

Wheelabrator Group Limited

Annual report and financial statements

For the year ended 31 December 2015

Registered Number: 33672



Wheelabrator Group Limited

Report and financial statements 2015

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Wheelabrator Group Limited

Strategic report

Business review

The company's turnover reduced to £23.6m from £27.6m in 2014. Although revenue generated by the company's branch in Hong Kong increased, revenue in the UK was adversely affected by the ending of the distribution agreement for one of its product ranges. The company is taking steps to replace this business during late 2016.

The company is responsible for the sale of surface preparation technology it developed historically, along with that developed by other group companies, in designated regions. In so doing it is responsible for implementing in its regions the Norican Group strategy of focusing on supporting existing installations in mature markets, while promoting the sale of new equipment into developing and emerging markets.

The company sold its freehold property during the year; since the year end, it has relocated to a new site which it considers is more suitable to its current operational requirements.

Principal risks and uncertainties

The principal risks facing the company arise from the levels of economic activity in its markets. Although the global market continues to be difficult, the company believes that the depth of its product range and the diversity of its export markets, supported by continuing development of its sales representation in those territories, will enable it to continue to meet the challenge of the future.

Key performance indicators

The company measures its performance by monitoring margins achieved against an annual plan and capital equipment projects are also monitored individually against the estimates prepared at the time the order is accepted. A comprehensive reporting package, comparing actual performance to both budget and last year, is produced each month. This, along with a monthly rolling forecast, constitutes the key performance indicators used within the business.

Future developments

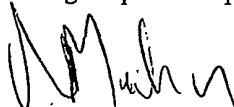
Activity levels in 2016 will continue to be affected by the ending of the distribution agreement referred to in the Business review; there may also be an effect on activity levels of the UK's decision to leave the European Union.

The company has, however, launched new products during 2016 which it expects will contribute to an improvement in performance in future years.

Since the year end, the company has, as mentioned in note 17 to the financial statements, closed its defined benefit pension scheme to future accrual.

Approval

The strategic report was approved on behalf of the Board on 22 September 2016



N C Moseley
Secretary

Date: 22 September 2016

Wheelabrator Group Ltd
22 Edward Court
Broadheath
Altrincham
Cheshire
WA14 5GL

Wheelabrator Group Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2015.

Results and dividends

The profit for the year is shown in the profit and loss account on page 7; the review of the business is contained in the strategic report.

No dividend is recommended for the year (2014: £nil).

Existence of branches outside the UK

The company has a branch, as defined in section 1046(3) of the Companies Act 2006, in Hong Kong

Going concern

The directors have 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 in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1 in the financial statements.

An indication of likely future developments of the company is noted within the strategic report.

Financial risk management objectives and policies

The company's risks and uncertainties are reviewed as part of the overall Group (Norican Global A/S) and the company is therefore affected by the same principle risks and uncertainties as the rest of the Group.

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency and interest rate risks), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Credit risk

The Company's principal financial assets are bank balances and trade receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The Company's principal source of liquidity is cash generated from its operations; with additional funding, if required, made available by the Group.

Wheelabrator Group Limited

Directors' report (continued)

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The company predominantly transacts its operational activities with third parties in its local currency, although the global nature of the business can lead to transactional risks at the balance sheet date. This arises because the amount of local currency received or paid for transactions denominated in a foreign currency varies due to changes in foreign exchange rates. Where this risk is considered material, the company will enter into forward foreign exchange contracts.

Capital risk management

The company's objectives in managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Directors

The directors, who served throughout the year, and thereafter, were as follows:

I B Bird

A J Matsuyama

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

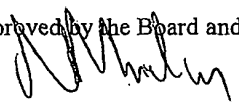
Deloitte LLP, who were appointed as auditor during the year, have expressed their willingness to continue in office. Under the Companies Act 2006, section 487 (2), they will automatically be reappointed as auditor 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their reappointment.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objection has been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Wheelabrator Technologies (UK) Limited, as the immediate parent of the entity.

