

**Registered number: 02263477**

**Wareham Ball Clay Company Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2012**

MONDAY



\*A2G2K6PE\*

A10

02/09/2013

#23

COMPANIES HOUSE

## **Wareham Ball Clay Company Limited**

### **Company Information**

<b>Directors</b>	C Chapron D Palmer-Jones
<b>Company secretary</b>	J Knight
<b>Company number</b>	02263477
<b>Registered office</b>	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
<b>Auditor</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

**Wareham Ball Clay Company Limited**

**Contents**

	Page
<b>Directors' report</b>	1 - 4
<b>Auditors' report</b>	5 - 6
<b>Profit and loss account</b>	7
<b>Balance sheet</b>	8
<b>Notes to the financial statements</b>	9 - 15

## **Wareham Ball Clay Company Limited**

### **Directors' report for the year ended 31 December 2012**

The directors present their report and the financial statements for the year ended 31 December 2012

#### **Principal activities and review of business**

The company's principal activity during the year was the extraction of minerals

The directors were satisfied with the result of the company during the year

The Wareham quarry site holds significant sand reserves and no significant change to the activities of the company is anticipated in the foreseeable future

#### **Results and dividends**

The profit for the year, after taxation, amounted to £207,000 (2011 - £246,000)

The directors do not recommend the payment of a dividend (2011 - £nil)

#### **Directors**

The directors who served during the year were

C Chapron  
D Palmer-Jones

No director who held office on 31 December 2012 had an interest in the company's shares either during the financial year or at 31 December 2012

#### **Directors' indemnity**

The company has granted indemnity to one or more of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

#### **Going concern**

The company's going concern is intrinsically linked to the performance, risks and going concern of the SITA Group. The SITA group, along with its ultimate parent company GDF Suez SA, has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a consequence, the directors believe that the SITA group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having made enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## **Wareham Ball Clay Company Limited**

### **Directors' report for the year ended 31 December 2012 Environmental impact**

Our purpose is to protect our environment by putting waste to good use

A crucial element of this is ensuring that the vision of the circular economy – where the waste cycle can work with the economic cycle to return waste as a secondary resource back into production and consumption – becomes a reality and value is extracted from waste

In 2012 the SITA group

- recycled and recovered over 3 million tonnes of the materials we handled,
- generated over 800,000 megawatt-hours of electricity from our landfill gas and energy-from-waste facilities,
- successfully maintained and extended our accreditation to the Carbon Trust Standard, recognition of our commitment towards reducing our carbon footprint,
- produced over 100,000 tonnes of compost,
- reduced our GHG emissions produced by vehicles by 2% on the previous year, and
- increased renewable energy production by 12%

### **Principal risks and uncertainties**

The SITA Group has established a risk committee that evaluates the main risks facing the Group and the measures in place to manage those risks. The principal risks and uncertainties facing the Group are broadly grouped as operational risks, competitive risks, legislative risks, health and safety risks and financial instrument risks

#### *Operational risks*

The SITA Group's operations involve some major public sector contracts, ranging from periods of 7 to 25 years or more, where default on the contract may result in substantial compensation payments to the client

Long-term contracts also expose the Group to the risk that the contract's revenue profile over the life of the contract may not be sufficient to compensate the Group for unforeseen cost increases, and hence losses may result. The Group has put in place rigorous tender approval procedures to ensure all risks are properly considered. The Group's management and review procedures are aimed at ensuring any problems are identified at an early stage and steps are taken to mitigate any losses arising

The success of the Group's operations is dependent upon the recruitment and retention of good quality staff. The Group's strategy seeks to make the SITA Group the preferred employer in the waste management sector through its employment policies

#### *Competitive risks*

Part of the SITA Group's business involves contracts with local authorities which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria

The remaining business relies upon short-term contracts and non-contractual business from industrial and commercial customers, which is subject to normal price competition in the open market

#### *Legislative risks*

The waste management business is subject to strict legislation and regulation. These standards are subject to continuous revision. Compliance with new standards can impose additional costs on the Group, and failure to comply could result in heavy penalties. The Group's management systems aim to ensure compliance with all relevant regulations

