

SAFEWASTE LIMITED

Registered number 2485860

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

WEDNESDAY



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SAFEWASTE LIMITED

CONTENTS

	Page
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 - 12

SAFEWASTE LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company was the operation of landfill sites, recycling and the provision of skip hire services until 2007. The Company now functions solely to meet its obligations for the aftercare of its closed landfill site. Operating profit for 2012 was £nil (2011 £nil). The loss on discontinued activities before tax for 2012 was £11,000 (2011 £11,000 loss). The Directors do not recommend payment of a dividend in respect of 2012 (2011 £nil). The loss transferred to the reserves for 2012 was £15,000 (2011 £8,000).

FUTURE OUTLOOK

All operating activities have now been discontinued and the company now functions solely to meet its obligations for the aftercare of its closed landfill site.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business following the discontinuance of the Company's principal activity, 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a wholly-owned subsidiary of 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 2012.

DIRECTORS

The directors who held office during the year, and up to the date of signing the financial statements, were as follows:

I F Goodfellow
J J C Simpson (appointed 1 August 2011)
M I Saunders (resigned 31 July 2011)

INDEPENDENT AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

SAFEWASTE LIMITED

DIRECTORS' REPORT - continued

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 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 year. 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

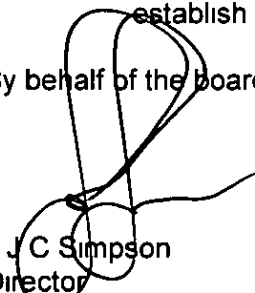
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 that

- (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 that 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

By behalf of the board



J J C Simpson
Director
24 October 2012

Registered office
Dunedin House
Auckland Park
Mount Farm
Milton Keynes
Buckinghamshire
MK1 1BU

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFEWASTE LIMITED

We have audited the financial statements of Safewaste Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 auditors

As explained more fully in the Statement of Directors responsibilities set out on page 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). 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.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFEWASTE LIMITED-continued

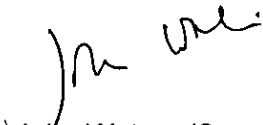
Opinion on other matter prescribed by the Companies Act 2006

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


John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 October 2012

SAFEWASTE LIMITED
Registered in England number 2485860

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012	2011
		£'000	£'000
Interest payable and similar charges	4	(11)	(11)
Loss on ordinary activities before taxation	3	(11)	(11)
Tax on loss on ordinary activities	5	(4)	3
Loss on ordinary activities for the financial year	11	(15)	(8)

The above results relate to discontinued activities

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012

The Company has no recognised gains or losses other than the loss for the financial year

SAFEWASTE LIMITED
Registered in England number 2485860

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	6	-	-
Current assets			
Debtors	7	1,233	1,274
Creditors: amounts falling due within one year	8	(4)	-
Total assets less current liabilities		1,229	1,274
Provisions for liabilities	9	(162)	(192)
Net assets		1,067	1,082
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	967	982
Total shareholder's funds	12	1,067	1,082

The financial statements on pages 5 to 12 were approved by the board of directors on 24 October 2012 and signed on its behalf by


J J C Simpson
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except where noted

(a) Basis of accounting

The financial statements for the year have been prepared under the historical cost basis and comply with applicable law, the Companies Act 2006 and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice)

(b) Going concern

After making enquiries, the Directors have formed the view, at the time of approving the financial statements, that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company's business is a going concern. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements

(c) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and less any write down for impairment

Landfill

Site development costs, including engineering works and the net present value (NPV) of final site restoration costs, are capitalised. These costs are written off over the operational life of each site based on the amount of void space consumed

(d) Aftercare

Provision was made for the net present value (NPV) of unavoidable post closure costs at the Company's landfill site. Similar costs incurred during the operational life of the site were written off directly to the profit and loss account and were not charged against the provision

(e) Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. 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

2 SEGMENT REPORTING

The losses relating to discontinued operations were wholly attributable to the Company's business of waste management in the United Kingdom

3 COMPANY STATUS

Audit costs have been borne by a fellow group undertaking. There were no employees of the Company during the year (2011: none). 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 related to the services of this Company

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012 - continued

4 INTEREST PAYABLE AND SIMILAR CHARGES

Finance costs comprise the unwinding of discount being £11,000 (2011 £11,000) on long term landfill liabilities (note 9)

