

**ENGA LIMITED**

**Company registration number 02453049**

**FILING FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**ENGA LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	D C Guy A J M Koskull J G C Koskull
<b>Company secretary</b>	Moore Stephens (South) LLP
<b>Registered number</b>	02453049
<b>Registered office</b>	Unit 33 Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ
<b>Independent auditor</b>	Scott-Moncrieff Chartered Accountants Exchange Place 3 Sempie Street Edinburgh EH3 8BL
<b>Bankers</b>	Adam & Company Plc 25 St Andrew Square Edinburgh EH2 1AF
<b>Solicitors</b>	Gillespie Macandrew LLP 5 Atholl Crescent Edinburgh EH3 8EJ

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGA LIMITED

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### Opinion

We have audited the financial statements of Enga Limited for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGA LIMITED (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGA LIMITED (CONTINUED)

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**Responsibilities of the directors**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.

**Use of our report**

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, as a body, 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.

**Michael Harkness (Senior statutory auditor)**

**for and on behalf of**

**Scott-Moncrieff, Statutory Auditor**

Chartered Accountants

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

8 September 2018

BALANCE SHEET  
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	17,188,660	3,218,499
Investments	5	24	24
		<u>17,188,684</u>	<u>3,218,523</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	38,092	57,250
Debtors: amounts falling due within one year	6	2,968,827	340,316
Cash at bank and in hand		1,205,505	4,152
		<u>4,212,424</u>	<u>401,718</u>
Creditors: amounts falling due within one year	7	(434,666)	(334,169)
		<u>3,777,758</u>	<u>67,549</u>
<b>Net current assets</b>			
		<u>20,966,442</u>	<u>3,286,072</u>
<b>Total assets less current liabilities</b>			
<b>Provisions for liabilities</b>			
Deferred tax	8	(825,645)	(400)
		<u>(825,645)</u>	<u>(400)</u>
<b>Net assets</b>			
		<u>20,140,797</u>	<u>3,285,672</u>
<b>Capital and reserves</b>			
Called up share capital		2,250,000	2,250,000
Profit and loss account-non distributable		13,145,222	-
Profit and loss account-distributable		4,745,575	1,035,672
		<u>20,140,797</u>	<u>3,285,672</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**ENGA LIMITED**  
**REGISTERED NUMBER:02453049**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

**A J M Koskull**  
Director

Date: 8 September 2018

The notes on pages 7 to 16 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which (the majority of) the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2017.

The continuing activities of Enga Limited is the ownership and commercial exploitation of land and forests.

The company is a private company limited by shares and is incorporated in United Kingdom and registered in England. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is 02453049.

**2. Accounting policies**

**2.1 Going concern**

The company has a strong balance sheet and funds in the bank and the directors are of the opinion that the company will continue to meet its obligations as they fall due for the foreseeable future.

On this basis the directors consider it appropriate to prepare these financial statements on a going concern basis.

**2.2 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies.

The following principal accounting policies have been applied:

**2.3 Statement of cashflows**

The financial statements do not include a statement of cashflows because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under FRS102.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Foreign currency translation**

The company's functional and presentation currency is GBP. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions.

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

**2.7 Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.9 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimate useful lives, on a reducing balance basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.9 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Land & commercial forests	- Not depreciated
Fixtures and fittings	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

As permitted under Financial Reporting Standard 102 Section 1A the directors have elected in the year to change the accounting method for land and commercial forests from cost to valuation. These assets will be carried at current year value at the balance sheet date based on valuations carried out at the year-end.

As the company retains the title to salvage the timber the directors are confident that all of the company's assets are insured adequately.

**2.10 Investments**

Investments are held at cost less impairment.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Consolidation**

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

**2.13 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.14 Cash**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.15 Financial instruments**

Financial instruments are recognised in the statement of income and retained earnings when the company becomes a party to the contractual provisions of the instrument. Financial instruments are classified as either 'basic' or 'other' in Chapter 11 of FRS102. The company only enters into basic financial instruments. All financial instruments are initially measured at transaction price. At the end of each reporting period, basic financial instruments are measured at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.15 Financial instruments (continued)**

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**2.16 Creditors**

Short term creditors are measured at the transaction price.

