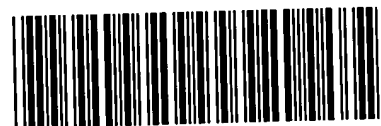


Registered number: 00806128

**VEOLIA ES CLEANAWAY (UK) LIMITED**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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# **VEOLIA ES CLEANAWAY (UK) LIMITED**

## **COMPANY INFORMATION**

<b>DIRECTORS</b>	D Gerrard R Hunt
<b>COMPANY SECRETARY</b>	E Aitken
<b>REGISTERED NUMBER</b>	00806128
<b>REGISTERED OFFICE</b>	210 Pentonville Road London N1 9JY
<b>INDEPENDENT AUDITOR</b>	Ernst & Young LLP No. 1 Colmore Square Birmingham B4 6HQ

## **VEOLIA ES CLEANAWAY (UK) LIMITED**

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## **VEOLIA ES CLEANAWAY (UK) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **INTRODUCTION**

The Directors present the Strategic report for the year ended 31 December 2016.

Veolia ES Cleanaway (UK) Limited ("the Company") is a non-trading entity. The Company did not trade in the year and is not expected to trade in the foreseeable future.

The Company is registered and domiciled in the United Kingdom.

The Company is part of the Veolia Group ("The Group"), which is defined as all companies under the control of the ultimate parent company, Veolia Environnement S.A., headquartered in Paris. The Company is also a member of the "UK group", a division of The Group, based in the UK and involved in the provision of waste, water and energy services, and directly or indirectly under the ownership of Veolia UK Limited ("VUK").

#### **BUSINESS REVIEW**

The Group is currently going through a process of dissolving a number of its dormant entities, some of which are subsidiaries of the Company. As a result, the Company recognised income in respect of loan waivers, which have been offset by impairments against a number of its investments and loans, resulting in an overall loss in the year of £36,404k (2015: £nil). The reserves have also been impacted by a restatement to the prior year balances in respect of a prior year error which has been further explained in note 2.1.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

In common with all businesses, the Company recognises certain risk factors that are both external and internal to the Company. Given the Company is a non-trading entity the Directors consider the principal risks and uncertainties to which the Company is exposed to be minimal.

The following highlights some of the particular risks, but is not intended to be an extensive analysis of all risks affecting the business. Some risks may be unknown to the Company and other risks, currently regarded as immaterial, could turn out to be material. All of them have a potential to impact the Company's assets, liquidity and capital resources adversely. The Board has approved that the Company manages the majority of these risks by utilising the resources and processes developed and operated within the UK group as whole.

##### **Investment risk**

The Company is affected by the reliability of its subsidiaries to pay dividends. A subsidiary's risk of not being able to recover its debtor balances will lead to a longer term inability to pay dividends which may result in an impairment of the Company's investment in that subsidiary, having a direct impact on the Company's results in that year and net assets going forward. As these balances are wholly due from Group fellow subsidiaries the Directors consider the Company's exposure to this risk to be acceptable.

## **VEOLIA ES CLEANAWAY (UK) LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

##### **Health and safety, quality and environment**

The Company has no employees, but remains fully committed to respecting the UK group's corporate, legal and social responsibilities for health and safety, quality and the environment. The UK group looks to improve its systems and performance with specific year on year targets which are constantly measured. Safety is one of the UK group's top priorities and is the opening agenda item for all regular senior management meetings. The Health and Safety theme for 2016 was "Thinksafe, Worksafe, Homesafe"; there was also a specific "Sleepsafe" initiative to reduce the risk to rough sleepers sheltering in waste containers. The 2016 theme was aimed at ensuring everyone understood that they were responsible for health and safety within our organisation. The UK group is continuing on this path in 2017 with a particular emphasis on "Home safe", encouraging a proactive safety culture to make sure our team, and all those we interact with, return home safely every day. All staff are actively encouraged to report "near misses" to ensure "near misses" of today do not become injury incidents of the future.

The UK group has an open relationship with all regulatory bodies, including the various Environment Agency bodies across the UK. The UK group has a number of environmental compliance officers and has a wide range of policies covering environmental checklists, greenhouse gas tracking, effluent flows, and all aspects relating to environmental impact assessments. The UK group maintains health, safety and quality to OSHAS18001, ISO14001 and ISO9001 certification levels. The Directors therefore consider the risk associated with health and safety, quality and environment to be acceptable.

