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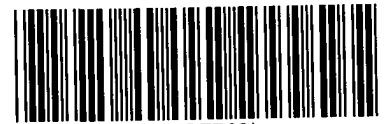
**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2014**

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COMPANIES HOUSE

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**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

M S Scobie  
D Stockley  
W E Riddle  
D J Whittaker  
J Fogg

**COMPANY SECRETARY**

S Bates  
Quayseco Limited

**REGISTERED NUMBER**

07932861

**REGISTERED OFFICE**

Key House  
35 Black Moor Road  
Ebblake Industrial Estate  
Verwood  
Dorset  
BH31 6AT

**INDEPENDENT AUDITORS**

BDO LLP  
Bridgewater House  
Finzels Reach  
Counterslip  
Bristol  
BS1 6BX

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**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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## **NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2014**

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The directors present their report and the financial statements for the year ended 31 January 2014.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 judgments 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.

#### **DIRECTORS**

The directors who served during the year were:

M S Scobie  
D Stockley  
W E Riddle  
D J Whittaker (appointed 16 June 2013)  
J Fogg (appointed 16 June 2013)

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**


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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2014**

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In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13 October 2014 and signed on its behalf.



D Stockley  
Director

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## **NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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We have audited the financial statements of New Earth Energy (West) Operations Limited for the year ended 31 January 2014, 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 Auditors' 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, 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 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 January 2014 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.

#### **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.

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**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEW EARTH ENERGY (WEST)  
OPERATIONS LIMITED**

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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 in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Simon Brooker (senior statutory auditor)

For and on behalf of

**BDO LLP**

Bristol  
United Kingdom

Date: 13/10/2014

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

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**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2014**

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	Note	Year ended 31 January 2014 £	Period ended 31 January 2013 £
<b>TURNOVER</b>	1	<b>1,215,029</b>	-
Cost of sales		<b>(1,389,890)</b>	-
<b>GROSS LOSS</b>		<b>(174,861)</b>	-
Administrative expenses		<b>(4,175)</b>	<b>(4,635)</b>
<b>OPERATING LOSS</b>	2	<b>(179,036)</b>	<b>(4,635)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(179,036)</b>	<b>(4,635)</b>
Tax on loss on ordinary activities	3	<b>(466,000)</b>	-
<b>LOSS FOR THE FINANCIAL YEAR/PERIOD</b>	9	<b>(645,036)</b>	<b>(4,635)</b>

There were no recognised gains or losses for 2014 and 2013 other than those included in the profit and loss account. All gains and losses relate to continuing activities.

The notes on pages 7 to 10 form part of these financial statements.




**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**  
**REGISTERED NUMBER: 07932861**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	4		51,352,788		29,021,083
<b>CURRENT ASSETS</b>					
Debtors	5	331,261		1,956	
<b>CREDITORS:</b> amounts falling due within one year	6	(51,867,719)		(29,027,673)	
<b>NET CURRENT LIABILITIES</b>			(51,536,458)		(29,025,717)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(183,670)		(4,634)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	7		(466,000)		-
<b>NET LIABILITIES</b>			(649,670)		(4,634)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		1		1
Profit and loss account	9		(649,671)		(4,635)
<b>SHAREHOLDERS' DEFICIT</b>			(649,670)		(4,634)

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

  
M S Scobie  
Director

13 October 2014.

The notes on pages 7 to 10 form part of these financial statements.

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## NEW EARTH ENERGY (WEST) OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### 1.2 Going concern

The company has net current liabilities of £51,536,458 (2013 - £29,025,717).

The business plan projections up to January 2016 demonstrate the company can trade within its facilities with the support of its major shareholder, New Earth Recycling & Renewables (Infrastructure) plc.

##### 1.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Energy from waste plant	-	straight line basis over 20 years from the date the plant becomes fully operational
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##### 1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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## NEW EARTH ENERGY (WEST) OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Foreign exchange

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred except to the extent they are covered by a foreign exchange contract in which case the contract rate is used. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date except to the extent they are covered by a foreign exchange contract in which case the contracted rate is used. Any differences are taken to the profit and loss account.

##### 1.8 Finance costs capitalised

Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of these assets.

##### 1.9 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. OPERATING LOSS

The operating loss is stated after charging:

	<b>Year ended 31 January 2014 £</b>	<b>Period ended 31 January 2013 £</b>
Auditors' remuneration	<b>2,575</b>	<b>3,000</b>

During the year, no director received any emoluments (2013 - £NIL).

#### 3. TAXATION

	<b>Year ended 31 January 2014 £</b>	<b>Period ended 31 January 2013 £</b>
<b>Analysis of tax charge in the year/period</b>		
<b>Deferred tax (see note 7)</b>		
Deferred tax timing differences	<b>466,000</b>	-
<b>Tax on loss on ordinary activities</b>	<b>466,000</b>	-

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**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2014**

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**4. TANGIBLE FIXED ASSETS**

	Energy from waste plant £
<b>Cost</b>	
At 1 February 2013	29,021,083
Additions	22,331,705
At 31 January 2014	<u>51,352,788</u>

Included within fixed asset additions is £4,842,478 (2013 - £2,092,393) of capitalised finance costs on a) a loan to New Earth Energy Facilities Management Limited by New Earth Recycling & Renewables (Infrastructure) plc, which has significant influence and provides finance to the company and group and b) a loan to New Earth Energy (Avonmouth) Limited from various investors. At 31 January 2014 £6,934,871 (2013 - £2,092,393) of capitalised finance costs were included in fixed asset cost.

**5. DEBTORS**

	2014 £	2013 £
Trade debtors	82,821	-
Other debtors	248,440	1,956
	<u>331,261</u>	<u>1,956</u>

**6. CREDITORS:  
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	312,692	1,655,432
Amounts owed to group undertakings	50,542,830	26,545,773
Other creditors	1,012,197	826,468
	<u>51,867,719</u>	<u>29,027,673</u>

**7. DEFERRED TAXATION**

	2014 £	2013 £
At 1 February 2013	-	-
Charged to profit & loss account	466,000	-
At 31 January 2014	<u>466,000</u>	<u>-</u>

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**NEW EARTH ENERGY (WEST) OPERATIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2014**

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**8. SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

**9. RESERVES**

	Profit and loss account £
At 1 February 2013	(4,635)
Loss for the year	(645,036)
At 31 January 2014	<u>(649,671)</u>

**10. CAPITAL COMMITMENTS**

At 31 January 2014, the company had capital commitments of £Nil (2013 - £8,300,000) for construction of the Avonmouth Energy plant.

**11. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by the Financial Reporting Standard for Smaller Entities not to disclose transactions with members of the group headed by New Earth Energy Facilities Management Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

During the year, the company was invoiced £Nil (2013 - £38,425) by Adrian Jones Consultancy Limited. At 31 January 2014, the company owed £Nil (2013 - £7,200). M A Jones is a director of both Adrian Jones Consultancy Limited and New Earth Solutions Group Limited, an associate investor.

NEAT Contracting Limited and New Earth Energy (West) Operations Limited are related parties by virtue of their common directorships and shareholders. At the year end a balance of £1,500 was owed from NEAT Contracting Limited (2013: £Nil).

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a subsidiary of New Earth Energy (Avonmouth) Limited, which is a subsidiary of New Earth Energy Facilities Management Limited. The ultimate parent is New Earth Recycling & Renewables (Infrastructure) plc, a company registered in the Isle of Man.

The largest and smallest group in which the results of the company are consolidated is that headed by New Earth Energy Facilities Management Limited. The consolidated accounts are available to the public from Companies House.