

**SAFEWASTE LIMITED**

**Registered number 2485860**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

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## **SAFEWASTE LIMITED**

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## **SAFEWASTE LIMITED DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2010

### **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 and restoration of its closed landfill site. Operating profit for 2010 was £Nil (2009 £Nil). The loss on ordinary activities before tax for 2010 was £11,000 (2009 £13,000 loss). The Directors do not recommend payment of a dividend in respect of 2010 (2009 £Nil). The loss transferred to the reserves for 2010 was £8,000 (2009 £29,000 loss).

### **FUTURE OUTLOOK**

All operating activities have now been discontinued and the company now functions solely to meet its obligations for the aftercare and restoration 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 2010.

### **DIRECTORS**

The directors who held office during the year, and up to the date of this report, were as follows -

I Goodfellow (appointed 5 November 2009)  
M I Saunders (appointed 5 November 2009)  
R I Cartwright (resigned 5 November 2009)  
C Surch (appointed 1 May 2009, resigned 5 November 2009)  
F A N Welham (resigned 27 May 2009)

**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 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.

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 order of the Board



M Saunders  
Director  
15 September 2010

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 Ltd for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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 Directors' Responsibilities Statement 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 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.

### **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 2010 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.

### **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.

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

**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



Christopher Burns (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
15 September 2010

**SAFEWASTE LIMITED**  
**Registered in England number 2485860**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		£'000	£'000
Finance costs – discount unwind	5	(11)	(13)
		<hr/>	<hr/>
<b>Loss on discontinued activities before tax</b>	3	(11)	(13)
Tax on loss on discontinued activities	6	3	(16)
		<hr/>	<hr/>
<b>Loss on discontinued activities for the financial year</b>	12	(8)	(29)
		<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 MARCH 2010**


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

**SAFEWASTE LIMITED**  
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**BALANCE SHEET**  
**AS AT 31 MARCH 2010**

	<u>Note</u>	<u>2010</u> £'000	<u>2009</u> £'000
<b>Fixed assets</b>			
Tangible assets	7	-	-
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	8	1,311	1,353
		<hr/>	<hr/>
<b>Net current assets</b>		1,311	1,353
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,311	1,353
		<hr/>	<hr/>
Provisions for liabilities and charges	9	(221)	(255)
		<hr/>	<hr/>
<b>Net assets</b>		1,090	1,098
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	10	100	100
Profit and loss reserve	11	990	998
		<hr/>	<hr/>
<b>Total shareholders' funds</b>	12	1,090	1,098
		<hr/>	<hr/>

The financial statements on pages 5 to 11 were approved by the board of directors on 15 September 2010 and signed on its behalf by



M Saunders  
Director



**SAFEWASTE LIMITED**  
**Registered in England number 2485860**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements 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) Tangible Fixed assets**

Tangible fixed 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 is made for the NPV of unavoidable post closure costs at the Company's landfill sites based on the quantity of waste deposited in the year. Similar costs incurred during the operational life of the sites are written off directly to the profit and loss account and are not charged against the provision

**(e) Deferred tax**

Deferred tax is provided in full in respect of timing differences arising between the treatments of certain items for tax and accounting purposes. Deferred tax assets in respect of trading tax losses are only recognised where the tax losses are expected to be recovered. Deferred tax provisions have not been discounted

**2 SEGMENTAL INFORMATION**

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

**3 LOSS ON DISCONTINUED ACTIVITIES BEFORE TAX**

The auditors' remuneration for the year has been borne by a fellow group company

**4 DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION**

The salaries of the Directors were paid by other Shanks Group plc undertakings and no remuneration was paid or is payable by Safewaste Limited. The Directors estimate that no emoluments paid by other Shanks Group plc undertakings relate to services provided to the Company. The Company did not have any employees during the year (2009: None)

**SAFEWASTE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010 - continued**

**5 FINANCE COSTS**

Finance costs comprise the unwinding of discount of £11,000 (2009 £13,000) on long term landfill liabilities (see note 9) It is treated as a finance cost in accordance with FRS12

**6 TAX**

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

	<u>2010</u> £'000	<u>2009</u> £'000
Corporation tax at 28% (2009 28%) - current period	3	4
Deferred tax - prior year	-	(20)
	<u>3</u>	<u>(16)</u>

The corporation tax assessed equals the United Kingdom standard rate of corporation tax of 28% (2009 28%)

**7 TANGIBLE ASSETS**

	Landfill site £'000
Cost At 1 April 2009 and at 31 March 2010	<u>393</u>
Accumulated Depreciation At 1 April 2009 and at 31 March 2010	<u>393</u>
Net book value At 31 March 2010	<u>-</u>
At 31 March 2009	<u>-</u>

**SAFEWASTE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010 - continued**

**8 DEBTORS**

	<u>2010</u> £'000	<u>2009</u> £'000
Amounts owed by group undertakings	1,311	1,353
	<u>1,311</u>	<u>1,353</u>

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

**9 PROVISIONS FOR LIABILITIES**

	<u>Aftercare</u> £'000
At 1 April 2009	255
Provided in year - finance cost (see note 5)	11
Utilised	(45)
At 31 March 2010	<u>221</u>

**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**

	<u>2010</u> £'000	<u>2009</u> £'000
Authorised, allotted and fully paid 100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**SAFEWASTE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010 - continued**

**11 RESERVES**

	Profit and loss reserve £'000
At 1 April 2009	998
Loss for the financial year	(8)
	<hr/>
At 31 March 2010	990
	<hr/> <hr/>

**12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>2010</u> £'000	<u>2009</u> £'000
Loss for the financial year	(8)	(29)
	<hr/>	<hr/>
Net movement in equity shareholders' funds	(8)	(29)
Opening equity shareholders' funds	1,098	1,127
	<hr/>	<hr/>
Closing equity shareholders' funds	1,090	1,098
	<hr/> <hr/>	<hr/> <hr/>

**13 NOTE OF THE HISTORICAL COST PROFITS AND LOSSES**

For the year ended 31 March 2010 there is no material difference between the reported losses for the year and those that would be reported under the historic cost convention

**SAFEWASTE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010 - continued**

**14 CONTINGENT LIABILITIES**

The Company is a member of a HMRC Group value added tax registration and as at 31 March 2010 had a contingent liability of £2,132,236 (2009 £Nil) under this registration

The Company is also a member of a HMRC Group Payment arrangement for Corporation Tax and as at 31 March 2010 had a contingent liability of £Nil (2009 £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 £19,882,000 (2009 £8,188,000)

**15 RELATED PARTY TRANSACTIONS**

As permitted by FRS8 '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

**17 IMMEDIATE AND ULTIMATE PARENT COMPANY**

The immediate holding company during the year was Shanks Waste Management Limited which is registered in England. The ultimate parent company is Shanks Group plc, a company registered in Scotland. Copies of the Group Annual Report and Accounts may be obtained from the Company Secretary, Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire MK1 1BU