##### **Financial risks**

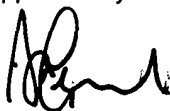
The Company has no direct exposure to external finance risks, but is exposed to counter-party credit risk in terms of its receivables balances. As these balances are wholly due from Group fellow subsidiaries the Directors consider the Company's exposure to this risk to be acceptable.

##### **Other risks**

Following the referendum which will result in the UK leaving the European Union, Veolia will continue to develop its business in the UK and monitor the effects of the decision in line with The Group statement released in Paris on 24 June 2016: "Veolia will of course continue its journey in the UK. That means that we will continue to invest both in terms of financial and human resources to ensure we remain competitive and innovative".

This report was approved by the board on 27 June 2017 and signed on its behalf.

**D Gerrard**  
Director



## **VEOLIA ES CLEANAWAY (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present their report and the financial statements for the year ended 31 December 2016.

As permitted, certain information regarding the Company, including a review and analysis of the development and performance of the Company's business during the year and a description of the principal risks and uncertainties facing the Company are contained within the Strategic report.

### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £36,404k (2015: £nil).

There were no dividends paid in the year under review (2015: £nil).

### **DIRECTORS**

The Directors who served during the year and the period to date were:

D Gerrard  
R Hunt

No director has, or has had, a material interest, directly or indirectly at any time during the year.

### **DIRECTORS' INDEMNITY**

The Directors are entitled to be indemnified by the Company to the extent permitted by law in respect of losses arising out of or in connection with the execution of their powers, duties and responsibilities. Veolia Environnement S.A., the Company's ultimate parent company, maintains Directors' and Officers' liability insurance for the Directors in respect of their duties as directors. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report. Neither the indemnities nor the insurance provide cover in the event that the Director is proved to have acted fraudulently.

### **GOING CONCERN**

The Company's Balance sheet is robust with reserves of £52,727k (2015 (as restated): £89,131k) and at year end reported net current assets of £49,169k (2015 (as restated): £37,924k).

The Company has short term loans, repayable on demand, with Group fellow subsidiaries who participate in UK group centralised treasury arrangements and so shares banking and intercompany loan arrangements with the UK parent and other fellow subsidiaries. The Directors have therefore received written confirmation from VUK that they will, if required, provide financial support to the Company for the coming year. The Directors have made enquires and have gained assurance that VUK is in a position to provide this support if needed.

Having taken into account the above, the Directors continue to adopt the going concern basis in the statutory financial statements.

### **FINANCIAL INSTRUMENTS**

Financial instruments give rise to foreign currency, interest rate, credit, price and liquidity risk. Information on how these risks arise is set out in the Strategic report.

The Company's borrowings and loans are all denominated in pound sterling and therefore the Company has no foreign currency exposure on its financing. The Company's borrowings are interest-free loans with Group fellow subsidiaries and therefore there is no interest rate risk.

It is, and has been throughout the period under review, the Company's policy that no trading in speculative derivative financial instruments shall be undertaken.

## **VEOLIA ES CLEANAWAY (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. GENERAL INFORMATION**

Veolia ES Cleanaway (UK) Limited is a private company limited by shares, incorporated in England and Wales.

#### **2. ACCOUNTING POLICIES**

##### **2.1 Prior year adjustment**

In May 2011, Serviceteam Commercial Limited ("SCL"), a Group fellow subsidiary was dissolved. As part of the wind-down of SCL's balance sheet the loan balance outstanding with the Company, for £6,154k, was waived in September 2010. The Company submitted dormant accounts for the year ended 31 December 2010 and continued to do so until 31 December 2015 and as a result did not recognise the loan waiver. The opening reserves and creditor balances have been restated as at 1 January 2016 to account for the decrease in creditors and the credit to reserves of £6,154k.

##### **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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's financial statements are presented in pound sterling and all values are rounded to the nearest thousand pound sterling (£000) except when otherwise indicated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company is consolidated in the consolidated financial statements of its ultimate parent company and controlling entity, Veolia Environnement S.A. (incorporated in France). Copies of the consolidated financial statements for Veolia Environnement S.A. are available from the Registered office at 21 rue La Boétie, 75008 Paris, France.

The following principal accounting policies have been applied:

##### **2.3 First time application of FRS 102**

The Company transitioned from UK GAAP to FRS 102 with a transition date of 1 January 2014. However, as the Company was dormant it took advantage of the relief available under FRS 102 not to restate its transition date Balance sheet until there is any change to existing balances.