Approved by the Board and signed on its behalf by:


N C Moseley
Secretary

Date: 22 Sept 2016

Wheelabrator Group Ltd
22 Edward Court
Altrincham
WA14 5GL

Wheelabrator Group Limited

Directors' responsibilities statement

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 including FRS 102). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Wheelabrator Group Limited

Independent auditor's report to the members of Wheelabrator Group Limited

We have audited the financial statements of Wheelabrator Group Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Wheelabrator Group Limited

Independent auditor's report to the members of Wheelabrator Group Limited (continued)

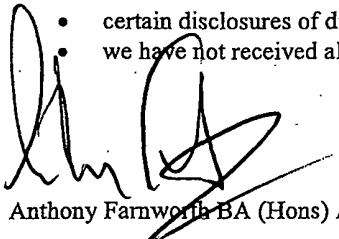
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Anthony Farnworth BA (Hons) ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester, United Kingdom

26/09/2016

Wheelabrator Group Limited

Profit and loss account

For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover	3	23,593	27,561
Cost of sales		(16,791)	(19,766)
Gross profit		6,802	7,795
Distribution costs		(3,131)	(2,550)
Administrative expenses		(3,172)	(3,733)
Other operating income		950	-
Operating profit		1,449	1,512
Finance income (net)	4	801	746
Profit on ordinary activities before taxation	5	2,250	2,258
Tax on profit on ordinary activities	8	(156)	(235)
Profit for the financial year attributable to the equity shareholders of the Company		<u>2,094</u>	<u>2,023</u>

The above results derive from continuing operations.

Wheelabrator Group Limited

Statement of comprehensive income

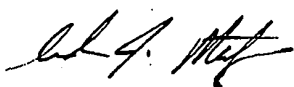
	Note	2015 £000	2014 £000
Profit for the financial year		<u>2,094</u>	<u>2,023</u>
Remeasurement of net defined benefit liability	17	(1,042)	(1,627)
Tax relating to components of other comprehensive income		<u>208</u>	<u>325</u>
Total other comprehensive expense		<u>(834)</u>	<u>(1,302)</u>
Total comprehensive income attributable to equity shareholders of the Company		<u><u>1,260</u></u>	<u><u>721</u></u>

Wheelabrator Group Limited

Balance sheet At 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	9	-	64
Tangible assets	10	204	437
		<hr/>	<hr/>
		204	501
Current assets			
Stocks	11	254	575
Debtors	12	34,375	33,992
Cash at bank and in hand		4,928	3,325
		<hr/>	<hr/>
		39,557	37,892
Creditors: amounts falling due within one year	13	(6,300)	(7,034)
		<hr/>	<hr/>
Net current assets		33,257	30,858
		<hr/>	<hr/>
Total assets less current liabilities		33,461	31,359
Provisions for liabilities	14	-	(15)
Pension liability	17	(9,000)	(8,143)
		<hr/>	<hr/>
Net assets		24,461	23,201
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	15	1,374	1,374
Share premium account		17,919	17,919
Other reserve		-	169
Profit and loss account		5,168	3,739
		<hr/>	<hr/>
Total equity		24,461	23,201
		<hr/>	<hr/>

The financial statements of Wheelabrator Group Limited (registered number 33672) were approved by the board of directors and authorised for issue on 22 September 2016. They were signed on its behalf by:



A J Matsuyama
Director

Wheelabrator Group Limited

Statement of changes in equity

At 31 December 2015

	Called-up share capital £'000	Share premium account £'000	Other reserve £'000	Profit and loss account £'000	Total £'000
At 31 December 2013 as previously stated	1,374	17,919	169	3,018	22,480
Changes on transition to FRS 102 (see note 10)	-	-	-	-	-
At 1 January 2014	1,374	17,919	169	3,018	22,480
Profit for the financial year	-	-	-	2,023	2,023
Remeasurement of net defined benefit liability	-	-	-	(1,627)	(1,627)
Tax relating to items of other comprehensive income	-	-	-	325	325
Total comprehensive income	-	-	-	721	721
At 31 December 2014	1,374	17,919	169	3,739	23,201
Profit for the financial year	-	-	-	2,094	2,094
Remeasurement of net defined benefit liability	-	-	-	(1,042)	(1,042)
Tax relating to items of other comprehensive income	-	-	-	208	208
Total comprehensive income	-	-	-	1,260	1,260
Reclassification	-	-	(169)	169	-
At 31 December 2015	<u>1,374</u>	<u>17,919</u>	<u>-</u>	<u>5,168</u>	<u>24,461</u>

