

Company Registration No. 04372081 (England and Wales)

**TRADEBE MANAGEMENT LIMITED**  
**UNAUDITED ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

MONDAY



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COMPANIES HOUSE

# TRADEBE MANAGEMENT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	<i>Grupo Tradebe Medioambiente SL</i> Mr Robin Randall Mr Victor Creixell De Villalonga
<b>Secretary</b>	Mr Jordi Creixell Sureda
<b>Company number</b>	04372081
<b>Registered office</b>	Atlas House Third Avenue Globe Park Marlow Buckinghamshire SL7 1EY
<b>Accountants</b>	RSM UK Tax and Accounting Limited Chartered Accountants Springpark House Basing View Basingstoke Hampshire RG21 4HG

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# TRADEBE MANAGEMENT LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present the strategic report and financial statements for the year ended 31 December 2018.

#### Review of the business

The principal activity of the company was that of the provision of hazardous waste management services, and to act as a cost centre so as to allow the recharge of costs to other group entities.

Management detected that the Intercompany recharges for the years ending 31 December 2014, 2015, 2016 and 2017 had not been reflected in their respective financial statements. Breakdown is shown below:

Fiscal Year	£000
Profit and Loss 2014	5,532
Profit and Loss 2015	5,001
Profit and Loss 2016	9,354
Profit and Loss 2017	11,534
<b>Total</b>	<b>31,421</b>

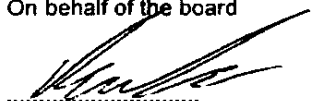
Therefore, a prior year adjustment has been reflected in the 2018 Financial Statements. The correction represents a prior period accounting error as the adjustment had always been made before 1 January 2014 as part of the company's nature of operations undertaken on behalf of the group.

Consequently, the company has adjusted all comparative amounts presented in the current year statements affected by this error, including the impact on tax charge and amounts owed to group undertakings.

The intercompany recharge income is recognised within revenue.

In addition the directors have reviewed how the company categorises expenses and have concluded that recognising all expenses as cost of sales more accurately reflects the business activity. As a result of this all administrative expenses recognised in the year ended 31 December 2017 have been restated as cost of sales.

On behalf of the board



Mr Robin Randall

Director

27/06/2019

# TRADEBE MANAGEMENT LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### Principal activities

The principal activity of the company was that of the provision of hazardous waste management services, and to act as a cost centre so as to allow the recharge of costs to other group entities.

#### Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Grupo Tradebe Medioambiente SL	(Appointed 29 October 2018)
Mr Robin Randall	(Appointed 9 October 2018)
Mr Victor Creixell De Villalonga	
Mr Robert Molenaar	(Resigned 29 October 2018)
Tradebe Management SL	(Resigned 29 October 2018)

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### Exemption from audit

The company was entitled to exemption for the audit under section 479a of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

On behalf of the board



Mr Robin Randall

Director

Date: ... 27/06/2019

# **TRADEBE MANAGEMENT LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors are responsible for preparing the Annual 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; 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 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.

**ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF TRADEBE  
MANAGEMENT LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2018**

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In order to assist you to fulfil your duties under the Companies Act 2006 the Act, we prepared for your approval the financial statements of Tradebe Management Limited which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Tradebe Management Limited, as a body, in accordance with the terms of our engagement letter dated 25 February 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Tradebe Management Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Tradebe Management Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Tradebe Management Limited under the Act. You consider that Tradebe Management Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Tradebe Management Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

*RSM UK Tax & Accounting Limited*

RSM UK Tax and Accounting Limited  
Chartered Accountants  
Springpark House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

*27 June 2019*

## TRADEBE MANAGEMENT LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

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		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£000</b>	<b>as restated £000</b>
<b>Revenue</b>	<b>5</b>	13,343	11,750
Cost of sales		(15,450)	(9,898)
<b>Gross (loss)/profit</b>		<u>(2,107)</u>	<u>1,852</u>
Finance costs	<b>8</b>	(1,706)	(953)
<b>(Loss)/profit before taxation</b>		<u>(3,813)</u>	<u>899</u>
Tax on (loss)/profit	<b>9</b>	(528)	181
<b>(Loss)/profit and total comprehensive income for the financial year</b>		<u><u>(4,341)</u></u>	<u><u>1,080</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

