SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED

Registered Number 01954243

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 March 2015

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED
Registered in England number 01954243

CONTENTS

	Pages
Directors' Report	1 - 2
Independent Auditors' Report	3 - 4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	5
Balance Sheet	6
Notes to the Financial Statements	7 - 10

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED
Registered in England number 01954243

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2015.

Business review and principal activities

The principal activity of the Company is that of an investment company.

The profit on ordinary activities before taxation for the year ended 31 March 2015 was £54,732 (2014: £54,731). No dividend has been paid or proposed in the year (2014: £nil). The retained profit transferred to reserves for the year was £43,238 (2014: £42,143).

Principal risks and uncertainties

The Company's ultimate controlling parent is Shanks Group plc. Risks are managed at a local level in accordance with the risk management framework of Shanks Group plc. The principal risks and uncertainties of Shanks Group plc are discussed in its Annual Report and Accounts for the year ended 31 March 2015.

Key performance indicators

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company.

Future developments

The Directors do not anticipate any significant changes for the coming year in respect of the position and activities of the Company.

Directors

The Directors who held office during the year and up to the date of this report were as follows:

P G Dilnot
T R Woolrych

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

DIRECTORS' REPORT - continued

Statement of directors' responsibilities - continued

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006 the directors confirm:

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) the directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board

T R Woolrych
Director
Date: 30 June 2015

Registered Office:
Dunedin House
Auckland Park
Mount Farm
Milton Keynes
Buckinghamshire, MK1 1BU

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED

Report on the financial statements

Our opinion
In our opinion Shanks & McEwan (Environmental Services) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 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.

What we have audited
Shanks & McEwan (Environmental Services) Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions
Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED - continued

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 1 and 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the 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.

John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2015

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED
Registered in England number 01954243

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2015

	Note	2015 £	2014 £
Interest receivable and similar income	4	54,732	54,731
Profit on ordinary activities before taxation		54,732	54,731
Tax on profit on ordinary activities	5	(11,494)	(12,588)
Profit for the financial year	10	43,238	42,143

All of the above relates to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2015

The Company has no recognised gains or losses other than the profit for the financial years.

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED
Registered in England number 01954243

BALANCE SHEET
as at 31 March 2015

	Note	2015 £	2014 £
Current assets			
Debtors	6	4,885,853	4,843,709
Creditors: amounts falling due within one year	7	(1,379,183)	(1,380,277)
Net current assets		3,506,670	3,463,432
Net assets		3,506,670	3,463,432
Capital and reserves			
Called-up share capital	8	3,639,215	3,639,215
Profit and loss account	9	(132,545)	(175,783)
Total shareholder's funds	10	3,506,670	3,463,432

The financial statements on pages 5 to 10 were approved by the Board of Directors on 30 June 2015 and were signed on its behalf by:

T R Woolrych
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable law, the Companies Act 2006 and in accordance with applicable Accounting Standards in the United Kingdom (UK Generally Accepted Accounting Practice). The accounting policies set out below have been consistently applied.

Taxation

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years or that are never taxable or deductible.

2 Segmental reporting

The Company operates solely in the United Kingdom and receives interest income from fellow subsidiary undertakings.

3 Company status

Audit costs have been borne by the ultimate parent company. There were no employees of the Company in the year. The Directors were not remunerated for their services to the Company, neither did the Directors accrue any retirement benefits in respect of service to the Company. None of the emoluments paid to the Directors by the other group companies during the year related to services given to the Company. The services to this Company were of negligible value.

4 Interest receivable and similar income

	2015 £	2014 £
Interest income from group undertakings	54,732	54,731

5 Tax on profit on ordinary activities

The tax charge based on the profit for the year is made up as follows:

	2015 £	2014 £
Corporation tax at 21% (2014: 23%)	11,494	12,588

6 Debtors

	2015 £	2014 £
Amounts owed by ultimate parent undertaking	1,237,079	1,194,935
Amounts owed by group undertakings	3,648,774	3,648,774
	4,885,853	4,843,709

Amounts owed by the ultimate parent undertaking are interest free and the amounts owed by group undertakings bear interest at 1.5% (2014: 1.5%) which is the Bank of England base rate plus 1%. The amounts owed by ultimate parent and group undertakings are unsecured and repayable on demand.

7 Creditors: amounts falling due within one year

	2015 £	2014 £
Corporation tax	11,494	12,588
Amounts owed to immediate parent undertaking relating to accrued dividend on Redeemable Preference Shares	1,367,689	1,367,689
	1,379,183	1,380,277

In the year ended 31 March 2007 the Company held 3,639,195 7.5% Redeemable Preference Shares (RPS) of £1 each. On 31 March 2007 the rights and privileges of the RPS were converted to 'A' ordinary shares. Dividends on the RPS accrued up to 30 March 2007 remain a liability of the Company and will become payable once the Company has sufficient distributable reserves to legally pay the RPS dividend. Since conversion, no further RPS dividends have been accrued.

8 Called-up share capital

	2015 £	2014 £
Allotted, called up and fully paid:		
1,000 (2014: 1,000) ordinary shares of 2 pence each	20	20
3,639,195 (2014: 3,639,195) 'A' ordinary shares of £1 each	3,639,195	3,639,195
	3,639,215	3,639,215

The 'A' ordinary shares rank above the ordinary shares in relation to any payment of the Redeemable Preference Share (RPS) dividends. On return of capital or winding up, the 'A' ordinary shares are entitled to the repayment of all arrears on the RPS dividends as well as the nominal amount of the 'A' ordinary shares in priority to any payment to the holders of any other class of shares.

9 Profit and loss account

	£
At 1 April 2014	(175,783)
Profit for the financial year	43,238
At 31 March 2015	(132,545)

10 Reconciliation of movements in shareholder's funds

	2015 £	2014 £
Profit for the financial year	43,238	42,143
Net movement in shareholder's funds	43,238	42,143
Opening shareholder's funds	3,463,432	3,421,289
Closing shareholder's funds	3,506,670	3,463,432

11 Contingent liabilities

The Company has granted to its bankers an unlimited guarantee and a right of set off against amounts outstanding on advances to its parent and fellow subsidiary undertakings. As at 31 March 2015 the Group borrowings for which the Company was a co-guarantor were £61,967,758 (2014: £84,771,082).

The Company has given an unlimited guarantee in respect of the Group's retail bonds totalling £144,707,329 (2014: £165,343,915).

In respect of contractual liabilities the Company, along with other fellow group undertakings, has given guarantees and entered into counter indemnities of bonds and guarantees given on their behalf by sureties and banks totalling £69,135,982 (2014: £61,739,229).

The Company is a member of a HMRC Group VAT registration and as at 31 March 2015 had a contingent liability of £635,202 (2014: £985,878) under this registration.

The Company is also a member of a HMRC Group Payment arrangement for Corporation Tax and as at 31 March 2015 had a contingent liability of £346,879 (2014: £nil) under this arrangement.

12 Related party transactions

As permitted by FRS 8, the Company, being a wholly-owned subsidiary of another company which prepares a statement of related party transactions including that of this Company, has not prepared such a statement itself.

13 Cash flow statement

The Company is a wholly-owned subsidiary of Shanks Group plc and is included in the consolidated statements of Shanks Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

14 Immediate and ultimate parent company

The Company's immediate parent company is Shanks Capital Investment Limited, a company incorporated in England & Wales, and the ultimate parent company and controlling party is Shanks Group plc, a company registered in Scotland. Copies of Shanks Group plc consolidated financial statements may be obtained from the Company Secretary, Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire, MK1 1BU.