The Balance sheet has been reviewed in the current year the Company has made no measurement or recognition adjustments to previously reported equity, net assets or profit after tax on first time adoption of FRS 102.

The principal accounting policies are detailed below.

**VEOLIA ES CLEANAWAY (UK) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

**AUDITORS**

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

This report was approved by the board on 27 June 2017 and signed on its behalf.



**D Gerrard**  
Director



## **VEOLIA ES CLEANAWAY (UK) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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.

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VEOLIA ES CLEANAWAY (UK) LIMITED**

We have audited the financial statements of Veolia ES Cleanaway (UK) Limited for the year ended 31 December 2016, which comprise the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement set out on page 5, 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 Strategic report, Directors' report and financial statements 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

- 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.
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

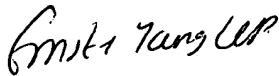
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VEOLIA ES CLEANAWAY (UK) LIMITED (CONTINUED)**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or Directors' report.

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.



Helen Hemming (Senior statutory auditor)  
for and on behalf of  
**Ernst & Young LLP (Statutory Auditor)**  
Birmingham

30 June 2017

**VEOLIA ES CLEANAWAY (UK) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £000	2015 £000
Impairment of fixed asset investments	8	(47,649)	-
Impairment of loans to Group fellow subsidiaries		(530)	-
Loan waivers from Group fellow subsidiaries		11,775	-
<b>Loss before tax</b>		<b>(36,404)</b>	<b>-</b>
Tax on loss	7	-	-
<b>Loss for the year</b>		<b>(36,404)</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(36,404)</b>	<b>-</b>

**VEOLIA ES CLEANAWAY (UK) LIMITED**  
**REGISTERED NUMBER: 00806128**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £000	As restated 2015 £000
Investments	8	3,558	51,207
		<u>3,558</u>	<u>51,207</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	78,872	79,402
		<u>78,872</u>	<u>79,402</u>
Creditors: amounts falling due within one year	10	(29,703)	(41,478)
		<u>(29,703)</u>	<u>(41,478)</u>
<b>Net current assets</b>		<u>49,169</u>	<u>37,924</u>
<b>Total assets less current liabilities</b>		<u>52,727</u>	<u>89,131</u>
<b>Net assets</b>		<u>52,727</u>	<u>89,131</u>
<b>Capital and reserves</b>			
Called up share capital	11	89,531	89,531
Share premium account		704	704
Capital contribution		300	300
Profit and loss account		(37,808)	(1,404)
		<u>52,727</u>	<u>89,131</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2017.

**D Gerrard**  
Director



**VEOLIA ES CLEANAWAY (UK) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Capital contribution £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 January 2015 (as restated)</b>	<b>89,531</b>	<b>704</b>	<b>300</b>	<b>(1,404)</b>	<b>89,131</b>
<b>Comprehensive income for the year</b>					
Result for the year	-	-	-	-	-
<b>At 1 January 2016 (as restated)</b>	<b>89,531</b>	<b>704</b>	<b>300</b>	<b>(1,404)</b>	<b>89,131</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(36,404)	(36,404)
<b>At 31 December 2016</b>	<b>89,531</b>	<b>704</b>	<b>300</b>	<b>(37,808)</b>	<b>52,727</b>

The notes on pages 11 to 17 form part of these financial statements.

## **VEOLIA ES CLEANAWAY (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. GENERAL INFORMATION**

Veolia ES Cleanaway (UK) Limited is a private company limited by shares, incorporated in England and Wales.

#### **2. ACCOUNTING POLICIES**

##### **2.1 Prior year adjustment**

In May 2011, Serviceteam Commercial Limited ("SCL"), a Group fellow subsidiary was dissolved. As part of the wind-down of SCL's balance sheet the loan balance outstanding with the Company, for £6,154k, was waived in September 2010. The Company submitted dormant accounts for the year ended 31 December 2010 and continued to do so until 31 December 2015 and as a result did not recognise the loan waiver. The opening reserves and creditor balances have been restated as at 1 January 2016 to account for the decrease in creditors and the credit to reserves of £6,154k.

