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CHAMBERS WASTE MANAGEMENT PLC

AUDITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 SEPTEMBER 2017**

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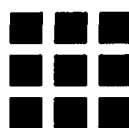
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**Wellden
Turnbull**

Chartered Accountants and
Chartered Tax Advisers
Statutory Auditors

CHAMBERS WASTE MANAGEMENT PLC

COMPANY INFORMATION

Directors

Mr P G Chambers
Mrs E K C Chambers

Company secretary

Mrs E K C Chambers

Registered number

01227028

Registered office

Chambers House
North Moors
Slyfield Industrial Estate
Guildford
Surrey
GU1 1SE

Independent auditors

Wellden Turnbull Ltd
Chartered Accountants & Statutory Auditors
Munro House
Portsmouth Road
Cobham
Surrey
KT11 1PP

CHAMBERS WASTE MANAGEMENT PLC

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CHAMBERS WASTE MANAGEMENT PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

Performance

The company had a successful financial year and generated a profit before tax of £2,614,120 (2016 - £2,680,427). Overhead costs have marginally increased during the year due to the company's recent growth and due to increases in inflation.

Revenue has increased by 6% which is mainly attributable to growth in the industry and its confidence and a strong reputation for the company's quality for service.

During the year, the company has invested in new state of the art premises in our Slyfield site, which now houses our head office. This is part of the company's continuing commitment to improve and streamline its services. The company further stands by its commitment to invest in new efficient technology and processing methods.

During the year there was growth in the company's net assets to £8.3m. This growth has resulted from continuous strong performance of operating activities, investment in its new headquarters and other new equipment, and a continuous drive in efficiency in its administration systems that benefit both the company and its customers.

Risks facing the company

The Board of Directors has the primary responsibility for identifying the major business threats facing the company, and for developing appropriate policies to manage those risks.

The company acknowledges its duty of care to its employees and ensures compliance with the latest rules and standards governing health and safety.

The Company faces market risk based on the confidence in the market. To mitigate this risk performance is regularly monitored using timely management accounts and supporting financial analysis which analyse the financial, and the productive performance of the company.

The company and the environment

Management recognise their responsibility to minimise, so far as reasonably possible, the potential impact of its operation on the environment in general, and neighbours in local towns and villages. This philosophy is reflected throughout the company's culture. The company aims to achieve high standards of environmental management, seeks accreditation in the appropriate standards and also compliance with local, national and European legislation and regulations.

This report was approved by the board on 6th February 2018 and signed on its behalf.


Mr P G Chambers
Director

CHAMBERS WASTE MANAGEMENT PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company in the year under review continued to be that of the provision of environmental services.

Results

The profit for the year, after taxation, amounted to £2,070,724 (2016 - £2,249,353).

Directors

The directors who served during the year were:

Mr P G Chambers
Mrs E K C Chambers

Disclosure of information to auditors

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

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

Auditors

The auditors, Wellden Turnbull Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

CHAMBERS WASTE MANAGEMENT PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017

This report was approved by the board on *6th February 2018* and signed on its behalf.



Mrs E K C Chambers
Director

CHAMBERS WASTE MANAGEMENT PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAMBERS WASTE MANAGEMENT PLC

Opinion

We have audited the financial statements of Chambers Waste Management Plc for the year ended 30 September 2017, set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2017 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

CHAMBERS WASTE MANAGEMENT PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAMBERS WASTE MANAGEMENT PLC (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

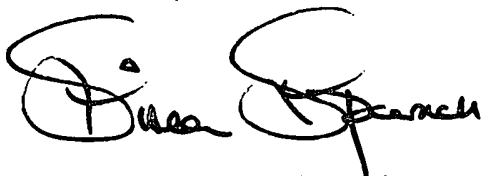
CHAMBERS WASTE MANAGEMENT PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHAMBERS WASTE MANAGEMENT PLC (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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



Simon Spevack FCA (Senior Statutory Auditor)

for and on behalf of
Wellden Turnbull Ltd

Chartered Accountants
Statutory Auditors

Munro House
Portsmouth Road
Cobham
Surrey
KT11 1PP

Date:

6 February 2018

CHAMBERS WASTE MANAGEMENT PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Turnover	4	18,184,240	17,153,872
Cost of sales		(12,398,793)	(11,594,851)
Gross profit		<u>5,785,447</u>	<u>5,559,021</u>
Administrative expenses		(3,048,304)	(2,788,806)
Other operating income	5	38,959	90,000
Operating profit	6	<u>2,776,102</u>	<u>2,860,215</u>
Interest receivable and similar income	9	-	547
Interest payable and expenses	10	(161,983)	(173,242)
Profit before tax		<u>2,614,119</u>	<u>2,687,520</u>
Tax on profit	11	(543,395)	(438,167)
Profit for the financial year		<u><u>2,070,724</u></u>	<u><u>2,249,353</u></u>
Other comprehensive income for the year			
Fair value movement to loan		65,979	(40,204)
Other comprehensive income for the year		<u>65,979</u>	<u>(40,204)</u>
Total comprehensive income for the year		<u><u>2,136,703</u></u>	<u><u>2,209,149</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 11 to 25 form part of these financial statements.

CHAMBERS WASTE MANAGEMENT PLC
REGISTERED NUMBER:01227028

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	13	139,487	-
Tangible assets	14	13,996,596	10,581,294
		<u>14,136,083</u>	<u>10,581,294</u>
Current assets			
Stocks	15	26,000	26,000
Debtors: amounts falling due within one year	16	3,521,911	3,971,369
Cash at bank and in hand	17	675,414	695,013
		<u>4,223,325</u>	<u>4,692,382</u>
Creditors: amounts falling due within one year	18	(8,109,492)	(5,511,450)
Net current liabilities		<u>(3,886,167)</u>	<u>(819,068)</u>
Total assets less current liabilities		<u>10,249,916</u>	<u>9,762,226</u>
Creditors: amounts falling due after more than one year	19	(1,859,108)	(2,630,893)
Provisions for liabilities			
Deferred tax	23	(113,163)	(151,355)
		<u>(113,163)</u>	<u>(151,355)</u>
Net assets		<u><u>8,277,645</u></u>	<u><u>6,979,978</u></u>
Capital and reserves			
Called up share capital	24	24,225	24,225
Capital redemption reserve	25	25,775	25,775
Other reserves	25	162,254	96,275
Profit and loss account	25	8,065,391	6,833,703
		<u><u>8,277,645</u></u>	<u><u>6,979,978</u></u>

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



Mr P G Chambers
Director

Date: 6 February 2018

The notes on pages 11 to 25 form part of these financial statements.

CHAMBERS WASTE MANAGEMENT PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital	Capital redemption reserve	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2016	24,225	25,775	96,275	6,833,703	6,979,978
Comprehensive income for the year					
Profit for the year	-	-	-	2,070,724	2,070,724
Taxation in respect of items of other comprehensive income	-	-	-	(139,646)	(139,646)
Net fair value adjustments in respect of loan discounting	-	-	65,979	-	65,979
Other comprehensive income for the year	-	-	65,979	(139,646)	(73,667)
Total comprehensive income for the year	-	-	65,979	1,931,078	1,997,057
Dividends: Equity capital	-	-	-	(699,390)	(699,390)
At 30 September 2017	24,225	25,775	162,254	8,065,391	8,277,645

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Called up share capital	Capital redemption reserve	Fair value reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2015	24,225	25,775	136,479	5,345,095	5,531,574
Comprehensive income for the year					
Profit for the year	-	-	-	2,249,353	2,249,353
Taxation in respect of items of other comprehensive income	-	-	-	90,559	90,559
Net fair value adjustments in respect of loan discounting	-	-	(40,204)	-	(40,204)
Other comprehensive income for the year	-	-	(40,204)	90,559	50,355
Total comprehensive income for the year	-	-	(40,204)	2,339,912	2,299,708
Dividends: Equity capital	-	-	-	(851,304)	(851,304)
At 30 September 2016	24,225	25,775	96,275	6,833,703	6,979,978

The notes on pages 11 to 25 form part of these financial statements.

