

Company Registration No. 03968180

Shelford Composting Limited

**Annual report and financial statements
for the year ended 31 December 2016**

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Shelford Composting Limited

Annual report and financial statements 2016

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report	4
Statement of comprehensive income and expense	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10

Shelford Composting Limited

Annual report and financial statements 2016

Officers and professional advisers

Directors

S J Longdon
N Towell
R N Jenkins
C N Barber

Company Secretary

C Nunn

Registered Office

Ground Floor West
900 Pavilion Drive
Northampton Business Park
Northampton
NN4 7RG

Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Shelford Composting Limited

Directors' report

The Directors present their annual report and the audited financial statements of Shelford Composting Limited ("the Company") for the year ended 31 December 2016.

Principal activity

The Company's principal activity is green waste composting and disposal.

Directors

The Directors who served during the year ended 31 December 2016 and up to the date of this report were as follows:

S J Longdon	
N Towell	
R N Jenkins	(appointed 6 June 2016)
C N Barber	(appointed 20 September 2016)
W J G Griffiths	(resigned 6 June 2016)

Results and dividends

The results of the Company for the year ended 31 December 2016 are set out on page 6. The profit for the financial year ended 31 December 2016 amounted to £43,000 (2015: £79,000 loss). The Directors do not recommend the payment of a dividend (2015: £nil). The profit (2015: loss) for the financial year has been transferred to (2015: withdrawn from) reserves, resulting in a corresponding increase (2015: decrease) in total equity.

Going concern

The Company ceased trading in March 2017 due to the expiry of the Shelford waste contract. The cash balance will be utilised to satisfy all of the Company's liabilities and ongoing commitments. As required by accounting practice, the directors have accordingly prepared the financial statements on the basis that the Company is no longer a going concern. However, no material adjustments arose of not applying the going concern basis.

Post balance sheet event

On 31 March 2017, the Company ceased trading. This was expected, due to the expiry of the Shelford waste contract at that date. Accordingly, the financial statements have not been prepared on the going concern basis.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 accounting estimates that are reasonable and prudent; 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.

Shelford Composting Limited

Directors' report

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to section 487 of the Act, the auditor will be deemed to be reappointed annually by the Company and Deloitte LLP will therefore continue in office until further notice.

Small companies exemption

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. As a result of this exemption, the Company has elected not to prepare a separate Strategic Report.

Approved by the Board and signed on its behalf by:



C Nunn
Company Secretary

11 September 2017

Independent auditor's report to the members of Shelford Composting Limited

We have audited the financial statements of Shelford Composting Limited for the year ended 31 December 2016 which comprise of the statement of comprehensive income and expense, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' responsibilities statement, 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.

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 annual report 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.

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 2016 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.

Financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Independent auditor's report to the members of Shelford Composting Limited

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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic report or in preparing the Directors' report.



Makhan Chahal (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

14 September 2017

Shelford Composting Limited

Statement of comprehensive income and expense Year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Turnover	4	513	428
Cost of sales		(445)	(422)
Gross profit		68	6
Administrative expenses		(23)	(17)
Operating profit/(loss)		45	(11)
Interest receivable and similar income	7	2	7
Profit/(loss) on ordinary activities before taxation	5	47	(4)
Tax on profit/(loss) on ordinary activities	8	(4)	(75)
Profit/(loss) for the financial year		43	(79)
Other comprehensive income for the year		-	-
Total comprehensive income/(expense) for the year		43	(79)

All results in the year ended 31 December 2016 relate to continuing operations. However, the company ceased trading in March 2017.

The notes on pages 10 to 16 are an integral part of these financial statements.

Shelford Composting Limited

Balance sheet at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	9	-	29
Current assets			
Debtors: amounts due within one year	10	44	6
Cash at bank and in hand		838	764
		882	770
Creditors: amounts falling due within one year	11	(113)	(65)
Net current assets		769	705
Total assets less current liabilities		769	734
Provisions for liabilities			
Deferred taxation	12	-	(8)
Net assets		769	726
Capital and reserves			
Called-up share capital	13	-	-
Profit and loss account		769	726
Total equity		769	726

The notes on pages 10 to 16 are an integral part of these financial statements.

