

Enviroparks Limited

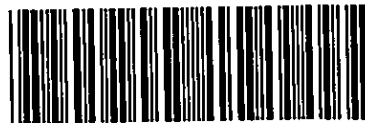
Report and Financial Statements

Year Ended

31 December 2012

Company Number 06219574

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Enviroparks Limited

Report and financial statements for the year ended 31 December 2012

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Directors

S P Emary
M R Hewitt
D Mitchell
A M Williams
D R Williams
M A Bollington

Secretary and registered office

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

Company number

06219574

Auditors

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

Enviroparks Limited

Report of the directors for the year ended 31 December 2012

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 group and company's principal activity is the provision of services in resource recovery, waste management and energy generation including consultancy and advice

Directors

The directors of the company during the year were

G W Davies (resigned 24/04/2013)
S P Emary
M R Hewitt
D Mitchell
A M Williams
D R Williams
M A Bollington (appointed 24/04/2013)

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 group and company 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make 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 Limited

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

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 Limited

Independent auditor's report

To the members of Enviroparks Limited

We have audited the financial statements of Enviroparks Limited for the year ended 31 December 2012 which comprise the consolidated profit and loss account, the consolidated and company balance sheets 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's 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 Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, 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 Limited

Consolidated profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Administrative expenses		1,410,568	1,165,208
Group operating loss	3	(1,410,568)	(1,165,208)
Other interest receivable and similar income		620	798
Interest payable and similar charges	5	(398,266)	(36,062)
Loss on ordinary activities before and after taxation for the financial year		(1,808,214)	(1,200,472)

The notes on pages 8 to 15 form part of these financial statements

Enviroparks Limited

Consolidated balance sheet at 31 December 2012

Company number 06219574	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	8		1,362,108		332,136
Current assets					
Debtors	10	87,091		452,859	
Cash at bank and in hand		1,443,445		600,678	
		<u>1,530,536</u>		<u>1,053,537</u>	
Creditors: amounts falling due within one year	11	<u>5,670,574</u>		<u>2,091,827</u>	
Net current liabilities			<u>(4,140,038)</u>		<u>(1,038,290)</u>
Total assets less current liabilities			<u>(2,777,930)</u>		<u>(706,154)</u>
Creditors: amounts falling due after more than one year	12		-		263,562
			<u>(2,777,930)</u>		<u>(969,716)</u>
Capital and reserves					
Called up share capital	13		1,042		1,042
Share premium account	14		3,359,526		3,359,526
Profit and loss account	14		<u>(6,138,498)</u>		<u>(4,330,284)</u>
Shareholders' deficit			<u>(2,777,930)</u>		<u>(969,716)</u>

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 24/11/13



S P Emary
Director

The notes on pages 8 to 15 form part of these financial statements

Enviroparks Limited

Company balance sheet at 31 December 2012

<i>Company number 06219574</i>	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	8		13,179		22,059
Fixed asset investments	9		204		204
			<u>13,383</u>		<u>22,263</u>
Current assets					
Debtors	10	7,248,663		2,635,206	
Cash at bank and in hand		1,390,233		457,476	
		<u>8,638,896</u>		<u>3,092,682</u>	
Creditors amounts falling due within one year	11	6,951,391		774,744	
		<u>6,951,391</u>		<u>774,744</u>	
Net current assets			<u>1,687,505</u>		<u>2,317,938</u>
Total assets less current liabilities			<u>1,700,888</u>		<u>2,340,201</u>
Creditors: amounts falling due after more than one year	12		-		263,562
			<u>1,700,888</u>		<u>2,076,639</u>
Capital and reserves					
Called up share capital	13		1,042		1,042
Share premium account	14		3,359,526		3,359,526
Profit and loss account	14		(1,659,680)		(1,283,929)
			<u>1,700,888</u>		<u>2,076,639</u>
Shareholders' funds			<u>1,700,888</u>		<u>2,076,639</u>

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. E.

S P Emary
Director

The notes on pages 8 to 15 form part of these financial statements

Enviroparks Limited

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

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Basis of consolidation

The consolidated financial statements incorporate the results of Enviroparks Limited and all of its subsidiary undertakings as at 31 December 2012 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

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% - 33% on cost

Financial liability and equity

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

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 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	8,948	5,753
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	7,000	6,800
Operating lease charges	16,000	7,000
	<u> </u>	<u> </u>

4 Directors' remuneration

	2012 £	2011 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	315,000	224,964
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	3,107	-
All other loans (excluding loans from group companies)	331,554	-
Other interest	63,605	36,062
	<u> </u>	<u> </u>
	398,266	36,062
	<u> </u>	<u> </u>

6 Taxation on loss on ordinary activities

The group has losses available to carry forward against future profits of £5,566,898 (2011 £4,062,851)

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

7 Loss for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the year includes a loss after tax of £375,751 (2011 - £396,137) which is dealt with in the financial statements of the parent company

Enviroparks Limited

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

8 Tangible fixed assets

Group

	Land and buildings £	Plant and machinery etc £	Total £
<i>Cost or valuation</i>			
At 1 January 2012	310,000	31,356	341,356
Additions	1,048,920	-	1,048,920
Disposals	290,000	-	290,000
Transfers	(300,000)	-	(300,000)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	1,348,920	31,356	1,380,276
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2012	-	9,220	9,220
Provided for the year	-	8,948	8,948
	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	18,168	18,168
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2012	1,348,920	13,188	1,362,108
	<hr/>	<hr/>	<hr/>
At 31 December 2011	310,000	22,136	332,136
	<hr/>	<hr/>	<hr/>