CHAMBERS WASTE MANAGEMENT PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	2,070,724	2,249,353
Adjustments for:		
Amortisation of intangible assets	17,205	-
Depreciation of tangible assets	2,003,446	1,740,469
Loss on disposal of tangible assets	(116,956)	(100,160)
Interest paid	161,982	173,242
Interest received	-	(547)
Taxation charge	543,395	438,165
Decrease/(increase) in stocks	-	(6,500)
Decrease/(increase) in debtors	449,459	(795,119)
Increase in creditors	2,238,835	566,875
(Decrease)/increase in amounts owed to groups	(626,066)	-
Net fair value (gains)/losses recognised in P&L	(73,665)	50,355
Corporation tax (paid)	(448,706)	(405,433)
Net cash generated from operating activities	<u>6,219,653</u>	<u>3,910,700</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(156,692)	-
Purchase of tangible fixed assets	(3,777,988)	(1,419,681)
Sale of tangible fixed assets	333,958	334,963
Interest received	-	547
HP interest paid	(102,149)	(109,730)
Net cash from investing activities	<u>(3,702,871)</u>	<u>(1,193,901)</u>
Cash flows from financing activities		
New secured loans	-	250,000
Repayment of loans	(80,400)	(57,644)
Repayment of/new finance leases	(1,830,094)	(1,812,038)
Dividends paid	(699,390)	(851,304)
Interest paid	(59,833)	(63,512)
Net cash used in financing activities	<u>(2,669,717)</u>	<u>(2,534,498)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(152,935)</u>	<u>182,301</u>
Cash and cash equivalents at beginning of year	813	(181,488)
Cash and cash equivalents at the end of year	<u>(152,122)</u>	<u>813</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	675,417	695,014
Bank overdrafts	(827,539)	(694,201)
	<u>(152,122)</u>	<u>813</u>

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. General information

Chambers Waste Management Plc (the Company) is a company, incorporated in the United Kingdom under the Companies Act. The company is a public Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on the company information page. The principal activities of the company is set out in the director's report.

2. Accounting policies

2.1 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.

These financial statements are presented in sterling, which is the functional currency of the company and rounded to the nearest £.

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 following principal accounting policies have been applied:

2.2 Compliance with accounting standard

The accounts have been prepared in accordance with the provisions of FRS102 Section 1A small entities. There were no material departures from that standard.

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	25 % reducing balance
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2.5 Tangible fixed assets

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

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance methods..

Depreciation is provided on the following basis:

Freehold property	-	4% & 2% straight line basis
Long-term leasehold property	-	4% straight line basis
Short-term leasehold property	-	4% straight line basis
Plant and machinery	-	25% reducing balance basis
Fixtures and fittings	-	25% reducing balance basis

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

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

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.9 Financial instruments (continued)

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.17 Provisions for liabilities

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

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

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

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

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

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

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors do not consider that any accounting policies give rise to significant estimation uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Waste management goods and services	18,184,240	17,153,872

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Net rents receivable	38,959	90,000

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	2,003,446	1,740,469
Amortisation of intangible assets, including goodwill	17,205	-
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,485	10,515
Other operating lease rentals	335,393	338,003
Defined contribution pension cost	42,955	46,338
	<u>378,348</u>	<u>384,341</u>

7. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>11,485</u>	<u>10,515</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>2,706</u>	<u>2,395</u>

8. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,588,401	3,397,928
Social security costs	376,193	354,660
Cost of defined contribution scheme	42,955	46,338
	<u>4,007,549</u>	<u>3,798,926</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Number of production staff	84	81
Number of administrative staff	21	18
	<u>105</u>	<u>99</u>

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. Interest receivable

	2017 £	2016 £
Other interest receivable	-	547

10. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	16,372	22,041
Interest on loans from related companies	41,167	41,471
Finance leases and hire purchase contracts	102,149	109,730
Other interest payable	2,295	-
	<u>161,983</u>	<u>173,242</u>

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	581,587	543,316
Deferred tax		
Origination and reversal of timing differences	(38,192)	(105,149)
Taxation on profit on ordinary activities	<u>543,395</u>	<u>438,167</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.5% (2016 - 20%).