**TRADEBE MANAGEMENT LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£000</b>	<b>as restated £000</b>
<b>Fixed assets</b>			
Intangible assets - goodwill	10	779	779
Property, plant and equipment	11	1,201	1,808
		<u>1,980</u>	<u>2,587</u>
<b>Current assets</b>			
Deferred tax asset	15	12	539
Trade and other receivables falling due after more than one year	12	137,951	125,162
Other receivables	12	117,009	86,489
Cash and cash equivalents		74	62
		<u>255,046</u>	<u>212,252</u>
<b>Current liabilities</b>			
Borrowings	13	51,522	40,844
Trade and other payables	14	6,679	10,377
Taxation and social security		290	571
		<u>58,491</u>	<u>51,792</u>
<b>Net current assets</b>		<u>196,555</u>	<u>160,460</u>
<b>Total assets less current liabilities</b>		<u>198,535</u>	<u>163,047</u>
<b>Non-current liabilities</b>			
Borrowings	13	191,308	160,594
Trade and other payables	14	7,322	4,271
Derivative financial instruments		725	661
		<u>199,355</u>	<u>165,526</u>
<b>Net assets</b>		<u>(820)</u>	<u>(2,479)</u>



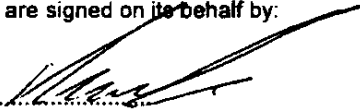
**TRADEBE MANAGEMENT LIMITED****STATEMENT OF FINANCIAL POSITION (CONTINUED)****AS AT 31 DECEMBER 2018**

		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£000</b>	<b>as restated £000</b>
<b>Equity</b>			
Called up share capital	17	8,920	2,920
Retained earnings		(9,740)	(5,399)
<b>Total equity</b>		<u>(820)</u>	<u>(2,479)</u>

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors and authorised for issue on 27/06/2019 and are signed on its behalf by:

.....  
  
 Mr Robin Randall  
 Director

# TRADEBE MANAGEMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

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	Notes	Share capital £000	Retained earnings £000	Total £000
<b>As restated for the period ended 31 December 2017:</b>				
Balance at 1 January 2017		2,920	(26,366)	(23,446)
Effect of prior period adjustment		-	19,887	19,887
		<hr/>	<hr/>	<hr/>
<b>As restated</b>		2,920	(6,479)	(3,559)
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	1,080	1,080
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>		2,920	(5,399)	(2,479)
<b>Year ended 31 December 2018:</b>				
Loss and total comprehensive income for the year		-	(4,341)	(4,341)
Issue of share capital	17	6,000	-	6,000
		<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>		<u>8,920</u>	<u>(9,740)</u>	<u>(820)</u>

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Tradebe Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is Atlas House Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY.

#### Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- revenue disclosures, including:-
  - Disaggregated and total revenue from contracts with customers; [FRS 101.8(eA), IFRS 15.113(a), 114 & 115]
  - Explanation of significant changes in contract assets and liabilities; [FRS 101.8(eA), IFRS 15.118]
  - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred; [FRS 101.8(eA), IFRS 15.119(a)to(c)]
  - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised; [FRS 101.8(eA), IFRS 15.120-122]
  - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract; [FRS 101.8(eA), IFRS 15.123,125 &127 (a)]
  - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract; [FRS 101.8(eA), IFRS 15.124, 126 & 127(b)]

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Tradebe Environmental Services Limited. The group accounts of Tradebe Environmental Services Limited are available to the public and can be obtained as set out in note 19.

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## TRADEBE MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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##### 1 Accounting policies (Continued)

###### **Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Although the company returned a loss in the year and remain in a negative net asset position, it now recharges the costs it incurs to other group companies and is also the vehicle that provides long term debt to the group.

###### **Revenue**

The company generates revenue from the provision of group services to the wider group.

Revenue is recognised when the performance obligation has been satisfied by transferring the promised service to the customer (being other group companies).