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Wheelabrator Group Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 20.

The functional currency of Wheelabrator Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Wheelabrator Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Wheelabrator Group Limited is consolidated in the financial statements of its parent, Norican Global A/S, a company incorporated in Denmark. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, emuneration of key management personnel and related party transactions.

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The directors have 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 annual financial statements.

c. Intangible assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses is capitalised and amortised in equal annual instalments over its estimated useful economic life. Provision is made for any impairment.

Separately acquired patents and trademarks are included at cost and amortised in equal annual instalments over their estimated useful economic life. Provision is made for any impairment.

d. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% per annum
Leasehold land and buildings	term of lease
Plant and machinery	10-25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

1. Accounting policies (continued)

e. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

e. Financial instruments (continued)

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iii) Convertible loan notes

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria in (i) above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method. If those criteria are not met, the financial liability component is measured at fair value through profit or loss.

(iv) Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

e. Financial instruments (continued)

(v) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(vi) Hedge accounting

The Company designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the Company determines and documents causes for hedge ineffectiveness.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line related to the hedged item in profit or loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

f. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

g. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

h. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies (continued)

h. Taxation (continued)

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

j. Employee benefits

The company offers pensions to all employees through a funded defined benefit scheme and a number of defined contribution schemes.

Contributions to defined contribution schemes are charged to profit and loss account in the year in which they become payable.

The assets of the defined benefit scheme are held separately from those of the company in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. Further details in respect of these pension arrangements are shown in note 17. Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the group are charged to the statement of comprehensive income in accordance with FRS 102.

k. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

l. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

m. Research & development expenditure

Expenditure on research and development is written off to the profit and loss account in the period in which it is incurred.

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty – Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 *Revenue* and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Key source of estimation uncertainty – Valuation of stock

The company reviews its stock valuation continually to ensure that items are not valued at above net realisable values. Current selling prices and historic rates of sale are reviewed to ensure that a suitable provision is made to the carrying value of the stock where there is the likelihood that an item might be sold below its historic price.

3. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2015 £000	2014 £000
Turnover:		
United Kingdom	11,653	16,494
Rest of World	11,940	11,067
	<u>23,593</u>	<u>27,561</u>

All turnover is derived from the company's principal activity.

4. Finance income (net)

	2015 £000	2014 £000
Interest payable and similar charges	(4)	(4)
Interest receivable	1,153	1,116
Other finance costs	(348)	(366)
	<u>801</u>	<u>746</u>

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

4. Finance income (net) (continued)

Interest receivable and similar income

	2015 £000	2014 £000
Inter company loan interest receivable	1,153	1,112
Other interest receivable and similar income	-	4
	<u>1,153</u>	<u>1,116</u>

Interest payable and similar charges

	2015 £000	2014 £000
Bank loans and overdrafts	4	-
Intercompany loan interest payable	-	4
	<u>4</u>	<u>4</u>

Other finance costs

	2015 £000	2014 £000
Net interest on defined benefit liability (see note 17)	<u>348</u>	<u>366</u>

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015 £000	2014 £000
Depreciation of tangible fixed assets (note 10)	92	90
Amortisation of intangible assets (note 9)	64	90
Research and development	46	219
Operating lease rentals	545	565
Foreign exchange loss / (gain)	110	(13)
Gain on disposal of fixed assets	(950)	-
Cost of stock recognised as an expense	<u>12,164</u>	<u>14,489</u>

6. Auditor's remuneration

Fees payable to Deloitte and their associates for the audit of the company's annual accounts were £29,808 (2014: £51,000 paid to BDO LLP).

