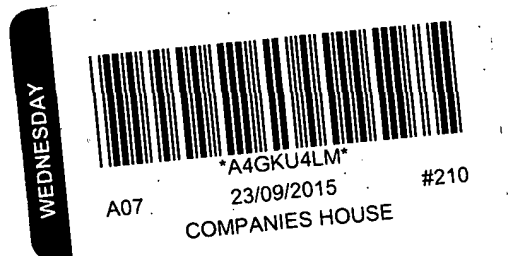


SHANKS SRF TRADING LIMITED

Registered Number 2563623

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015



SHANKS SRF TRADING LIMITED

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SHANKS SRF TRADING LIMITED

DIRECTORS' REPORT

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

Business review, principal activities and future outlook

The principal activities of the Company were the trade in solid recoverable fuel from the facilities of a fellow group undertaking, Shanks Cumbria Limited.

The loss on ordinary activities before taxation for the year was £273,000 (2014: £328,000 profit). No dividend was paid or is proposed for the year (2014: £nil). The loss for the financial year was £216,000 (2014: £253,000 profit).

The Company will continue its trade in solid recovered fuel.

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 2015.

Financial risk management

A discussion of the objectives and policies employed in managing risk can be found in the Shanks Group plc Annual Report and Accounts for the year ended 31 March 2015.

Key performance indicators (KPIs)

The principal KPI for the Company is the volume of solid recovered fuel handled during the year. During the year the Company handled 30,854 tonnes (2014: 29,400 tonnes).

Directors

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

P D Eglinton
D K Mulligan

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.

SHANKS SRF TRADING 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; 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.

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 order of the Board



D K Mulligan
Director
11 September 2015

Registered Office:

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHANKS SRF TRADING LIMITED

Report on the financial statements

Our opinion

In our opinion, Shanks SRF Trading 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 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.

What we have audited

Shanks SRF Trading Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account 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 SRF TRADING 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 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) ("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

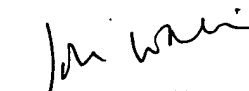
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 Statement 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
15 September 2015

SHANKS SRF TRADING LIMITED
REGISTERED IN ENGLAND NUMBER 2563623

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	<u>Note</u>	2015 £'000	2014 £'000
Turnover	2	1,680	1,929
Cost of sales		(1,953)	(1,534)
		<hr/>	<hr/>
Gross (loss)/profit		(273)	395
Administrative expenses		-	(67)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	3	(273)	328
Tax on (loss)/profit on ordinary activities	4	57	(75)
		<hr/>	<hr/>
(Loss)/profit for the financial year	8	(216)	253
		<hr/> <hr/>	<hr/> <hr/>

All the activities of the Company relate to continuing operations.

There is no material difference between the reported (loss)/profit for either year and those that would be reported under the historical cost convention.

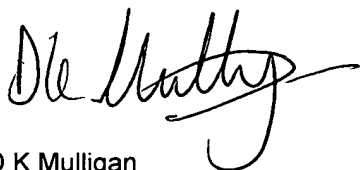
The Company has no recognised gains or losses other than those set out above. Accordingly, no separate statement of total recognised gains and losses has been prepared.

SHANKS SRF TRADING LIMITED
REGISTERED IN ENGLAND NUMBER 2563623

BALANCE SHEET
AS AT 31 MARCH 2015

	<u>Note</u>	2015 £'000	2014 £'000
Current assets			
Debtors	5	5,077	3,339
Creditors: amounts falling due within one year	6	(4,940)	(2,986)
		<hr/>	<hr/>
Net assets		137	353
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	137	353
		<hr/>	<hr/>
Total shareholder's funds	9	137	353
		<hr/>	<hr/>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 11 September 2015 and signed on its behalf by:



D K Mulligan
Director

SHANKS SRF TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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.

(a) Basis of preparation

The financial statements for the year have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom (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) Turnover

Turnover, all of which occurred in the United Kingdom, represents the invoiced value of goods and services provided exclusive of value added tax. Turnover is recognised when processing occurs or the service is provided.

(d) Taxation

The charge for taxation is based on the 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.

(e) Dividends

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements. Interim dividends are recognised when paid.

2 TURNOVER

Turnover was wholly attributable to the Company's business of waste management in the United Kingdom.

3 LOSS/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The auditor's remuneration of £5,000 (2014: £5,000) has been borne by a fellow group undertaking.

There were no employees of the Company in the year (2014: none).

The Directors were not remunerated in either year for their services to the Company (2014: £nil); neither did the Directors accrue any retirement benefits in respect of service to the Company (2014: £nil). None of the emoluments paid to the Directors by the other group companies related to the services of this Company (2014: £nil), which were of negligible value.

SHANKS SRF TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - continued

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2015 £'000	2014 £'000
Corporation tax	(57)	75
	<u> </u>	<u> </u>

The tax assessed for the year is equal to (2014: equal to) the United Kingdom standard rate of corporation tax of 21% (2014: 23%).

Factors that may affect the future current and total tax charges

The March 2013 budget statement announced an intention to reduce the main rate of corporation tax to 21% (effective from 1 April 2014) and then 20% (effective from 1 April 2015). These changes were substantively enacted on 2 July 2013 and will reduce the Company's future current tax charge accordingly.

5 DEBTORS

	2015 £'000	2014 £'000
Amounts owed by group undertakings	5,020	3,339
Corporation tax debtor	57	-
	<u> </u>	<u> </u>
	5,077	3,339
	<u> </u>	<u> </u>

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

6 CREDITORS: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	4,940	2,809
Corporation tax	-	75
Accruals and deferred income	-	102
	<u> </u>	<u> </u>
	4,940	2,986
	<u> </u>	<u> </u>

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

SHANKS SRF TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - continued

7 CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid: 2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

8 PROFIT AND LOSS ACCOUNT

	£'000
At 1 April 2014	353
Loss for the financial year	(216)
	<u>137</u>
At 31 March 2015	<u>137</u>

9 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2015 £'000	2014 £'000
(Loss)/profit for the financial year	(216)	253
	<u>(216)</u>	<u>253</u>
Net movement in shareholder's funds	(216)	253
Opening shareholder's funds	353	100
	<u>137</u>	<u>353</u>
Closing shareholder's funds	<u>137</u>	<u>353</u>

10 CONTINGENT LIABILITIES

The Company is a member of a HMRC Group VAT registration and as at 31 March 2015 the liability under this registration was £635,000 (2014: £986,000).

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 £347,000 (2014: £nil) under this arrangement.

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 £27,526,000 (2014: £27,211,000).

SHANKS SRF TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - continued

11 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS 8 Related Party Transactions not to disclose transactions with companies which are wholly-owned undertakings within the Shanks Group plc group.

12 CASHFLOW 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.

13 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 undertaking to consolidate these financial statements at 31 March 2015. 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.