###### **Impairment of non-financial assets**

###### *Capitalised contract costs and contract fulfilment assets*

The company undertakes an assessment at each reporting date to determine whether capitalised contract costs and contract fulfilment assets are impaired. An impairment loss is recognised if the carrying amount of the capitalised contract costs or contract fulfilment asset exceeds the remaining consideration expected to be received for the services to which the asset relates, less the costs that directly relate to providing the services under the contract.

###### **Deferred and accrued income**

Where the payment schedule within a customer contract does not match the transfer of goods and services, the group will recognise either accrued or deferred income.

A deferred income contract liability is recognised where payments made exceed the revenue recognised at the period end date. An accrued income contract asset is recognised where payments made are less than the revenue recognised at the period end date.

###### **Intercompany recharges**

Revenue from recharges to other group entities is recognised by reference to the amount of costs incurred on each entities behalf.

###### **Goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed if, and only if, the reasons for the impairment loss have ceased to apply.

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	50 years straight line
Fixtures and fittings	4-10 years straight line
Plant and equipment	4-10 years straight line
Computers	4-10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### ***Loans and receivables***

Trade receivables are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs.

Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method.

Trade receivables are primarily amounts due from group undertakings.

Trade receivables are reported net of a provision for expected credit loss. The process of estimating the collection of trade debtors involves significant assumptions and judgments. Specifically, the bad debt provision is based on management's analysis of historic and forward looking information on expected credit loss.

##### **Financial assets at fair value through profit or loss**

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income.

##### ***Impairment of financial assets***

The company recognises an allowance for expected credit losses, or an ECL, for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### **Trade receivables**

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

Impairment losses and any subsequent reversals of impairment losses, are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### *Intercompany receivables*

Balances owed by group entities are carried at fair value in accordance with the inter group's structured financing arrangement. Short term inter group financing is repayable on demand and is deemed to have a near zero expected credit loss.

#### **Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### **Other financial liabilities**

##### *Trade and other payables*

Trade, group and other payables are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

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

All loans and borrowings are initially recognised at fair value, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

#### **Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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## **TRADEBE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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##### **1 Accounting policies (Continued)**

###### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

###### **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

###### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

###### **Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.



# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

#### **IFRS 9 'Financial Instruments' (IFRS 9)**

The company has applied IFRS 9 'Financial Instruments' (IFRS) for the first time in the year ended 31 December 2018. IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and measurement'. The significant changes are set out below.

As a result of the adoption of IFRS 9 the company has adopted consequential changes to IAS 1 Presentation of financial statements. In addition the company has applied the consequential amendments to IFRS 7 'Financial Instruments: Disclosure' to the current period only. Comparatives have not been restated as the cumulative catch-up approach has been applied. There have been no adjustments as a result of applying IFRS 9.

The classification of financial assets under IFRS 9 is based on whether the contractual cash flows of the instrument are solely payments of principal and interest, and whether the business model is to collect those contractual cash flows and/or sell the financial assets. The classification and measurement of financial assets under IFRS 9 is set out below.

All the company's financial assets were previously classified as loans and receivables under IAS 39 and are classified as assets at amortised cost under IFRS 9.

The only change in measurement of financial assets on application of IFRS 9 arises from impairment of financial assets. IFRS 9 requires impairments of financial assets to be assessed using an 'expected loss' model. Given the nature of the financial assets held by the company, management have determined that use of the expected loss model does not create a material financial impact and no adjustment has been made.

The application of IFRS 9 has not changed the measurement of the company's financial liabilities or the company's accounting policies for the recognition or derecognition of financial instruments. Impairment losses and reversals of impairment losses are included within administrative expenses.

#### **IFRS 15 'Revenue from contracts with customers' (IFRS 15)**

IFRS 15 Revenue from contracts with customers, has been adopted by the group in the current year, with a date of initial application of 1 January 2018. IFRS 15 requires recognition of revenue to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods and services.

The group has applied IFRS 15 using the cumulative catch up approach. The impact of adoption to IFRS 15 has not had an impact on the financial statements. There have been changes in revenue disclosures and the revenue accounting policy.

## TRADEBE MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **3 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management do not consider there to be any assumptions nor estimation uncertainties that would have a significant risk of resulting in a material adjustment within the next financial year.

#### **4 Prior year adjustment**

In preparing the financial statements of the company for the year ended 31 December 2018 the directors noticed that the intercompany recharges for the years ending 31 December 2014, 2015, 2016 and 2017 had not been reflected in their respective financial statements.

The correction represents a prior period accounting error as the adjustment had always been made before 1 January 2014 as part of the company's nature of operations undertaken on behalf of the group. Consequently, the company has adjusted all comparative amounts presented in the current year statements affected by this error, including the impact on the amounts owed to group undertakings. Due to the intercompany recharges being with an entity from the same tax group there is no change to the tax charge in the comparative year.

The intercompany recharge income is recognised within revenue.

In addition the directors have reviewed how the company categorises expenses and have concluded that recognising all expenses as cost of sales more accurately reflects the business activity. As a result of this all administrative expenses recognised in the year ended 31 December 2017 have been restated as cost of sales.

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Prior year adjustment (Continued)

#### Changes to the statement of financial position

	At 31 December 2017			
	As previously reported £000	Adjustment at 1 January 2017 £000	Adjustment at 31 December 2017 £000	As restated £000
<b>Current assets</b>				
Amounts due from fellow group undertakings: due within one year	54,227	19,887	11,534	85,648
Net current assets	129,039	19,887	11,534	160,460
Net liabilities	(33,900)	19,887	11,534	(2,479)
<b>Capital and reserves</b>				
Profit and loss account	(36,820)	19,887	11,534	(5,399)

#### Changes to the income statement

	At 31 December 2017		
	As previously reported £000	Adjustment £000	As restated £000
Revenue	216	11,534	11,750
Cost of sales	(33)	(9,865)	(9,898)
<b>Gross profit</b>	183	1,669	1,852
Administrative expenses	(9,865)	9,865	-
<b>Operating (loss)/profit</b>	(9,682)	11,534	1,852
Finance costs	(953)	-	(953)
Tax on loss	181	-	181
<b>(Loss)/profit for the financial year</b>	(10,454)	11,534	1,080

## TRADEBE MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

<b>5 Revenue</b>		
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Revenue analysed by class of business</b>		
Waste disposal management services	20	216
Intercompany recharges	13,323	11,534
	<u>13,343</u>	<u>11,750</u>
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Revenue analysed by geographical market</b>		
United Kingdom	13,343	11,750
	<u>13,343</u>	<u>11,750</u>
<b>6 Operating (loss)/profit</b>		
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	2,438	(1,764)
Depreciation of property, plant and equipment	301	253
(Profit)/loss on disposal of property, plant and equipment	(1)	1,440
	<u>2,738</u>	<u>(1,071)</u>
<b>7 Employees</b>		
The average monthly number of persons (including directors) employed by the company during the year was:		
	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Administrative	113	109
Commercial	35	34
Managers	9	11
Operating	495	474
	<u>652</u>	<u>628</u>
Their aggregate remuneration comprised:		
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	7,422	6,650
Social security costs	671	658
Pension costs	260	225
	<u>8,353</u>	<u>7,533</u>

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

<b>8</b>	<b>Finance costs</b>		
		<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts, loans and derivatives	1,706	953
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Income tax expense</b>		
		<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
	<b>Deferred tax</b>		
	Origination and reversal of temporary differences	11	(181)
	Arising from write down or reversal of write down of deferred tax asset	414	-
	Adjustment in respect of prior periods	103	-
		<u>          </u>	<u>          </u>
		528	(181)
		<u>          </u>	<u>          </u>

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

		<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
	(Loss)/profit before taxation	(3,813)	899
		<u>          </u>	<u>          </u>
	Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2017: 19.25%)	(724)	173
	Effect of expenses not deductible in determining taxable profit	(2)	18
	Income not taxable	-	(159)
	Change in unrecognised deferred tax assets	468	-
	Adjustment in respect of prior years	103	-
	Effect of change in UK corporation tax rate	(1)	(115)
	Group relief	-	1,749
	Prior period adjustments group relieved	-	(2,220)
	Fixed asset differences	-	373
	Reversal of previously recognised deferred tax	413	-
	Other differences	271	-
		<u>          </u>	<u>          </u>
	<b>Taxation charge/(credit) for the year</b>	<b>528</b>	<b>(181)</b>
		<u>          </u>	<u>          </u>

The UK Corporation Tax rate reduced from 20% to 19% from 1 April 2017 and a further reduction to 17% (effective from 1 April 2020) has been substantively enacted at the year end date. These changes will affect the company's future current tax charge accordingly.

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10 Intangible fixed assets

	<b>Goodwill £000</b>
<b>Cost</b>	
At 31 December 2017	779
At 31 December 2018	779
<b>Carrying amount</b>	
At 31 December 2018	779
At 31 December 2017	779

#### 11 Property, plant and equipment

	<b>Freehold land and buildings £000</b>	<b>Fixtures and fittings £000</b>	<b>Plant and equipment £000</b>	<b>Computers £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 31 December 2017	1,064	19	3,080	879	5,042
Additions	-	-	-	640	640
Disposals	(942)	-	(25)	-	(967)
At 31 December 2018	122	19	3,055	1,519	4,715
<b>Accumulated depreciation and impairment</b>					
At 31 December 2017	102	19	2,512	601	3,234
Charge for the year	20	-	102	179	301
Eliminated on disposal	-	-	(21)	-	(21)
At 31 December 2018	122	19	2,593	780	3,514
<b>Carrying amount</b>					
At 31 December 2018	-	-	462	739	1,201
At 31 December 2017	962	-	568	278	1,808

# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Trade and other receivables

	Current		Non-current	
	2018	2017 as restated	2018	2017
	£000	£000	£000	£000
Other receivables	380	841	-	-
Amounts due from fellow group undertakings	116,629	85,648	137,951	125,162
	<u>117,009</u>	<u>86,489</u>	<u>137,951</u>	<u>125,162</u>

#### (a) Contract with customers

Impairment losses on receivables arising from contracts with customers were £nil (2017: £nil).

#### (b) Contract balances

	31 December 2018	31 December 2017	1 January 2017
	£000	£000	£000
Receivables included within 'Trade and other receivables'	31	-	-
Contract assets	-	65	-
Contract liabilities	-	-	-
	<u>-</u>	<u>65</u>	<u>-</u>

Contract assets predominantly relate to fulfilled obligations which are billed monthly in arrears. At the point where completed work is invoiced, the contract asset is derecognised, and a corresponding receivable recognised.

Contract liabilities relate to consideration received from customers in advance of the performance obligation being satisfied.

(c) Revenue recognised in the year that was included in the opening contract liability balance was £nil.

(d) Revenue recognised in the year from performance obligations satisfied (or partially satisfied) in previous periods was £nil (2017: £65,000).

(e) The group will settle intercompany trading balances on a monthly basis.

(f) Obligations for returns, refunds and other similar obligations was £nil (2017: £nil).

(g) There are no warranties and related obligations for the year.

(h) The group does not have any costs of obtaining or costs of fulfilling a contract that meet the criteria for capitalisation under IFRS 15.

## TRADEBE MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 13 Borrowings

	2018 £000	2017 £000
<b>Secured borrowings at amortised cost</b>		
Bank overdrafts	51,522	40,844
Bank loans	191,308	160,594
	<u>242,830</u>	<u>201,438</u>

#### Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2018 £000	2017 £000
Current liabilities	51,522	40,844
Non-current liabilities	191,308	160,594
	<u>242,830</u>	<u>201,438</u>

As of June, 6th 2017, the holding company (Grupo Tradebe Medio Ambiente, S.L.) and its main subsidiaries, through the company Tradebe Management Limited, amended and extended the syndicated facility (the Amend and Extend, "A&E") subscribed on December, 18th 2014.

The syndicated financing is now composed by a tranche A1 100,000,000 EUR (amortising 6-year loan 50% amortising the 6th year), a Tranche A2 112,670,000 USD (same amortising profile as A1) and a Tranche B (5-year revolving facility). The terms and conditions of the funding are those common from such a corporate funding. Interest is charged subject to a margin ratchet depending on the leverage ratio. As of 31 December 2018, the interest was 2.20% above EURIBOR (31/12/2016 – 3.0%) and 2.45% above USD Libor. The A&E was subscribed by the same Lenders than the 2014 syndicated facility plus ING Bank.

As of December 2018, the company refinanced modifying the existing loan. After the modification, the syndicated financing is now composed of a €95m European term loan, a \$107m USD term loan, and a €29.5m and £6m revolving facility.

The associated costs of raising debt are being amortised over the term of the loan. The outstanding amount of the deferred interests as of 31 December 2018 was £679,163.

The group has amended the previous interest hedging to now contract an interest hedge swap for 60% of tranche A1 and 50% of tranche A2 to manage interest rate risk on firm future commitments. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values, were a liability of £724,970 (2017: £660,884).



# TRADEBE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 Trade and other payables

	Current		Non-current	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade payables	581	352	-	-
Payments received on account	3,825	7,996	-	-
Amounts due to fellow group undertakings	487	643	6,523	3,700
Accruals	1,299	1,222	799	571
Other payables	487	164	-	-
	<u>6,679</u>	<u>10,377</u>	<u>7,322</u>	<u>4,271</u>

The company has (together with Tradebe Environmental Services Limited and its fellow subsidiary undertakings and certain other companies owned by Grupo Tradebe Medio Ambiente SL or its associated companies) entered into a composite guarantee in favour of Banco Bilbao Vizcaya Argentaria SA (as security agent for itself and a syndicate of Spanish and International banks) as security for the current and future bank borrowings of Tradebe Management Limited (a subsidiary undertaking of Tradebe Environmental Services Limited, the UK parent undertaking) to Banco Bilbao Vizcaya Argentaria SA and a syndicate of banks. The loan is detailed in note 13. The liability is included in these financial statements in its entirety as the principal borrower.

### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Accelerated capital allowances £000	Tax losses £000	Retirement benefit obligations £000	Total £000
Deferred tax asset at 1 January 2017	(61)	(292)	(6)	(359)
<b>Deferred tax movements in prior year</b>				
Charge/(credit) to profit or loss	48	-	(107)	(59)
Other	-	(121)	-	(121)
Deferred tax asset at 1 January 2018	<u>(13)</u>	<u>(413)</u>	<u>(113)</u>	<u>(539)</u>
<b>Deferred tax movements in current year</b>				
Charge to profit or loss	1	413	113	527
Deferred tax asset at 31 December 2018	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(12)</u>

## TRADEBE MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

#### 15 Deferred taxation (Continued)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018 £000	2017 £000
Deferred tax assets	(12)	(539)

#### 16 Retirement benefit schemes

##### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £260,000 (2017: £225,000).

17 Share capital	2018 £000	2017 £000
<b>Ordinary share capital</b>		
<i>Issued and fully paid</i>		
8,920,002 Ordinary shares of £1 each	8,920	2,920

During the year 6,000,000 ordinary shares of £1 each at par have been issued.

#### 18 Operating lease commitments

##### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2018 £000	2017 £000
Minimum lease payments under operating leases	250	268

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £000	2017 £000
Within one year	21	176
Between one and five years	39	173
	60	349

# **TRADEBE MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **19 Controlling party**

The company's immediate parent undertaking party is Tradebe Environmental Services Limited who hold 100% of the company's issued share capital.

The smallest group financial statements, which include the company, are available from Tradebe Environmental Services Limited, Atlas House, Third Avenue, Globe Business Park, Marlow, Buckinghamshire, SL7 1EY.

The company's ultimate parent undertaking is Grupo Tradebe Medio Ambiente, S.L., a company registered in Spain.

The Grupo Tradebe Medio Ambiente, S.L. group financial statements, which include the company, are available from Grupo Tradebe Medio Ambiente S.L., Av. Barcelona, 109, Planta 5, E-08970, Sant Joan Despi, Barcelona, Spain.

The company's ultimate controlling party is Josep Creixell Sureda by virtue of his majority ownership of Grupo Tradebe Medio Ambiente, S.L.