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**3. Employees**

The average monthly number of employees, including directors, during the year was 3 (2016 - 3).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Tangible fixed assets

	Land £	Fixtures and fittings £	Commercial forests £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	3,214,810	21,226	-	3,236,036
Revaluations	13,970,530	-	-	13,970,530
Transfers between classes	(10,031,360)	-	10,031,360	-
At 31 December 2017	7,153,980	21,226	10,031,360	17,206,566
<b>Depreciation</b>				
At 1 January 2017	-	17,537	-	17,537
Charge for the year on owned assets	-	369	-	369
At 31 December 2017	-	17,906	-	17,906
<b>Net book value</b>				
At 31 December 2017	7,153,980	3,320	10,031,360	17,188,660
<b>At 31 December 2016</b>	3,214,810	3,689	-	3,218,499

The land and commercial forests were valued at the year-end by Gresham House Forestry Limited, advisors in forestry investment and asset management. The historical cost of the land and commercial forests, had they not been revalued, would be £3,214,810.

Biological assets have been disclosed separately as "Commercial Forests" in line with the treatment set out in section 34 of FRS 102.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Fixed asset investments

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
<b>Cost</b>			
At 1 January 2017	1	23	24
At 31 December 2017	1	23	24
<b>Net book value</b>			
At 31 December 2017	1	23	24
<b>At 31 December 2016</b>	1	23	24

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Longford Coal Limited	Scotland	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the investments in associates were as follows:

	Aggregate of share capital and reserves £
Longford Coal Limited	1
	1

**Investment in associates**

Name	Country of incorporation	Class of shares	Holding	Principal activity
JAK Forestry Limited	Ireland	Ordinary	30%	The ownership and commercial exploitation of land and forests.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Debtors

	2017 £	2016 £
<b>Due after more than one year</b>		
Other debtors	38,092	57,250
	<u>38,092</u>	<u>57,250</u>
<b>Due within one year</b>		
Trade debtors	1,008,777	98,058
Amounts owed by joint ventures and associated undertakings	196,032	196,032
Other debtors	19,000	19,000
Prepayments and accrued income	1,745,018	27,226
	<u>2,968,827</u>	<u>340,316</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	42,199	29,005
Amounts owed to group undertakings	1	225,001
Corporation tax	210,928	29,249
Other taxation and social security	159,614	29,858
Other creditors	56	-
Accruals and deferred income	21,868	21,056
	<u>434,666</u>	<u>334,169</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

8. Deferred taxation

	2017 £	2016 £
At beginning of year	(400)	-
Charged to Statement of Income and Retained Earnings	(825,245)	(400)
<b>At end of year</b>	<b>(825,645)</b>	<b>(400)</b>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(337)	(400)
Capital gains	(825,308)	-
	<b>(825,645)</b>	<b>(400)</b>

9. Related party transactions

At 31 December 2017 the company owed £nil (2016: £225,000) to Engaholms Forvaltning AB, the company's parent.

During the year business expenses totalling £16,319 (2016: £16,263) were paid on behalf of the company by A J M Koskull. A total of £15,548 (2016: £15,479) was remitted back to the director during the year and a personal expense of the director of £715 was paid by the company. At 31 December 2017, the balance due to Mr Koskull was £56 (2016: £nil).

At 31 December 2017 the company owed £1 (2016: £1) to Longford Coal Limited, the company's wholly owned subsidiary. The debt is unsecured, interest-free and has no fixed terms of repayment.

The company has a loan amount outstanding of £196,032 (2016 : £196,032) due from JAK Forestry limited, an Irish company which the company owns 30% of the share capital. There was no movement on this loan in the year. The loan is interest free and repayable on demand.

10. Controlling party

The immediate, and ultimate, parent company is Engaholms Forvaltning AB (formerly Engaholms Godsforvaltning AB), a company registered in Sweden. The company was controlled throughout the current and previous year by Mr A J M Koskull, a director, by virtue of his controlling interest in Engaholms Forvaltning AB(formerly Engaholms Godsforvaltning AB). The company is exempt from the requirement to prepare group accounts by virtue of section 398 of the Companies Act 2006. These financial statements therefore present information about the company and not about its group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**11. Other professional services provided by the auditor**

In common with other small companies of this size and nature the auditor is employed to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.