##### **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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's financial statements are presented in pound sterling and all values are rounded to the nearest thousand pound sterling (£000) except when otherwise indicated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company is consolidated in the consolidated financial statements of its ultimate parent company and controlling entity, Veolia Environnement S.A. (incorporated in France). Copies of the consolidated financial statements for Veolia Environnement S.A. are available from the Registered office at 21 rue La Boétie, 75008 Paris, France.

The following principal accounting policies have been applied:

##### **2.3 First time application of FRS 102**

The Company transitioned from UK GAAP to FRS 102 with a transition date of 1 January 2014. However, as the Company was dormant it took advantage of the relief available under FRS 102 not to restate its transition date Balance sheet until there is any change to existing balances.

The Balance sheet has been reviewed in the current year the Company has made no measurement or recognition adjustments to previously reported equity, net assets or profit after tax on first time adoption of FRS 102.

The principal accounting policies are detailed below.

## **VEOLIA ES CLEANAWAY (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.4 FRS 102 - reduced disclosure exemptions**

The consolidated financial statements of Veolia Environnement S.A, are prepared in accordance with IFRS and are publicly available, and may be obtained from the address above.

The following disclosures have not been provided as permitted by FRS 102:

- The rights and any restrictions of share capital as required by Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- A cash flow statement and related notes as required by Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d).

As the consolidated financial statements of Veolia Environnement S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following:

- The requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29 regarding disclosures in respect of financial instruments and fair value;
- The requirement of Section 33 Related Party Disclosures paragraph 33.7, to disclose key management personnel compensation in total;
- The requirement of Section 33 Related Party Disclosures paragraph 33.1A, to disclose trading transactions or balances with fellow wholly owned subsidiaries.

### **2.5 Valuation of investments**

The Company records its investments at historical cost less impairment. The investments are reviewed regularly for signs of impairment. Should there be evidence of impairment, the quantum of that impairment will be assessed by the use of a discounted cash flow analysis of that investment. Any impairment may be reversed in subsequent years but the revised value of the investment will not exceed its historic cost.

### **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### **2.7 Taxation**

Tax is recognised in the Statement of comprehensive income, 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be appropriate under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

With the exception of the assumptions made in respect to the valuation of its investment holdings, management have not made any material estimates or assumptions that may result in a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**4. DIRECTORS' REMUNERATION**

The Directors are paid by, and perform services for, other companies within The Group alongside their services to this Company. In 2016, Directors' costs have been apportioned to the principal companies they serve within the UK group, however it is considered that their duties as a Director of the Company are purely incidental to their main role and so no allocation has been made to the Company in either 2016 or 2015.

**5. AUDITORS' REMUNERATION**

Auditors' remuneration of £5k (2015: £nil) was borne by a Group fellow subsidiary.

**6. STAFF COSTS**

The Company has no employees other than the Directors, who did not receive any remuneration in either 2016 or 2015.

**VEOLIA ES CLEANAWAY (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**7. TAXATION**

	<b>2016 £000</b>	<b>2015 £000</b>
	<hr/>	<hr/>
<b>TOTAL CURRENT TAX</b>	<hr/> <b>-</b> <hr/>	<hr/> <b>-</b> <hr/>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2015 - *the same as*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	<b>2016 £000</b>	<b>2015 £000</b>
Loss on ordinary activities before tax	<hr/> <b>(36,404)</b> <hr/>	<hr/> <b>-</b> <hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	<b>(7,281)</b>	<b>-</b>
<b>EFFECTS OF:</b>		
Impairment of fixed asset investments	<b>9,530</b>	<b>-</b>
Impairment of loans	<b>106</b>	<b>-</b>
Loan waivers received	<b>(2,355)</b>	<b>-</b>
	<hr/>	<hr/>
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<hr/> <b>-</b> <hr/>	<hr/> <b>-</b> <hr/>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges. With the Company being non-trading, changes to future tax rates are not expected to have any impact.

# VEOLIA ES CLEANAWAY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 8. INVESTMENTS

	Investments in subsidiary companies £000
<b>COST OR VALUATION</b>	
At 1 January 2016	51,207
At 31 December 2016	51,207
<b>IMPAIRMENT</b>	
At 1 January 2016	-
Charge for the period	47,649
At 31 December 2016	47,649
<b>NET BOOK VALUE</b>	
At 31 December 2016	3,558
At 31 December 2015	51,207

Two of the Company's subsidiaries, Environman Unlimited and Wilden Lane Limited, are currently going through a liquidation process, with a declaration of solvency being signed by the Directors on 19 January 2017. As a result, the Company has fully impaired both these investments in the year resulting in an impact to the Statement of comprehensive income of £5k and £571k respectively.

Following an impairment review of the remaining investments held, further impairments have been made in the year in respect of G. Walker & Son (Waste Disposal) Limited, Heron Environmental Limited, Veolia ES Clinical (UK) Limited and Veolia ES Serviceteam Holdings Limited, resulting in an impact to the Statement of comprehensive income of £610k, £1,561k, £102k and £44,800k respectively.

## VEOLIA ES CLEANAWAY (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 8. FIXED ASSET INVESTMENTS (CONTINUED)

All the Company's direct holdings in subsidiaries, joint ventures, associates and other significant interests are shown below and are registered at 210 Pentonville Road, London, N1 9JY ("210").

##### DIRECT SUBSIDIARY UNDERTAKINGS

Name	Registered address	Class of shares	Holding	Principal activity
Easibinis Limited	210	Ordinary	100%	Dormant entity
Environman Unlimited	210	Ordinary	100%	Dormant entity
G. Walker & Son (Waste Disposal) Limited	210	Ordinary	100%	Dormant entity
Heron Environmental Limited	210	Ordinary	100%	Dormant entity
Veolia ES Clinical (UK) Limited	210	Ordinary	100%	Dormant entity
Veolia ES Serviceteam Holdings Limited	210	Ordinary	100%	Dormant entity
Wilden Lane Landfill Limited	210	Ordinary	100%	Dormant entity

The following Companies were dissolved or put into liquidation after the balance sheet date:

Name	Class of shares	Holding
Environman Unlimited	Ordinary	100%
Wilden Lane Landfill Limited	Ordinary	100%

All the Company's indirect holdings in subsidiaries, joint ventures, associates and other significant interests are listed in note 13.

#### 9. DEBTORS

	2016 £000	2015 £000
Short-term loans to Group fellow subsidiaries	<u>78,872</u>	<u>79,402</u>

#### 10. CREDITORS: Amounts falling due within one year

	2016 £000	As restated 2015 £000
Short-term loans from Group fellow subsidiaries	<u>29,703</u>	<u>41,478</u>

The prior year balance on loans from Group fellow subsidiaries has been restated by £6,154k in respect of a prior year adjustment as further explained in note 2.1.

In addition to this, the UK group is currently going through a process of dissolving a number of its dormant entities. As part of this process these entities have issued loan waivers to the Company, resulting in a decrease in the creditors balance in the year of £11,775k, recognised as a credit in the Statement of comprehensive income.

## VEOLIA ES CLEANAWAY (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 11. SHARE CAPITAL

	2016 £000	2015 £000
<b>Allotted, called up and fully paid</b>		
440,923,140 ordinary shares of £0.20 each	88,185	88,185
6,731,406 deferred shares of £0.20 each	1,346	1,346
	<u>89,531</u>	<u>89,531</u>

#### 12. POST BALANCE SHEET EVENTS

There have been no post Balance sheet events impacting upon these financial statements.

#### 13. INDIRECT HOLDINGS IN SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

All the Company's indirect holdings in subsidiaries, joint ventures, associates and other significant interests are shown below and are registered at 210 Pentonville Road, London, N1 9JY ("210").

##### SUBSIDIARY UNDERTAKINGS

Name	Reg address	Class of shares	Holding	Principal activity
Norwich Serviceteam Limited	210	Ordinary	100%	Dormant entity
Serviceteam Birmingham Limited	210	Ordinary	100%	Dormant entity
Wasteplan Limited	210	Ordinary	100%	Dormant entity
Veolia ES Lambeth Limited	210	Ordinary	100%	Dormant entity
Veolia ES Serviceteam (UK) Limited	210	Ordinary	100%	Dormant entity

#### 14. IMMEDIATE PARENT AND CONTROLLING PARTY

The immediate parent company is Veolia ES Cleanaway Holdings Limited, a company incorporated in the UK.

The ultimate parent and controlling company is Veolia Environnement S.A., a company incorporated in France. Consolidated financial statements are prepared by Veolia Environnement S.A. Copies of the consolidated financial statements for Veolia Environnement S.A. are available from the Registered office at 21 rue La Boétie, 75008 Paris, France.

Veolia Environnement S.A. is the smallest and largest group for which group financial statements, including Veolia ES Cleanaway (UK) Limited, are currently prepared.