

## **Enviroparks (Hirwaun) Limited**

Report and Financial Statements

Year Ended

31 December 2012

Company Number 05641261

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# **Enviroparks (Hirwaun) Limited**

## **Report and financial statements for the year ended 31 December 2012**

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### **Directors**

G W Davies  
S P Emary  
M R Hewitt  
A M Williams  
D R Williams

### **Secretary and registered office**

I Zant-Boer, 1st Floor Tiverton Chambers, Lion Street, Abergavenny, Monmouthshire, NP7 5PN

### **Company number**

05641261

### **Auditors**

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

# **Enviroparks (Hirwaun) Limited**

## **Report of the directors for the year ended 31 December 2012**

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The directors present their report together with the audited financial statements for the year ended 31 December 2012

### **Results**

The profit and loss account is set out on page 5 and shows the loss for the year

### **Principal activities**

The company's principal activity is the provision of resource recovery services and facilities at its Hirwaun site and the provision of related advice and consultancy

### **Directors**

The directors of the company during the year were

G W Davies  
S P Emary (appointed 14/12/2012)  
M R Hewitt  
A M Williams  
D R Williams

### **Directors' responsibilities**

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 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,
- 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.

# Enviroparks (Hirwaun) Limited

## Report of the directors for the year ended 31 December 2012 (*continued*)

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### 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 will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

### On behalf of the board



S P Emary  
Director

24 September, 2013

# **Enviroparks (Hirwaun) Limited**

## **Independent auditor's report**

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### **To the members of Enviroparks (Hirwaun) Limited**

We have audited the financial statements of Enviroparks (Hirwaun) Limited for the year ended 31 December 2012 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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**

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](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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter - Going Concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the group's ability to continue as a going concern. Further funds, from the issue of a corporate bond, will be required to finance the repayment of the existing borrowings of the group and to provide funds to enable the group to continue trading. Sponsorship of the bond issue is dependent on a number of conditions being met. The Directors are confident of being able to meet these conditions, however there can be no guarantee that these will be met within the necessary timeframe. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **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.

# Enviroparks (Hirwaun) 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

*BDO LLP*

Kim Hayward (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Southampton  
United Kingdom

*25 September, 2013*

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

## Enviroparks (Hirwaun) Limited

### Profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Administrative expenses	3	1,027,224	789,785
<b>Loss on ordinary activities before and after taxation for the financial year</b>		<b>(1,027,224)</b>	<b>(789,785)</b>

The notes on pages 7 to 11 form part of these financial statements

# Enviroparks (Hirwaun) Limited

## Balance sheet at 31 December 2012

<i>Company number 05641261</i>	<b>Note</b>	<b>2012 £</b>	<b>2012 £</b>	<b>2011 £</b>	<b>2011 £</b>
<b>Fixed assets</b>					
Tangible assets	5		9		300,077
Fixed asset investments	6		1		-
			10		300,077
<b>Current assets</b>					
Debtors	7	3,923,619		128,339	
Cash at bank and in hand		52,510		140,090	
		3,976,129		268,429	
<b>Creditors: amounts falling due within one year</b>	8	8,021,707		3,586,850	
<b>Net current liabilities</b>			(4,045,578)		(3,318,421)
<b>Total assets less current liabilities</b>			(4,045,568)		(3,018,344)
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss account			(4,045,570)		(3,018,346)
<b>Shareholders' deficit</b>			(4,045,568)		(3,018,344)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board of directors and authorised for issue on 24/9/13



S P Emary  
Director

The notes on pages 7 to 11 form part of these financial statements



# Enviroparks (Hirwaun) Limited

## Notes forming part of the financial statements for the year ended 31 December 2012

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

#### *Going concern*

The financial statements have been prepared under the going concern basis because the parent company has provided assurance that adequate finance will be available for the company to meet its liabilities as and when they fall due for payment

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates

Plant and machinery - 25% on cost

### 2 Going Concern

These financial statements have been prepared on the going concern basis

The group has issued loan notes of £3,290,000 upon which interest of £256,154 has accrued as at 31 December 2012. These liabilities, together with further accrued interest, are due to be repaid on 24 December 2013.

The group requires financing to be raised to enable these borrowings to be repaid and to provide further funds to enable the group to continue trading until its waste processing facility becomes operational.