The financial statements of Shelford Composting Limited, registered number 03968180 were approved by the Board of Directors and authorised for issue on 11 September 2017. They were signed on its behalf by:



S J Longdon
Director

Shelford Composting Limited

Statement of changes in equity Year ended 31 December 2016

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Year ended 31 December 2016			
At 1 January 2016	-	726	726
Profit for the year	-	43	43
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	769	769
	<hr/>	<hr/>	<hr/>
Year ended 31 December 2015			
At 1 January 2015	-	805	805
Loss for the year	-	(79)	(79)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	726	726
	<hr/>	<hr/>	<hr/>

Shelford Composting Limited

Cash flow statement Year ended 31 December 2016

	£'000	2016 £'000	£'000	2015 £'000
Cash flows from operating activities				
Profit/(loss) for the year	43		(79)	
Adjustments for:				
Depreciation	29		23	
Interest receivable	(2)		(7)	
Taxation	4		75	
Operating cash flows before changes in working capital and provisions	74		12	
(Increase)/decrease in debtors	(56)		47	
Increase/(decrease) in creditors	57		(83)	
Decrease in provisions	-		-	
Cash flows from operations	75		(24)	
Income tax paid	(3)		(71)	
Net cash flows from operating activities		72		(95)
Cash flows from investing activities				
Interest received	2		7	
Net cash flows from investing activities		2		7
Net increase/(decrease) in cash and cash equivalents		74		(88)
Cash and cash equivalents at 1 January		764		852
Cash at bank and in hand at 31 December		838		764

Notes to the financial statements

For the year ended 31 December 2016

Shelford Composting Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional and presentational currency of Shelford Composting Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company ceased trading in March 2017 due to the expiry of the Shelford waste contract. The cash balance will be utilised to satisfy all of the Company's liabilities and ongoing commitments. As required by accounting practice, the directors have accordingly prepared the financial statements on the basis that the Company is no longer a going concern. However, no material adjustments arose of not applying the going concern basis.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided on tangible fixed assets in use at rates calculated to write off the cost less residual value of assets as follows:

Plant and machinery - over 3 to 20 years

Turnover is stated net of value added tax and trade discounts where applicable. Turnover is recognised in respect of waste disposal services when the waste has been received and disposed of. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Turnover, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- debtors and creditors are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of debtors or creditors in the balance sheet. Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable surplus for the year using average tax rates in place during the financial year, and any adjustments in respect of previous periods. Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Shelford Composting Limited

Notes to the financial statements For the year ended 31 December 2016

2. Accounting policies (continued)

Taxation (continued)

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is recognised for all temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill, non-tax deductible goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Operating leases

Operating leases rentals are charged to the profit and loss account on a straight-line basis over the lease term.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no areas of significant judgement or specific estimates or assumptions relevant to the Company.

4. Turnover

All turnover was generated in the United Kingdom principally from green waste composting and disposal of waste materials which the Directors consider to be a single business segment.

Shelford Composting Limited

Notes to the financial statements For the year ended 31 December 2016

5. Profit/(loss) on ordinary activities before taxation

	2016 £'000	2015 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets - owned assets	29	23
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	3	3
Operating leases - plant and machinery	102	134
Operating leases - other	27	25
	<u>161</u>	<u>185</u>

No fees were payable to the Company's auditor for 'Other Services' in either the current or previous financial year.

6. Directors' remuneration and transactions

None of the Directors received any remuneration or other benefits through the Company during the year ended 31 December 2016 or the previous financial year. Furthermore, no recharges of directors' remuneration were levied against the Company from related parties in either year.

The Company does not directly employ any staff. Staff costs are recharged to the Company by Viridor Waste Kent Limited, details of which are set out below:

	2016 £'000	2015 £'000
Total staff related costs	<u>82</u>	<u>95</u>
	No.	No.
The average monthly number of staff utilised during the year was:		
Site operatives	2	2
Directors	3	3
	<u>5</u>	<u>5</u>

7. Interest receivable and similar income

	2016 £'000	2015 £'000
Other interest receivable	<u>2</u>	<u>7</u>

Shelford Composting Limited

Notes to the financial statements For the year ended 31 December 2016

8. Tax on profit/(loss) on ordinary activities

The tax charge comprises:

	2016 £'000	2015 £'000
Current tax		
United Kingdom corporation tax at 20.0% (2015: 20.0%) based on profit/(loss) for the year	14	4
Adjustment in respect of prior years	(2)	75
Total current tax	<u>12</u>	<u>79</u>
Deferred tax		
Origination and reversal of timing differences	(8)	(4)
Total deferred tax	<u>(8)</u>	<u>(4)</u>
Tax on profit/(loss) on ordinary activities	<u>4</u>	<u>75</u>

Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 17% from 1 April 2020.