#### *Health and safety risks*

The SITA Group acknowledges that its employees working within the waste management industry face significant potential hazards in their everyday work. The Group makes every effort to ensure that its Health and Safety policies are of the highest standard, are fit for purpose and are strictly adhered to on a daily basis

## **Wareham Ball Clay Company Limited**

### **Directors' report for the year ended 31 December 2012**

#### **Principal risks and uncertainties (continued)**

##### *Financial instrument risks*

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives

##### **Use of derivatives**

On certain major contracts, the SITA Group uses interest rate swaps in respect of the related funding to reduce exposure to interest rate movements

##### **Exposure to price, credit, liquidity and cash flow risk**

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Group's major joint venture and associated investments, which the Group does not intend to sell in the short-term, are held at net asset value and are therefore not exposed to price risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow risk is the risk of exposure to variability of cash flows relating to a recognised asset or liability such as future interest payments on a variable rate debt. The Group produces long-term cash forecasts and monitors cash flows against these on a daily basis to ensure all financial obligations may be met as they fall due. Group funding requirements are periodically agreed with the Suez Group

## **Wareham Ball Clay Company Limited**

### **Directors' report for the year ended 31 December 2012**

#### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 estimates that are reasonable and prudent,
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **Provision 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
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

#### **Re-appointment of auditors**

The re-appointment of auditors will be considered at the company's AGM.

This report was approved by the board on 28 May 2013 and signed on its behalf



**C Chapron**  
Director

## **Wareham Ball Clay Company Limited**

### **Independent auditor's report to the shareholder of Wareham Ball Clay Company Limited**

We have audited the financial statements of Wareham Ball Clay Company Limited for the year ended 31 December 2012, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 4, 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. This report is made solely to the company's member 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2012 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.



**Wareham Ball Clay Company Limited**

**Independent auditor's report to the shareholder of Wareham Ball Clay Company Limited**

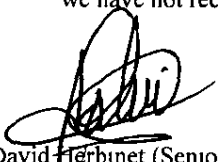
**Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

  
David Herbinet (Senior Statutory Auditor)  
for and on behalf of  
**Mazars LLP**  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD  
Date 31 May 2013

**Wareham Ball Clay Company Limited**

**Profit and loss account  
for the year ended 31 December 2012**

	<b>Note</b>	<b>2012 £000</b>	<b>2011 £000</b>
<b>Turnover</b>	1,2	<b>641</b>	<b>430</b>
Cost of sales		<u>(157)</u>	<u>(103)</u>
<b>Gross profit</b>		<b>484</b>	<b>327</b>
Administrative expenses		<u>(41)</u>	<u>(34)</u>
<b>Operating profit</b>	3	<b>443</b>	<b>293</b>
<b>Exceptional items</b>			
Net loss on sale of tangible fixed assets	5	<u>(150)</u>	<u>-</u>
<b>Profit on ordinary activities before interest</b>		<b>293</b>	<b>293</b>
Interest payable and similar charges	4	<u>(37)</u>	<u>(40)</u>
<b>Profit on ordinary activities before taxation</b>		<b>256</b>	<b>253</b>
Tax on profit on ordinary activities	6	<u>(49)</u>	<u>(7)</u>
<b>Profit for the financial year</b>	13	<u><b>207</b></u>	<u><b>246</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 9 to 15 form part of these financial statements