This financing will be by way of private corporate bond which is scheduled to be issued in autumn 2013. The directors are confident that the bond issue will complete successfully.

Formally, the sponsorship of the bond remains subject to satisfactory due diligence as well as meeting the appropriate conditions precedent. The existence of conditions that have not yet been satisfied at the time of the signing of these financial statements logically indicate the existence of a material uncertainty as regards their ultimate satisfaction. In the event that these conditions cannot be satisfied and alternative arrangements cannot be put in place, then there may be doubt about the company's ability to continue as a going concern which is considered significant.

In determining to prepare the financial statements on the going concern basis the directors consider that the bond issue will complete successfully as envisaged.

# Enviroparks (Hirwaun) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

## 3 Operating loss

	2012 £	2011 £
This is arrived at after charging		
Depreciation of tangible fixed assets	68	1,164
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	3,410	3,100
	<u>          </u>	<u>          </u>

The directors' are remunerated by Enviroparks Limited

## 4 Taxation on loss on ordinary activities

The company has losses available to carry forward against future profits of £3,868,239 (2011 £2,993,401)

No deferred tax asset has been recognised in respect of these losses as there is uncertainty regarding when suitable future profits will arise against which they can be utilised

## 5 Tangible fixed assets

	Freehold property £	Office equipment £	Total £
<i>Cost or valuation</i>			
At 1 January 2012	300,000	4,708	304,708
Transfers	(300,000)	-	(300,000)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2012	-	4,708	4,708
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Depreciation</i>			
At 1 January 2012	-	4,631	4,631
Provided for the year	-	68	68
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2012	-	4,699	4,699
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net book value</i>			
At 31 December 2012	-	9	9
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2011	300,000	77	300,077
	<u>          </u>	<u>          </u>	<u>          </u>

At the year end, £300,000 was transferred to Enviroparks (Hirwaun Properties) Limited

# Enviroparks (Hirwaun) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

## 6 Fixed asset investments

	Shares in group undertakings and participating interests £
<i>Cost or valuation</i>	
Additions and at 31 December 2012	1

### *Subsidiary undertakings, associated undertakings and other investments*

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Enviroparks (Hirwaun Properties) Limited	Wales	100%	Resource recovery facilities

During the year, Enviroparks (Hirwaun) Limited acquired 100% of Enviroparks (Hirwaun Properties) Limited

## 7 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	3,877,554	-
Other debtors	46,065	128,339
	<u>3,923,619</u>	<u>128,339</u>

All amounts shown under debtors fall due for payment within one year

# Enviroparks (Hirwaun) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

## 8 Creditors: amounts falling due within one year

	2012 £	2011 £
Other loans	33,125	33,125
Trade creditors	321,548	488,006
Amounts owed to group undertakings	7,166,628	2,282,967
Other creditors	500,406	782,752
	<u>8,021,707</u>	<u>3,586,850</u>

## 9 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

## 10 Related party disclosures

D Williams and A Williams are directors of the company and also directors and shareholders of Enviroactive Limited which is a shareholder of Enviroparks Limited. Trade creditors include an amount of £214,950 (2011 £214,950) due to Enviroactive Limited for consultancy services provided to the company.

G Davies, a director of the company and director and shareholder of Enviroparks Limited has advanced a loan to the company. The amount included within creditors at the year end was £33,125 (2011 £33,125).

R Hewitt is a director and shareholder of Enviroparks Limited and also a director and shareholder of B H Capital Limited. Other creditors include an amount of £105,000 (2011 £105,000) payable to B H Capital Limited for professional services.

Upon grant of planning consent in December 2010, the following amounts became due and have been included within other creditors at the year end. These amounts are not payable until the preference shares issued by the parent company have been redeemed.

- 50% premium on trade creditor balance owed to Enviroactive Limited amounting to £107,450 (2011 £107,450)
- £192,000 for consultancy services provided by Enviroactive Limited to the company in 2009 (2011 £192,000)
- 50% premium on the loan owed to G Davies amounting to £16,563 (2011 £16,563)

# Enviroparks (Hirwaun) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2012 (*continued*)

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## 11 Ultimate parent company

The largest and smallest group in which the results of the company are consolidated is that headed by Enviroparks Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.

## 12 Capital commitments

	2012 £	2011 £
Contracted but not provided for	-	950,000
	<hr/>	<hr/>