of the entity's liabilities from all of the entity's assets. The designated funds relate to grant income earmarked in conjunction with funding bodies against specific expenditure programmes in subsequent periods.

14. Ultimate parent company

The ultimate parent company is The Waste and Resources Action Programme, a company limited by guarantee.

The Company is a subsidiary of The Waste & Resources Action Programme, a company incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by The Waste & Resources Action Programme. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, South Glamorgan, CF14 3UF.