Fees payable to Deloitte and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

7. Staff numbers and costs

The average monthly number of employees was:

	2015 Number	2014 Number
Production	44	53
Selling and distribution	37	35
Administration	24	24
	<u>105</u>	<u>112</u>

Their aggregate remuneration comprised:

	2015 £000	2014 £000
Wages and salaries	4,907	5,742
Social security costs	568	655
Other pension costs (see note 17)	357	285
	<u>5,832</u>	<u>6,682</u>

'Other pension costs' includes only those items included within operating costs.

The emoluments of the directors were paid by Wheelabrator Group Inc, which makes no recharge to the Company. They are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. The total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate parent company.

8. Tax on profit on ordinary activities

The tax charge comprises:

	2015 £000	2014 £000
Current tax on profit on ordinary activities		
UK corporation tax	-	113
Foreign tax	74	89
	<u>74</u>	<u>202</u>
Adjustments in respect of prior years		
UK corporation tax	20	-
	<u>94</u>	<u>202</u>
Deferred tax		
Origination and reversal of timing differences	88	59
Decrease in estimate of recoverable deferred tax asset	(26)	(26)
	<u>156</u>	<u>235</u>
Total tax on profit on ordinary activities		

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

8. Tax on profit on ordinary activities (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £000	2014 £000
Profit on ordinary activities before tax	2,250	2,258
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.49 per cent)	456	485
Effects of:		
- Expenses not deductible for tax purposes	20	37
- Fixed asset differences	(153)	(45)
- Other timing differences	7	18
- Group relief	(191)	(260)
- Foreign branch tax adjustment	17	-
Total tax charge for the year	156	235

9. Intangible fixed assets

	Goodwill £000
Cost	
1 January and 31 December 2015	1,108
Amortisation	
At 1 January 2015	1,044
Charge for the year	64
At 31 December 2015	1,108
Net book value	
At 31 December 2015	-
At 31 December 2014	64

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

10. Tangible fixed assets

	Freehold property £000	Short leasehold property £000	Plant & machinery £000	Total £000
Cost or valuation				
At 1 January 2015	565	353	2,921	3,839
Additions	-	-	176	176
Disposals	(565)	(43)	(124)	(732)
Exchange Adjustments	-	-	3	3
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2015	<u>-</u>	<u>310</u>	<u>2,976</u>	<u>3,286</u>
Depreciation				
At 1 January 2015	237	325	2,840	3,402
Charge for the year	11	28	53	92
Disposals	(248)	(43)	(124)	(415)
Exchange adjustments	-	-	3	3
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2015	<u>-</u>	<u>310</u>	<u>2,772</u>	<u>3,082</u>
Net book value				
At 31 December 2015	<u>-</u>	<u>-</u>	<u>204</u>	<u>204</u>
At 31 December 2014	<u>328</u>	<u>28</u>	<u>81</u>	<u>437</u>

11. Stocks

	2015 £000	2014 £000
Work in progress	24	22
Finished goods and goods for resale	230	553
	<u>254</u>	<u>575</u>

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

12. Debtors

	2015 £000	2014 £000
Amounts falling due within one year:		
Trade debtors	3,445	4,023
Amounts owed by associates	29,975	28,881
Other debtors	224	313
Prepayments and accrued income	395	370
Deferred tax asset	336	405
	<u>34,375</u>	<u>33,992</u>

Other debtors include £204,000 (2014: £250,000) in respect of cash deposits lodged with the group's bankers to secure bonds issued to customers. These deposits are released to the company on expiry of the bond liabilities.

The deferred tax asset of £336,000 (2014: £405,000) is made up of £133,000 (2014: £225,000) of accelerated capital allowances and £203,000 (2014: £180,000) of other short term timing differences. The deferred tax asset has been recognised in the current year on the basis that the directors expect the reversal of the underlying timing differences to occur in the foreseeable future.

13. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	565	1,142
Amounts owed to associates	1,925	1,761
Corporation tax	49	144
Other taxation and social security	447	713
Accruals and deferred income	3,314	3,274
	<u>6,300</u>	<u>7,034</u>

14. Provisions for liabilities

	Product warranties £000
At 1 January 2015	15
Released unused	(15)
At 31 December 2015	<u>-</u>

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

15. Called-up share capital and reserves

	2015 £000	2014 £000
Allotted, called-up and fully-paid 1,374,353 ordinary shares of £1 each	1,374	1,374

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The other reserves relates to a revaluation reserve now written off to the profit and loss account.

16. Financial commitments

The company had no capital commitments at 31 December 2015 or 2014.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
- within one year	133	149	252	178
- between one and five years	195	101	301	170
	<u>328</u>	<u>250</u>	<u>553</u>	<u>348</u>

17. Pensions

Pensions

The Company operates a number of defined contribution schemes for which the pension cost charge for the year amounts to £52,000 (2014: £49,000).

Contributions of £8,000 were outstanding at the year end in respect of the schemes (2014: £nil).

The company also operates a funded defined benefit scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The most recent actuarial valuation of the scheme was at 6 April 2015 and the assumptions that have the most significant effect on the results of the valuation are the rate of return on investments and the rates of increase in salaries and pensions. This valuation has been updated on an FRS 102 basis by the scheme actuary at 31 December 2015.

The market value of the scheme assets at the last valuation date (31 December 2015) was £29,630,000 (previously £30,440,000). The actuarial value of these assets represented 72.5% (2014 - 75%) of the benefits that had accrued to members after allowing for expected increases in earnings. The company is paying increased contributions to the scheme, which is expected to remove the deficit as at 6 April 2015 over a period agreed between the company and the trustees.

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

17. Pensions (continued)

Contributions paid into the scheme were £623,000 during the year (2014 - £652,000).

Reconciliation of present value of plan liabilities

	2015	2014
	£'000	£'000
At 1 January 2015	40,618	37,032
Current service cost	305	236
Interest cost	1,410	1,609
Actuarial losses	221	3,363
Benefits paid	(1,820)	(1,800)
Employee contributions	146	178
	<hr/>	<hr/>
At 31 December 2015	40,880	40,618

Composition of plan liabilities

	2015	2014
	£'000	£'000
Schemes wholly or partly funded	41,148	40,886

Reconciliation of fair value of plan assets

	2015	2014
	£'000	£'000
At the beginning of the year	30,440	28,431
Expected rate of return on plan assets	1,062	1,243
Actuarial (losses)/gains	(821)	1,736
Contributions by group	623	652
Benefits paid	(1,820)	(1,800)
Employee contributions	146	178
	<hr/>	<hr/>
At the end of the year	29,630	30,440

The actual return on plan assets for the year ended 31 December 2015 was £241,000 (2014 - £2,979,000).

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

17. Pensions (continued)

Market value of the scheme's assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 2015 £'000	Value at 2014 £'000
Assets		
Equities	12,864	13,156
Government stock	4,253	4,583
Corporate bonds	11,590	11,751
Other - cash	178	173
Value of insured pensions	745	777
	<u>29,630</u>	<u>30,440</u>

Reconciliation to balance sheet and five year history

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of scheme liabilities	(40,880)	(40,618)	(37,032)	(36,108)	(32,995)
Fair value of scheme assets	29,630	30,440	28,431	26,817	24,190
Deficit in the scheme	<u>(11,250)</u>	<u>(10,178)</u>	<u>(8,601)</u>	<u>(9,291)</u>	<u>(8,805)</u>
Related deferred tax asset	2,250	2,035	1,720	2,137	2,202
Net pension liability	<u>(9,000)</u>	<u>(8,143)</u>	<u>(6,881)</u>	<u>(7,154)</u>	<u>(6,603)</u>

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

17. Pensions (continued)

The movement in the deficit during the year was as follows:

	2015 £'000	2014 £'000
Deficit in scheme, net of tax, at beginning of year	(8,143)	(6,881)
Current service cost	(305)	(236)
Contributions paid	623	652
Other finance costs	(348)	(366)
Actuarial loss	(1,042)	(1,627)
Movement in deferred tax	215	315
	<hr/>	<hr/>
Deficit net of tax in the scheme at end of year	(9,000)	(8,143)
	<hr/>	<hr/>

Analysis of amounts included in other finance costs

	2015 £'000	2014 £'000
Expected return on pension scheme assets	(1,410)	(1,243)
Interest on pension scheme liabilities	1,062	1,609
	<hr/>	<hr/>
	348	366
	<hr/>	<hr/>

Other finance cost is included within 'interest payable' in the profit and loss account.

The major assumptions used in this valuation were:

	2015 %	2014 %
Rate of increase in salaries	2.20	1.85
Rate of increase in pensions in payment	2.83	2.68
Discount rate	3.65	3.55
Inflation assumption (RPI)	3.20	3.05
Inflation assumption (CPI)	2.20	1.85

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Wheelabrator Group Limited

Notes to the financial statements For the year ended 31 December 2015

17. Pensions (continued)

Analysis of amounts recognised in the statement of comprehensive income

	2015 £'000	2014 £'000
Actual return less expected return on assets	(821)	1,736
Experience gains and losses arising on liabilities	(292)	282
Changes in assumptions underlying the present value of the scheme liabilities	71	(3,645)
	<u>(1,042)</u>	<u>(1,627)</u>

Analysis of amount recognised in statement of total recognised gains and losses:

	2015	2014	2013	2012	2011
Actual return less expected return on scheme assets (£'000)	(821)	1,736	975	1,833	(926)
Percentage of year end scheme assets	2.8%	5.7%	3.4%	6.8%	3.8%
Experience gains and losses arising on scheme liabilities (£'000)	(292)	282	(434)	(44)	(842)
Percentage of present value of year end scheme liabilities	0.7%	0.7%	1.2%	0.1%	2.6%
Actuarial (loss)/gain recognised in Statement of comprehensive income (£'000)	(1,042)	(1,627)	497	(543)	(3,475)
Percentage of present value of year end scheme liabilities	2.5%	4.0%	1.3%	1.5%	10.5%

The company's best estimate of the contributions expected to be paid in the year beginning 1 January 2016 is £584,000. The scheme was closed to future accrual with effect from 31 August 2016.

18. Contingent liabilities

The Norican Group has loan and working capital facilities from its lenders amounting to €215m available for utilisation by participating group companies. At 31 December 2015, the utilisation of these facilities was €199m (2014: €202.6m). The facility matures over the period between 26 February 2021 and 26 February 2022. In common with other participating companies, the company has given a fixed and floating charge on its assets to secure these facilities.

The company has given bank guarantees to customers in respect of advance payments and the performance of goods sold, amounting to £582,000 (2014: £1,467,000).

A guarantee is also in place for £10,000 (2014: £20,000) in favour of HM Revenue and Customs.

Wheelabrator Group Limited

Notes to the financial statements

For the year ended 31 December 2015

19. Ultimate controlling party & immediate controlling party

The directors regard Norican Global A/S, registered in Denmark, as the ultimate parent company and Altor Fund IV Holding AB, registered in Sweden, as the ultimate controlling party.

The smallest and largest group in which the company's results are consolidated is that headed by Norican Global A/S, Hojager 8, DK-2630, Taastrup, Denmark.

20. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Reconciliation of profit for 2014

	£000
Profit for the financial year under previous UK GAAP	2,291
<i>Amendment to pension costs on adoption of FRS 102</i>	(16)
<i>Amendment to other finance costs on adoption of FRS 102</i>	(320)
<i>Change in tax charge</i>	68
Profit for the financial year under FRS 102	<u>2,023</u>

There were no changes to equity as a consequence of the adoption of FRS 102.