5 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax (charge)/credit based on the loss for the year is made up as follows

	2012 £'000	2011 £'000
Corporation tax		
Current tax	3	3
Adjustments in respect of prior years	(7)	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	(4)	3
	<hr/> <hr/>	<hr/> <hr/>

The corporation tax assessed for the year differs from the United Kingdom standard rate of corporation tax of 26% (2011 28%) The differences are explained below

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	(11)	(11)
	<hr/>	<hr/>
Tax credit on UK tax rate	3	3
<i>Tax effect of the following items</i>		
Adjustments in respect of prior years	(7)	-
	<hr/>	<hr/>
Corporation tax (charge)/credit for the year	(4)	3
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect the future current and total tax charges

The 2012 Budget on 21 March 2012 announced a reduction in the UK Corporation tax rate. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

The March 2012 budget statement also announced an intention to continue to reduce the main rate of corporation tax by 1% per annum to 22% by 1 April 2014. On 3 July 2012 the reduction of the main rate of corporation tax to 23% (effective from 1 April 2013) was substantively enacted. A future finance bill is expected to further reduce the corporation tax rate to 22%. These changes had not been effected at the balance sheet date and therefore the impact of these is not included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012 - continued

6 TANGIBLE FIXED ASSETS

	Landfill site £'000
Cost:	
At 1 April 2011 and 31 March 2012	393
	<u>393</u>
Accumulated Depreciation:	
At 1 April 2011 and 31 March 2012	393
	<u>393</u>
Net book value:	
At 31 March 2012	-
	<u>-</u>
At 31 March 2011	-
	<u>-</u>

7 DEBTORS

	2012 £'000	2011 £'000
Amounts owed by group undertakings	1,233	1,271
Corporation tax	-	3
	<u>1,233</u>	<u>1,274</u>

The amounts owed by group undertakings are unsecured, repayable on demand and interest free

8 CREDITORS: amounts falling due within one year

	2012 £'000	2011 £'000
Corporation tax	4	-
	<u>4</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012 - continued

9 PROVISIONS FOR LIABILITIES

	Aftercare £'000
At 1 April 2011	192
Unwinding of discount (note 4)	11
Utilised in the year	(41)
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At 31 March 2012	162
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Aftercare

The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. These costs may be impacted by a number of factors including changes in legislation and improvements in technology. The dates of payment of these aftercare costs are uncertain but are anticipated to be over a period of approximately twenty five years from closure of the relevant landfill site in 2007.

10 CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Authorised, allotted and fully paid 100,000 ordinary shares of £1 each	100	100
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11 PROFIT AND LOSS ACCOUNT

	Profit and loss £'000
At 1 April 2011	982
Loss for the financial year	(15)
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At 31 March 2012	967
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012 - continued

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £'000	2011 £'000
Loss for the year	(15)	(8)
Net movement in equity shareholder's funds	(15)	(8)
Opening shareholder's funds	1,082	1,090
Closing shareholder's funds	1,067	1,082

13 NOTE OF THE HISTORICAL COST PROFITS AND LOSSES

For the year ended 31 March 2012 there is no material difference between the reported losses for the year and those that would be reported under the historic cost convention

14 CONTINGENT LIABILITIES

The Company is a member of a HMRC Group value added tax registration and as at 31 March 2012 had a contingent liability of £237,000 (2011 £249,000) under this registration

The Company is also a member of a HMRC Group Payment arrangement for Corporation Tax and as at 31 March 2012 had a contingent liability of £nil (2011 £nil) under this arrangement

The Company, along with other fellow group undertakings, has in the normal course of business given guarantees and performance bonds relating to the Group's contracts totalling £5,451,000 (2011 £2,603,000)

15 RELATED PARTY TRANSACTIONS

As permitted by FRS 8 'Related party transactions', 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

16 CASH FLOW STATEMENT

The Company is a wholly-owned subsidiary of Shanks Group plc and is included in the consolidated financial 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 (Revised) 'Cash flow statements'

SAFEWASTE LIMITED

Registered in England number 2485860

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 - continued

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Shanks Waste Management Limited. The ultimate parent undertaking and controlling party is Shanks Group plc, a company incorporated in Scotland. Shanks Group plc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2012. The consolidated financial statements of Shanks Group plc can be obtained from the Company Secretary, Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire MK1 1BU.