Company

	Plant and machinery etc £
<i>Cost or valuation</i>	
At 1 January 2012 and 31 December 2012	26,648
	<hr/>
<i>Depreciation</i>	
At 1 January 2012	4,589
Provided for the year	8,880
	<hr/>
At 31 December 2012	13,469
	<hr/>

Enviroparks Limited

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

8 Tangible fixed assets (*continued*)

Company (*continued*)

	Plant and machinery etc £
<i>Net book value</i>	
At 31 December 2012	13,179
	<hr/>
At 31 December 2011	22,059
	<hr/>

9 Fixed asset investments

Company

	Shares in group undertakings and participating interests £
<i>Cost or valuation</i>	
At 1 January 2012 and 31 December 2012	204
	<hr/>

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
<i>Subsidiary undertakings</i>			
Enviroparks (Hirwaun) Limited	Wales	100%	Resource recovery facilities
Enviroparks (Wisbech) Limited	Wales	100%	Resource recovery facilities
Enviroparks (Wales) Limited	Wales	100%	Dormant
Biomax Fuels Limited	Wales	100%	Dormant
Enviroparks (Peterborough 2) Limited	Wales	100%	Dormant

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

Enviroparks Limited

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

10 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts owed by group undertakings	-	-	7,207,637	2,323,886
Other debtors	87,091	452,859	41,026	311,320
	<u>87,091</u>	<u>452,859</u>	<u>7,248,663</u>	<u>2,635,206</u>

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

11 Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Preference shares	250,000	250,000	250,000	250,000
Other loans	3,634,687	81,125	3,601,562	48,000
Trade creditors	338,809	549,656	17,261	48,450
Amounts owed to group undertakings	-	-	2,135,896	-
Taxation and social security	10,587	16,634	10,587	16,634
Other creditors	1,436,491	1,194,412	936,085	411,660
	<u>5,670,574</u>	<u>2,091,827</u>	<u>6,951,391</u>	<u>774,744</u>

In accordance with FRS 25, the 250,000 preference shares of £1 each have been presented as a liability in the group and company balance sheet as they are redeemable and redemption is not at the company's option

12 Creditors: amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Other loans	-	263,562	-	263,562
	<u>-</u>	<u>263,562</u>	<u>-</u>	<u>263,562</u>

Enviroparks Limited

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

13 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
1,042,191 Ordinary shares of £0 001 each (2011 1,042,191 Ordinary shares of £0 001 each)	1,042	1,042
250,000 preference shares of £1 each	250,000	250,000

14 Reserves

Group

	Share premium account £	Profit and loss account £
At 1 January 2012	3,359,526	(4,330,284)
Loss for the year	-	(1,808,214)
At 31 December 2012	3,359,526	(6,138,498)

Company

	Share premium account £	Profit and loss account £
At 1 January 2012	3,359,526	(1,283,929)
Loss for the year	-	(375,751)
At 31 December 2012	3,359,526	(1,659,680)

Enviroparks Limited

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

15 Share-based payments

Equity-settled

No options were granted during 2012

On 13 April 2011 an option was granted to Hotbed Limited, in consideration for their arrangement of investment into the company, to subscribe for 44,060 ordinary shares in the company at an option price of £0.001 per option share. This option is exercisable at no less than 7 days notice and no more than 21 days after the notice.

On 13 April 2011, options were granted to Roger Hewitt to subscribe for up to 207,000 ordinary shares in the company at an exercise price of £2.50 per option share. All option periods end on 13 April 2014 and the options are exercisable at any time during the option period.

16 Commitments under operating leases

The group and company had annual commitments under non-cancellable operating leases as set out below:

	2012 £	2011 £
Operating leases which expire		
In two to five years	16,000	16,000

17 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 the company. During the year, Enviroactive Limited provided consultancy services to the group amounting to £Nil (2011: £58,750).

Included within trade creditors is an amount of £214,950 (2011: £214,950) owed to Enviroactive Limited for those services.

S Emary, a director of the company, is also a director and shareholder of Callidus Properties Limited which is a shareholder of the company. Callidus Properties Limited supplied consultancy services amounting to £Nil (2011: £43,980) to the company in the year.

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.

During the year, R Hewitt provided consultancy services to the company amounting to £Nil (2011: £24,033). The amount included within creditors at year end is £108,033 (2011: £108,033).

R Hewitt is also a member of Michael Hewitt Associates LLP. During the year, MH Associates LLP provided consultancy services to the company amounting to £95,000 (2011: £68,086). The amount included within creditors at the year end is £79,167 (2011: £7,917).

R Hewitt has advanced a loan of £48,000 to the company. The amount included within creditors at the year end is £48,000 (2011: £48,000). The loan bears a premium of 50% upon repayment and interest charges of 12% per annum. The amount included within creditors at the year end is £29,918 (2011: £Nil).

Enviroparks Limited

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

17 Related party disclosures (continued)

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

G Davies is also a director and 60% shareholder of Fellowman Limited. During the year, Fellowman Limited provided consultancy services to the company amounting to £35,000 (2011: £21,083). At the year end, the balance outstanding was £30,000 (2011: £Nil).

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 have been redeemed:

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

18 Capital commitments

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Contracted but not provided for	-	950,000	-	-