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

12. Dividends

	2017 £	2016 £
Ordinary A	415,113	245,100
Ordinary B	284,277	606,204
	<u>699,390</u>	<u>851,304</u>

13. Intangible assets

	Computer software £
Cost	
Additions	156,692
At 30 September 2017	<u>156,692</u>
Amortisation	
Charge for the year	17,205
At 30 September 2017	<u>17,205</u>
Net book value	
At 30 September 2017	<u>139,487</u>
At 30 September 2016	<u>-</u>

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

14. Tangible fixed assets

	Freehold and leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2016	7,224,699	12,842,193	605,399	20,672,291
Additions	2,913,064	2,683,540	39,145	5,635,749
Disposals	-	(1,072,844)	-	(1,072,844)
At 30 September 2017	<u>10,137,763</u>	<u>14,452,889</u>	<u>644,544</u>	<u>25,235,196</u>
Depreciation				
At 1 October 2016	2,089,120	7,584,359	417,518	10,090,997
Charge for the year on owned assets	282,908	570,730	31,342	884,980
Charge for the year on financed assets	-	1,098,216	20,250	1,118,466
Disposals	-	(855,841)	-	(855,841)
At 30 September 2017	<u>2,372,028</u>	<u>8,397,464</u>	<u>469,110</u>	<u>11,238,602</u>
Net book value				
At 30 September 2017	<u>7,765,735</u>	<u>6,055,425</u>	<u>175,434</u>	<u>13,996,594</u>
At 30 September 2016	<u>5,135,579</u>	<u>5,257,834</u>	<u>187,881</u>	<u>10,581,294</u>

Included in "freehold and leasehold property" is freehold land as a cost of £615,985 (2016 - £615,985) which is not depreciated.

The net book value of "freehold and leasehold property" may be further analysed as follows:

Freehold land & property:	£690,855	(2016 - £698,101)
Short term leasehold:	£844,955	(2016 - £888,057)
Long term leasehold:	£6,229,925	(2016 - £3,549,618)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Land and buildings	782,847	819,345
Plant and machinery	3,862,352	3,717,507
Furniture, fittings and equipment	60,752	81,002
	<u>4,705,951</u>	<u>4,617,854</u>

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

15. Stocks

	2017 £	2016 £
Raw materials and consumables	26,000	26,000

Stock recognised in cost of sales during the year as an expense was £4,847,763 (2016 - £4,560,710).

16. Debtors

	2017 £	2016 £
Trade debtors	2,611,619	2,665,566
Other debtors	39,570	236,326
Prepayments and accrued income	870,722	1,069,477
	<u>3,521,911</u>	<u>3,971,369</u>

17. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	675,417	695,014
Less: bank overdrafts	(827,540)	(694,201)
	<u>(152,123)</u>	<u>813</u>

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	827,540	694,201
Bank loans	86,667	86,667
Trade creditors	1,269,890	1,573,730
Corporation tax	494,525	361,643
Other taxation and social security	530,380	645,379
Obligations under finance lease and hire purchase contracts	1,772,124	1,679,138
Other creditors	2,989,820	346,264
Accruals and deferred income	138,546	124,428
	<u>8,109,492</u>	<u>5,511,450</u>

Secured loans

Details of secured loans are the same as those found under Creditors: Amounts falling due after more than one year.

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

19. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	560,621	641,021
Net obligations under finance leases and hire purchase contracts	1,298,487	1,363,806
Amounts owed to related companies	-	626,066
	<u>1,859,108</u>	<u>2,630,893</u>

Secured loans

Bank loans and overdrafts are secured by a fixed charge over the assets of the company and cross guarantee arrangement with Chambers Runfold Plc, a company under common control. HP liabilities are secured by the assets of which they finance.

Included within bank loans is a loan with a maturity date longer than 5 years. Interest on the loan is 2% above the base rate of interest and is repayable over a term of 15 years in which there is 12 years and 8 months remaining. The current value of the loan is £476,858 (2016 - £509,021).

20. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	86,667	86,667
Amounts falling due 1-2 years		
Bank loans	86,667	86,667
Amounts falling due 2-5 years		
Bank loans	217,107	265,333
Amounts falling due after more than 5 years		
Bank loans	256,848	289,022
	<u>647,289</u>	<u>727,689</u>

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	1,772,124	1,679,138
Between 1-2 years	1,011,402	1,039,152
Between 2-5 years	287,085	324,653
	<u>3,070,611</u>	<u>3,042,943</u>

22. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>2,651,189</u>	<u>2,901,893</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(8,804,787)</u>	<u>(7,156,257)</u>

23. Deferred taxation

	2017 £	2016 £
At beginning of year	(151,355)	(256,504)
Charged to profit or loss	38,192	105,149
At end of year	<u>(113,163)</u>	<u>(151,355)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	<u>(113,163)</u>	<u>(151,355)</u>

24. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

24. Share capital (continued)

23,013 Ordinary A shares of £1 each	23,013	23,013
1,212 Ordinary B shares of £1 each	1,212	1,212
	<hr/>	<hr/>
	24,225	24,225
	<hr/>	<hr/>

The different classes of shares rank pari passu save that a dividend may be declared by the directors on one class and not the other.

25. Reserves

Capital redemption reserve

The capital redemption reserve represents a reserve arising when £25,775 of the company's own share capital was repurchased.

Other reserves

Other reserves comprises the fair value reserve that represents adjustments required under the transition for FRS102 for discounting loans to reflect their fair value in the accounts.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £42,955 (2016 - £46,338). Contributions totalling £6,500 (2016 - £6,500) were payable to the fund at the balance sheet date.

27. Commitments under operating leases

At 30 September 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	276,008	310,217
Later than 1 year and not later than 5 years	893,200	905,908
Later than 5 years	14,846,367	14,158,366
	<hr/>	<hr/>
	16,015,575	15,374,491
	<hr/>	<hr/>

Operating lease payments recognised as an expense in the profit and loss account amounted to £335,393 (2016 - £336,800).

Included within the expense of operating lease payments in the profit and loss accounts are amounts payable on leases held by Chambers Runfold Plc but used by Chambers Waste Management Plc.

CHAMBERS WASTE MANAGEMENT PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

28. Related party transactions

At the balance sheet date the directors owed the company £23,419.80 (2016 - £NIL). This loan is included within other debtors, is interest free and repayable on demand.

Dividends of £699,390 (2016 - £851,304) were paid to the directors during the year.

Chambers Runfold Plc is a company related by common control.

Within trade debtors and creditors are the following amounts due from and to Chambers Waste Management Plc:

Trade Debtors	£36,197	(2016 - £50,671)
Trade Creditors	£71,986	(2016 - £78,362)

Chambers Waste Management Plc provides freehold and leasehold properties as security on a joint bank facility with Chambers Runfold Plc.

At the balance sheet date there is a loan due to Chambers Runfold Plc of £2,764,471 (2016 - £759,637). This loan has interest of 2.5%, is repayable on demand and is shown within other creditors.

Interest charged on this loan through the profit and loss in the year amounted to £41,167.

At the year end, the company was owed £NIL (2016 - £220,000) from Chambers Runfold Plc. This loan is interest free and repayable on demand.

The following transactions took place between Chambers Runfold Plc and Chambers Waste Management Plc, connected companies by common control. The transactions are all included in the profit and loss account and are as follows:

Charges to Chambers Runfold Plc

Diesel and tipping charges	£30,279	(2016 - £26,106)
All other recharges	£343,929	(2016 - £387,960)

Charges from Chambers Runfold Plc

Management Charges	£300,000	(2016 - £300,000)
Rent and rates of buildings	£171,393	(2016 - £168,899)
Diesel and tipping charges	£396,110	(2016 - £211,881)
All other recharges	£167,132	(2016 - £124,773)

The remuneration of key management personnel charged to the profit and loss amounted to £NIL (2016 - £NIL).

29. Controlling party

The ultimate controlling party is Mr P G Chambers by virtue of his majority holding of the issues share capital.