**Wareham Ball Clay Company Limited**  
**Registered number: 02263477**

**Balance sheet**  
**as at 31 December 2012**

	<b>Note</b>	<b>£000</b>	<b>2012 £000</b>	<b>2011 £000</b>
<b>Fixed assets</b>				
Tangible assets	7		73	238
<b>Current assets</b>				
Debtors	8	659	707	
Creditors: amounts falling due within one year	9	(4,718)	(5,141)	
<b>Net current liabilities</b>			<b>(4,059)</b>	<b>(4,434)</b>
<b>Total assets less current liabilities</b>			<b>(3,986)</b>	<b>(4,196)</b>
<b>Provisions for liabilities</b>				
Other provisions	11		(397)	(394)
<b>Net liabilities</b>			<b>(4,383)</b>	<b>(4,590)</b>
<b>Capital and reserves</b>				
Called up share capital	12		1	1
Share premium account	13		3,005	3,005
Profit and loss account	13		(7,389)	(7,596)
<b>Shareholders' deficit</b>	14		<b>(4,383)</b>	<b>(4,590)</b>

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

28 May 2013



**C Chapron**  
**Director**

The notes on pages 9 to 15 form part of these financial statements

## **Wareham Ball Clay Company Limited**

### **Notes to the financial statements for the year ended 31 December 2012**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

At 31 December 2012 the company had net liabilities of £4,383,000 (2011 - £4,590,000) The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as Suez Environment UK Limited has confirmed its intention and ability to provide such financial support as may be necessary to allow the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements Suez Environment UK Limited, the company's ultimate UK parent company, has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full

##### **1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied Revenue is measured at fair value of the consideration received including landfill tax where appropriate, and exclusive of trade discounts, rebates, Value Added Tax and other sales taxes or duty

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	On the basis of minerals extracted
Plant & machinery	-	3 - 10 years, straight line
Fixtures & fittings	-	3 - 10 years, straight line
Assets under construction	-	Depreciation commences upon completion of asset

##### **1.5 Taxation**

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

## Wareham Ball Clay Company Limited

### Notes to the financial statements for the year ended 31 December 2012

#### 1. Accounting policies (continued)

##### 1.6 Site restoration provision

The company estimates its total future cost requirements associated with the closure and restoration of mineral sites. These costs relate to making good the quarry and inspection and maintenance costs. The company provides for these costs over the life of the quarry.

Post-closure provisions have been shown at net present value. The current cost estimated has been inflated at 2.90% (2011 - 3.10%) and discounted by 3.19% (2011 - 3.52%). The unwinding of the discount element is shown in the financial statements as a financial item.

In accordance with Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets", full provision has been made for the company's minimum unavoidable costs.

#### 2. Turnover

The whole of the turnover is attributable to the one principal activity of the company being the extraction of minerals.

All turnover arose within the United Kingdom.

#### 3. Operating profit

The operating profit is stated after charging

	2012 £000	2011 £000
Depreciation of tangible fixed assets - owned by the company	4	5

During the year, no director received any emoluments (2011 - £Nil) for services to this company.

For the year ended 31 December 2012 and the prior year, auditors' remuneration was borne by a fellow group company.

For the year ended 31 December 2012 and the prior year, the company had no employees. All SITA Group employees are employed by SITA UK Limited and paid by SITA Holdings UK Limited.

#### 4. Interest payable

	2012 £000	2011 £000
Discount on provisions	14	14
On loans from group undertakings	23	26
	37	40

# Wareham Ball Clay Company Limited

## Notes to the financial statements for the year ended 31 December 2012

### 5. Exceptional items

	2012 £000	2011 £000
Profit on disposal of tangible fixed assets	150	-

### 6. Taxation

	2012 £000	2011 £000
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	-	-
Adjustments in respect of prior periods	-	26
<b>Total current tax</b>	-	26
<b>Deferred tax</b>		
Origination and reversal of timing differences	49	48
Adjustments in respect of prior periods	-	(67)
<b>Total deferred tax</b> (see note 10)	49	(19)
<b>Tax on profit on ordinary activities</b>	49	7

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	256	253
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	63	67
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	37	2
Capital allowances for year in excess of depreciation	1	1
Utilisation of tax losses	(102)	(71)
Adjustments to tax charge in respect of prior periods	-	26
Short term timing difference leading to an increase (decrease) in taxation	1	1
<b>Current tax charge for the year</b> (see note above)	-	26

# Wareham Ball Clay Company Limited

## Notes to the financial statements for the year ended 31 December 2012

### 6. Taxation (continued)

#### Factors that may affect future tax charges

The UK corporation tax rate decreased from 26% to 24% from 1 April 2012. The impact on the current year's tax charge is shown above.