The total tax charge/position for both the current and previous year differs from the average standard rate of 20.0% (2015: 20.0%) for the reasons set out in the following reconciliation:

	2016 £'000	2015 £'000
Profit/(loss) on ordinary activities before tax	<u>47</u>	<u>(4)</u>
Tax on profit/(loss) on ordinary activities at average standard rate	9	(1)
Effects of:		
Expenses not deductible for tax purposes	(3)	1
Adjustments in respect of prior years	(2)	75
Total tax charge	<u>4</u>	<u>75</u>

Shelford Composting Limited

Notes to the financial statements For the year ended 31 December 2016

9. Tangible fixed assets

	Plant and machinery £'000
Cost	
At 1 January 2016 and at 31 December 2016	395
Depreciation	
At 1 January 2016	366
Charge for the year	29
At 31 December 2016	395
Net book value	
At 31 December 2016	-
At 31 December 2015	29

10. Debtors: amounts due within one year

	2016 £'000	2015 £'000
Trade debtors	34	-
Prepayments	6	6
Amounts due from related party	4	-
	<u>44</u>	<u>6</u>

11. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	53	32
Corporation tax	-	10
Accruals and deferred income	60	23
	<u>113</u>	<u>65</u>

Shelford Composting Limited

Notes to the financial statements For the year ended 31 December 2016

12. Deferred taxation

	£'000
At 1 January 2016	8
Credited in the profit and loss account	(8)
	<u> </u>
At 31 December 2016	<u> </u>

	Provided 2016 £'000	2015 £'000
Capital allowances in excess of depreciation	<u> </u>	<u> </u>
	-	8

13. Called-up share capital and reserves

	2016 £	2015 £
Called up, allotted and fully paid		
50 'A' ordinary shares of £1 each	50	50
50 'B' ordinary shares of £1 each	50	50
	<u> </u>	<u> </u>
	100	100

All shares rank pari passu. The holders of the issued "A" ordinary shares and the issued "B" ordinary shares shall be entitled at any time to appoint and/or substitute up to two persons as "A" and "B" Directors respectively. In the event of a resolution being proposed at any General Meeting of the Company for the removal of an "A" or "B" Director, the holders of the corresponding class of shares shall, upon a poll, carry three votes per share.

Profit and loss account

Profit and loss account comprises cumulative profits or losses, including unrealised profits or losses recognised in the statement of comprehensive income and expense.

14. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery		Total	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Which expire:						
Within one year	7	-	-	61	7	61
Within two to five years	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Shelford Composting Limited

Notes to the financial statements For the year ended 31 December 2016

15. Related party transactions

In the ordinary course of business, the Company has traded with Waste Recycling Group (Central) Limited ("WRG") and Viridor Waste Kent Limited, which are related parties by virtue of their respective 50% shareholdings in the Company. WRG is a subsidiary undertaking of FCC Environment (UK) Limited ("FCC E UK") and therefore the Directors also consider all other subsidiary undertakings of FCC E UK to be related parties. Viridor Waste Kent Limited is a subsidiary undertaking of Viridor Waste Limited ("VWL") and therefore the Directors also consider all other subsidiary undertakings of VWL to be related parties.

Details of the transactions during the year and outstanding balances with related parties at the year end are as follows:

	FCC Recycling (UK) Ltd		WRG		VWL	
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Amounts due from related party parties:						
Debtors due in less than one year	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses charged (including staff costs)	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>	<u>238</u>	<u>399</u>

16. Post balance sheet event

On 31 March 2017, the Company ceased trading. This was expected, due to the expiry of the Shelford waste contract at that date. Accordingly, the financial statements have not been prepared on the going concern basis.

17. Parent company

The Company is under the joint and equal ownership and control of Waste Recycling Group (Central) Limited and Viridor Waste Kent Limited.