Further reductions to the UK corporation tax rate have been announced that will have an effect on future tax charges. The change in the corporation tax rate to 23% from 1 April 2013 had been enacted at the balance sheet date and the deferred tax balance has been adjusted to reflect this change (note 10). Further reductions in the rate to 21% from 1 April 2014 and to 20% from 1 April 2015 have now been announced but were not substantively enacted at the balance sheet date, and are therefore not recognised in these financial statements.

### 7. Tangible fixed assets

	Freehold property £000	Plant & machinery £000	Fixtures & fittings £000	Assets under construction £000	Total £000
<b>Cost</b>					
At 1 January 2012	484	41	3	231	759
Disposals	(161)	-	-	-	(161)
Transfer between classes	161	-	-	(161)	-
At 31 December 2012	484	41	3	70	598
<b>Depreciation</b>					
At 1 January 2012	484	34	3	-	521
Charge for the year	-	4	-	-	4
At 31 December 2012	484	38	3	-	525
<b>Net book value</b>					
At 31 December 2012	-	3	-	70	73
At 31 December 2011	-	7	-	231	238

### 8. Debtors

	2012 £000	2011 £000
Prepayments and accrued income	69	68
Deferred tax asset (see note 10)	590	639
	659	707

# Wareham Ball Clay Company Limited

## Notes to the financial statements for the year ended 31 December 2012

### 9. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	4,711	5,135
Corporation tax	1	1
Other creditors	6	5
	<u>4,718</u>	<u>5,141</u>

### 10 Deferred tax asset

	2012 £000	2011 £000
At beginning of year	639	620
(Charge for)/released during year	(49)	19
	<u>590</u>	<u>639</u>

The deferred tax asset is made up as follows

	2012 £000	2011 £000
Accelerated capital allowances	498	540
Other timing differences	92	99
	<u>590</u>	<u>639</u>

There is an unrecognised deferred tax asset in respect of tax losses brought forward of £468,000 (2011- £612,000), due to uncertainty as to the availability of future taxable profits

### 11. Provisions

	Site restoration provision £000
At 1 January 2012	394
Amounts used	(9)
Change in assumptions	(2)
Unwinding of discount	14
At 31 December 2012	<u>397</u>

#### Site restoration provision

The provision for site restoration costs has been calculated in accordance with the accounting policy set out in note 16



# Wareham Ball Clay Company Limited

## Notes to the financial statements for the year ended 31 December 2012

### 12. Share capital

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
1,000 "A" ordinary shares of £1 each	1,000	1,000
2 "B" ordinary shares of £0.50 each	1	1
	<u>1,001</u>	<u>1,001</u>

### 13. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2012	3,005	(7,596)
Profit for the year	-	207
	<u>3,005</u>	<u>(7,389)</u>
At 31 December 2012		

### 14. Reconciliation of movement in shareholders' deficit

	2012 £000	2011 £000
Opening shareholders' deficit	(4,590)	(4,836)
Profit for the year	207	246
	<u>(4,383)</u>	<u>(4,590)</u>
Closing shareholders' deficit		

### 15. Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public

## **Wareham Ball Clay Company Limited**

### **Notes to the financial statements for the year ended 31 December 2012**

#### **16. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking is GDF Suez SA, a company incorporated in France

The largest group of which Wareham Ball Clay Company Limited is a member and for which group financial statements are drawn up is that headed by GDF Suez SA, whose consolidated financial statements are available from 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris la Defense, Cedex, France. The smallest such group is that headed by SITA Holdings UK Limited, a company registered in England & Wales. The consolidated financial statements of the SITA Holdings UK Limited Group may be obtained from SITA House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.

In the opinion of the directors, SITA Holdings UK Limited controls the company as a result of controlling 100% of the issued share capital of Wareham Ball Clay Company Limited. GDF Suez SA is the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited.