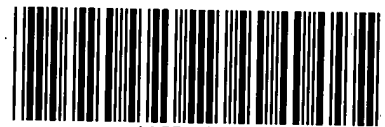


COMPANY NUMBER  
04765743

Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 30 June 2015  
for  
North Tees Waste Management Limited

SATURDAY



\*A5BUCIJD\*

A20

23/07/2016

#180

COMPANIES HOUSE

**North Tees Waste Management Limited**

**Contents of the Financial Statements**  
**for the Year Ended 30 June 2015**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>12</b>

**North Tees Waste Management Limited**

**Company Information**  
**for the Year Ended 30 June 2015**

**DIRECTORS:**

I G Hunter  
N T Flintoft

**SECRETARY:**

Osborne Secretaries Limited

**REGISTERED OFFICE:**

The Cube  
Barrack Road  
Newcastle Upon Tyne  
Tyne and Wear  
NE4 6DB

**REGISTERED NUMBER:**

04765743 (England and Wales)

**AUDITORS:**

Tindle's LLP  
Chartered Accountants and Statutory Auditors  
Scotswood House  
Teesdale South  
Thornaby Place  
Stockton-on-Tees  
TS17 6SB

**North Tees Waste Management Limited**

**Strategic Report**  
**for the Year Ended 30 June 2015**

The directors present their strategic report for the year ended 30 June 2015.

**REVIEW OF BUSINESS**

During the comparative financial year, on 30 December 2013, North Tees Waste Management Limited sold its waste management trade and certain assets and liabilities to Green North East Trading BidCo Limited.

During the year ended 30 June 2015 North Tees Waste Management Limited has commenced the provision of specialist services to group companies, has continued to deal with post completion matters relating to the disposal of its waste management trade and, as is discussed further in note 20 to the financial statements, continues to be involved in an active ongoing legal dispute with HM Revenue and Customs in connection with the company's treatment, for landfill tax purposes, of material used in the construction of engineered structures at the entity's landfill sites.

The legal dispute is ongoing as at the date of approval of this strategic report and attention is drawn to the disclosures that are included in note 1 to the financial statements regarding going concern matters connected to the dispute.

**KEY PERFORMANCE INDICATORS**

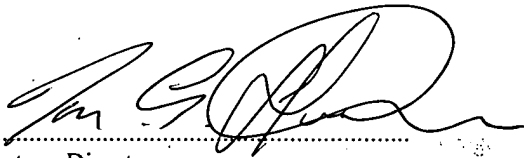
In light of the disposal of the waste management trade and certain assets and liabilities of the company during the comparative financial year and the nature of the ongoing activities of the company, the directors do not consider that it would be useful for key performance indicators to be presented and analysed for the financial year ended 30 June 2015.

**PRINCIPAL RISKS AND UNCERTAINTIES**

During the year, and in the context of the comparative disposal of the waste management trade and certain assets and liabilities, the directors and key management personnel reviewed the principal risks and uncertainties facing the company and the strategies to be adopted to mitigate these risks and uncertainties.

See also above regarding the ongoing legal dispute with HM Revenue and Customs.

**ON BEHALF OF THE BOARD:**



I G Hunter - Director

Date: 15-07-16

## **North Tees Waste Management Limited**

### **Report of the Directors** **for the Year Ended 30 June 2015**

The directors present their report with the financial statements of the company for the year ended 30 June 2015.

#### **DIVIDENDS**

The results and state of affairs of the company for the year are set out in the financial statements on pages 7 to 25.

No dividends will be distributed for the year ended 30 June 2015.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2014 to the date of this report.

I G Hunter  
N T Flintoft

Other changes in directors holding office are as follows:

D R Shawcross ceased to be a director after 30 June 2015 but prior to the date of this report.

Mr I Hunter holds 85.0% of the issued share capital of the parent company - North Tees Holdings Limited - as at the date of this report (and held the same percentage at the balance sheet date).

#### **EVENTS SINCE THE END OF THE YEAR AND FUTURE DEVELOPMENTS**

Information regarding developments since 30 June 2015 in connection with the ongoing legal dispute with HM Revenue and Customs is provided in note 20 to the financial statements. Information regarding other post balance sheet events is provided in note 24 to the financial statements.

Following the disposal of the waste management trade and certain assets and liabilities during the comparative year ended 30 June 2014 the company expects to continue dealing with various post completion matters going forward including the ongoing legal dispute with HM Revenue and Customs, as well as continuing to focus upon the provision of specialist services to group companies.

#### **FINANCIAL RISK MANAGEMENT**

In light of the nature of the ongoing operations of the company following the disposal of the waste management trade and certain assets and liabilities during the comparative year ended 30 June 2014 it is not considered that additional information regarding financial risk management objectives and policies is material to the assessment of the assets, liabilities, financial position and profit or loss of the company.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

**North Tees Waste Management Limited**

**Report of the Directors**  
**for the Year Ended 30 June 2015**

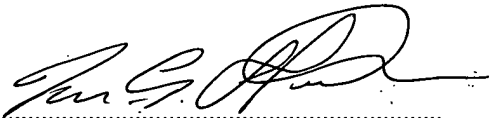
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Tindle's LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



I G Hunter - Director

Date: 15-07-16

**Report of the Independent Auditors to the Members of**  
**North Tees Waste Management Limited**

We have audited the financial statements of North Tees Waste Management Limited for the year ended 30 June 2015 on pages seven to twenty five. 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).

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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors 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 30 June 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.

**Report of the Independent Auditors to the Members of**  
**North Tees Waste Management Limited**

**Emphasis of matter - Going Concern and Uncertain Outcome of Legal Dispute**

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern and the disclosures made in note 20 of the financial statements regarding a contingent liability relating to an ongoing legal dispute.

The financial statements show net assets of £2,929,249 and net current assets of £2,643,209 at 30 June 2015.

The financial statements also disclose a contingent liability of £38,117,743 in respect of landfill tax assessments raised by HM Revenue and Customs (HMRC) in connection with an ongoing dispute concerning the company's treatment, for landfill tax purposes, of material used in the construction of engineered structures at the entity's landfill sites.

The company has appealed against the assessments raised (having also successfully applied, on grounds of hardship, for leave to appeal to the tax tribunal without payment or deposit of the sums assessed) and has commenced separate judicial review proceedings in respect of certain matters.

The appeal and judicial review processes are ongoing at the date of approval of these financial statements and, pending the outcome of the processes, the financial statements do not include the adjustment for the liability that would result if the legal dispute is resolved against the company and an amount is then payable to HMRC.

The conditions noted above, as outlined further in note 1 and note 20 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt upon the ability of the company to continue as a going concern.

It is emphasised that, in addition to the adjustment that would result if the legal dispute is resolved against the company and an amount is then payable to HMRC, the financial statements also do not include the adjustments that would result if the company was unable to continue as a going concern.

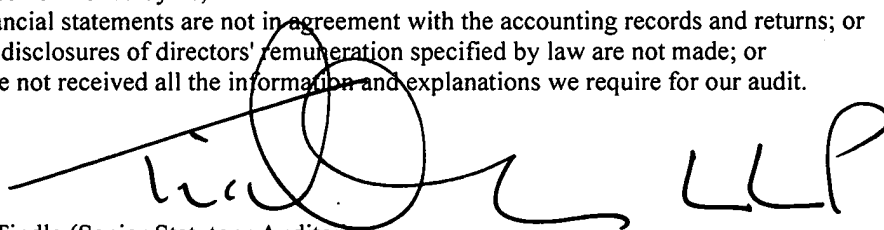
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors 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.



Robert R Tindle (Senior Statutory Auditor)  
for and on behalf of Tindle's LLP  
Chartered Accountants and Statutory Auditors  
Scotswood House  
Teesdale South  
Thornaby Place  
Stockton-on-Tees  
TS17 6SB

Date: 15<sup>th</sup> July 2016.

**North Tees Waste Management Limited**

**Profit and Loss Account**  
**for the Year Ended 30 June 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>			
Discontinued operations		-	11,880,124
		<u>-</u>	<u>11,880,124</u>
Cost of sales	2	<u>10,740</u>	<u>8,312,485</u>
<b>GROSS (LOSS)/PROFIT</b>	2	<u>(10,740)</u>	<u>3,567,639</u>
Net operating expenses	2	<u>479,852</u>	<u>3,433,567</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	<u>(490,592)</u>	<u>134,072</u>
Discontinued operations		<u>(490,592)</u>	<u>134,072</u>
Loss on sale of operation	5	<u>93,170</u>	<u>4,608,911</u>
		<u>(583,762)</u>	<u>(4,474,839)</u>
Income from shares in group undertakings		-	723,600
Interest receivable and similar income		<u>382</u>	<u>2,212</u>
		<u>382</u>	<u>725,812</u>
		<u>(583,380)</u>	<u>(3,749,027)</u>
Amounts written off investments	6	<u>985</u>	<u>55,828</u>
		<u>(584,365)</u>	<u>(3,804,855)</u>
Interest payable and similar charges	7	<u>23,262</u>	<u>23,056</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(607,627)</u>	<u>(3,827,911)</u>
Tax on loss on ordinary activities	8	<u>(126,000)</u>	<u>(40,917)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(481,627)</u>	<u>(3,786,994)</u>

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year.


The notes form part of these financial statements

**North Tees Waste Management Limited (Registered number: 04765743)**

**Balance Sheet**  
**30 June 2015**

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	11	510	-
Investments	12	285,528	286,513
Investment property	13	<u>2</u>	<u>2</u>
		286,040	286,515
<b>CURRENT ASSETS</b>			
Debtors	14	3,468,598	4,470,108
Cash at bank and in hand		<u>1,374,985</u>	<u>579,381</u>
		4,843,583	5,049,489
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>2,200,374</u>	<u>1,925,128</u>
<b>NET CURRENT ASSETS</b>		<u>2,643,209</u>	<u>3,124,361</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,929,249</u>	<u>3,410,876</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	1,200	1,200
Profit and loss account	18	<u>2,928,049</u>	<u>3,409,676</u>
<b>SHAREHOLDERS' FUNDS</b>	22	<u>2,929,249</u>	<u>3,410,876</u>

The financial statements were approved by the Board of Directors on 15-07-16 and were signed on its behalf by:

  
I G Hunter - Director

The notes form part of these financial statements

**North Tees Waste Management Limited**

**Cash Flow Statement**  
**for the Year Ended 30 June 2015**

	Notes	2015	2014
		£	£
Net cash (outflow)/inflow from operating activities	1	(350,980)	137,216
Returns on investments and servicing of finance	2	382	702,756
Taxation		(350,000)	(1,213,327)
Capital expenditure and financial investment	2	(637)	(2,196,588)
Acquisitions and disposals	2	744,434	17,336,195
Equity dividends paid		<u>-</u>	<u>(5,710,512)</u>
		43,199	9,055,740
Financing	2	<u>752,405</u>	<u>(8,998,664)</u>
Increase in cash in the period		<u>795,604</u>	<u>57,076</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		795,604	57,076
Cash outflow from decrease in debt and lease financing		<u>-</u>	<u>1,935,663</u>
Change in net funds resulting from cash flows		795,604	1,992,739
Net debt disposed of on sale of operation		<u>-</u>	<u>624,648</u>
Movement in net funds in the period		795,604	2,617,387
Net funds/(debt) at 1 July		<u>579,381</u>	<u>(2,038,006)</u>
Net funds at 30 June		<u>1,374,985</u>	<u>579,381</u>

The notes form part of these financial statements

**North Tees Waste Management Limited**

**Notes to the Cash Flow Statement**  
**for the Year Ended 30 June 2015**

**1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2015	2014
	£	£
Operating (loss)/profit	(490,592)	134,072
Depreciation charges	127	595,668
Loss on disposal of fixed assets	-	438
Provision costs incurred	-	(242,459)
Provision against amounts owed by group undertakings	-	848,834
Provision expenses recognised	-	206,217
Decrease in stocks	-	16,026
Decrease in debtors	98,748	195,345
Increase/(decrease) in creditors	40,737	(1,616,925)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(350,980)</b>	<b>137,216</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2015	2014
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	382	2,212
Interest paid	-	(14,080)
Interest element of hire purchase or finance lease rentals payments	-	(8,976)
Dividends received	-	723,600
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>382</b>	<b>702,756</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(637)	(2,083,151)
Purchase of fixed asset investments	-	(119,796)
Sale of tangible fixed assets	-	6,359
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(637)</b>	<b>(2,196,588)</b>
<b>Acquisitions and disposals</b>		
Sale of operation	837,604	18,603,998
Cash disposed of with operation and costs incurred	(93,170)	(917,803)
Purchase of subsidiary undertaking	-	(350,000)
<b>Net cash inflow for acquisitions and disposals</b>	<b>744,434</b>	<b>17,336,195</b>
<b>Financing</b>		
Loan repayments in year	-	(1,816,667)
HP repayments in year	-	(118,996)
Net financing transferred from/(to) group companies	752,405	(7,063,001)
<b>Net cash inflow/(outflow) from financing</b>	<b>752,405</b>	<b>(8,998,664)</b>

The notes form part of these financial statements

**North Tees Waste Management Limited**

**Notes to the Cash Flow Statement**  
**for the Year Ended 30 June 2015**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.14 £	Cash flow £	At 30.6.15 £
Net cash:			
Cash at bank and in hand	<u>579,381</u>	<u>795,604</u>	<u>1,374,985</u>
	<u>579,381</u>	<u>795,604</u>	<u>1,374,985</u>
 Total	 <u>579,381</u>	 <u>795,604</u>	 <u>1,374,985</u>

**4. ACQUISITIONS AND DISPOSALS**

The £837,604 cash inflow from the sale of operations comprises consideration relating to the disposal of the waste management trade and certain assets and liabilities in the comparative financial year that was received in the current year.

Following the disposal of the waste management trade and certain assets and liabilities the directors consider that all comparative cash flows for the year ended 30 June 2014 relate to these discontinued activities.

For the year ended 30 June 2015 all cash flows are considered to relate to the discontinued waste management activities with the exception of £100,000 of net cash outflows from operating activities and £100,000 of net cash inflows from financing.

**North Tees Waste Management Limited**

**Notes to the Financial Statements**  
**for the Year Ended 30 June 2015**

**1. ACCOUNTING POLICIES**

**Basis of preparation and going concern**

As is disclosed in note 10 to these financial statements North Tees Waste Management Limited sold its waste management trade and certain assets and liabilities during the comparative financial year ended on 30 June 2014.

Following the disposal of the waste management business as a going concern the Directors considered that North Tees Waste Management Limited would be able to realise the resulting and residual assets and settle its residual liabilities in the normal course of business whilst continuing in operational existence. As such the Directors do not consider that the disposal of the waste management trade means that the company is required to prepare these financial statements on a basis other than that of a going concern.

The directors have hence prepared these financial statements on a going concern basis which assumes that the company will be able to continue in operational existence for the foreseeable future, realising its assets and discharging its liabilities in the normal course of business.

However, attention is drawn to the following circumstance that may ultimately cast doubt on the ability of the company to continue as a going concern:

**Ongoing Legal Dispute with HM Revenue and Customs (HMRC)**

As is disclosed in note 20 to these financial statements the directors consider that an active ongoing legal dispute with HMRC regarding the treatment, for landfill tax purposes, of material used in the construction of engineered structures at the entity's landfill site, gives rise to a contingent liability at 30 June 2015.

In December 2015 the company lodged tax tribunal appeals against assessments raised by HMRC in the amount of £38,117,743 and separate judicial review proceedings have now been commenced in respect of certain matters.

For the reasons discussed in note 20 no liability or provision has been recognised in these financial statements in respect of the assessed amount, with the balance sheet of North Tees Waste Management Limited at 30 June 2015 showing net assets of £2,929,249 and net current assets of £2,643,209 following the disposal of the waste management trade of the company in the comparative financial year.

Noting these circumstances and the quantum of the assessments that have been raised against the company by HMRC the directors consider that the ability of the company to continue as a going concern is intrinsically linked to the eventual outcome of the ongoing legal dispute and the associated tax tribunal appeals and judicial review process.

As is outlined in note 20 North Tees Waste Management Limited is confident that its grounds for disputing the assessments raised by HMRC have merit and has successfully applied, on grounds of hardship, for leave to submit its appeals to the tax tribunal without payment or deposit of the sums assessed.

As such the directors have prepared these financial statements on a going concern basis as they consider that the company is in a position to continue in operational existence pending the resolution of the uncertainty arising from the legal dispute with HMRC.

The directors will continue to monitor developments in connection with the legal dispute and the associated tax tribunal appeals and judicial review process and take appropriate action in consultation with their advisors.

It should be noted that if the ongoing legal dispute is resolved against the company then an adjustment would have to be made to recognise a liability for the amount that then became payable to HMRC.

If the company were then unable to continue in operational existence for the foreseeable future, realising its assets and discharging its liabilities in the normal course of business, then adjustments would also have to be made to, for example: reduce the balance sheet values of assets to their recoverable amounts; provide for any further liabilities that may arise; and reclassify fixed assets and long-term liabilities as current assets and liabilities as applicable.

## **North Tees Waste Management Limited**

### **Notes to the Financial Statements - continued** **for the Year Ended 30 June 2015**

#### **1. ACCOUNTING POLICIES - continued**

##### **Accounting convention**

The financial statements have been prepared under the historic cost convention as modified by the revaluation of certain assets.

##### **Preparation of consolidated financial statements**

The financial statements contain information about North Tees Waste Management Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400/401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, North Tees Holdings Limited, a company registered in England and Wales. Copies of the parent's financial statements are available from Companies House.

##### **Turnover**

Turnover represents net invoiced sales of goods and services including landfill tax, but excluding value added tax.

##### **Goodwill**

Goodwill, being amounts arising in connection with the acquisition of businesses, is amortised evenly over its estimated useful life of twenty years.

##### **Tangible fixed assets**

Depreciation is provided for as follows in order to write off the cost of each asset less any expected residual value over its estimated useful life :

Freehold property	- between 2% and 20% on cost per annum
Plant and machinery	- between 14% and 50% on cost per annum
Fixtures and fittings	- 20% on cost per annum
Motor vehicles	- between 25% and 50% on cost per annum
Landfill site infrastructure	- as licensed void is utilised and on a straight line basis over the useful economic life of the site
Aftercare costs	- as licensed void is utilised

It is noted that no depreciation is provided in respect of freehold land.

Landfill site infrastructure assets include the costs of developing and engineering landfill sites together with the costs of cell creation. Aftercare cost assets reflect the present value of estimated post-closure monitoring costs that were provided for in full and capitalised in the financial year ended 30 June 2013 following the acquisition of the Cowpen Bewley landfill site by North Tees Waste Management Limited's subsidiary - North Tees Waste Management Cowpen Limited.

##### **Investment property**

Investment properties are included in the balance sheet at market value. Changes in the market value of investment properties are transferred to an investment revaluation reserve, unless a deficit (or its reversal) on an individual investment property is expected to be permanent in which case it is charged (or credited) to the profit and loss account.

Depreciation is only provided on those investment properties which are leasehold and where the unexpired lease term is less than 20 years. There were no such investment properties owned by North Tees Waste Management Limited in the years ended 30 June 2015 or 30 June 2014.

The directors consider that this accounting policy, which represents a departure from the requirement of the Companies Act 2006, is necessary to provide a true and fair view and is in accordance with SSAP 19 Accounting for Investment Properties. This is because investment properties are held primarily for their investment potential and so their current value is of more significance than any measure of consumption, and to depreciate them would not give a true and fair view.

The financial effect of the departure from the requirements of the Companies Act 2006 cannot be reasonably quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**1. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 the future reversal of the underlying timing differences can be deducted.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the scheme are charged in the profit and loss account in the period to which they relate.

**Capping, restoration and post-closure monitoring provisions**

**Teesport - Capping, restoration and post-closure monitoring**

Up to the disposal of the waste management trade and certain assets and liabilities of the company in the comparative financial year (see note 10) provision was made for the anticipated total cost of final site capping, restoration and post-closure monitoring costs, which were charged to the profit and loss account over the expected useful life of the site in proportion to the amount of void space consumed at the site during the period.

The costs of any final capping, restoration and post-closure monitoring works performed were charged against the provision as incurred. The provisions re the Teesport landfill site were de-recognised in the comparative financial year on the disposal of the waste management trade and certain assets and liabilities.

**Cowpen Bewley - Capping and restoration**

Up to the disposal of the waste management trade and certain assets and liabilities of the company in the comparative financial year (see note 10) provision was made for the anticipated total cost of final site capping and restoration costs, which were charged to the profit and loss account over the expected useful life of the site in proportion to the amount of void space consumed at the site during the period.

The costs of any final capping and restoration works performed were charged against the provision as incurred. The capping and restoration provisions re the Cowpen Bewley landfill site were de-recognised in the comparative financial year on the disposal of the waste management trade and certain assets and liabilities.

**Cowpen Bewley - Post-closure monitoring**

The present value of estimated post-closure monitoring costs was provided for in full and capitalised (as aftercare costs in tangible fixed assets) in the financial year ended 30 June 2013 following the acquisition of the Cowpen Bewley site by North Tees Waste Management Limited's subsidiary - North Tees Waste Management Cowpen Limited.

The costs of any post-closure monitoring works performed were charged against the provision when incurred. The post-closure monitoring provisions re the Cowpen Bewley landfill site were de-recognised in the comparative financial year on the disposal of the waste management trade and certain assets and liabilities.

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**2. ANALYSIS OF OPERATIONS**

	Continuing	2015 Discontinued	Total
	£	£	£
Cost of sales	<u>-</u>	<u>10,740</u>	<u>10,740</u>
Gross loss	<u>-</u>	<u>(10,740)</u>	<u>(10,740)</u>
Net operating expenses:			
Administrative expenses	100,000	479,852	579,852
Other operating income	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
	<u>-</u>	<u>479,852</u>	<u>479,852</u>
	Continuing	2014 Discontinued	Total
	£	£	£
Cost of sales	<u>-</u>	<u>8,312,485</u>	<u>8,312,485</u>
Gross profit	<u>-</u>	<u>3,567,639</u>	<u>3,567,639</u>
Net operating expenses:			
Administrative expenses	-	3,603,196	3,603,196
Other operating income	<u>-</u>	<u>(169,629)</u>	<u>(169,629)</u>
	<u>-</u>	<u>3,433,567</u>	<u>3,433,567</u>

**3. STAFF COSTS**

	2015	2014
	£	£
Wages and salaries	230,174	1,706,333
Social security costs	24,022	205,265
Other pension costs	<u>15,996</u>	<u>70,062</u>
	<u>270,192</u>	<u>1,981,660</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Operational employees	-	20
Administrative employees	<u>3</u>	<u>11</u>
	<u>3</u>	<u>31</u>

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2014 - operating profit) is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	127	490,383
Depreciation - assets on hire purchase contracts or finance leases	-	87,160
Loss on disposal of fixed assets	-	438
Goodwill amortisation	-	18,125
Auditors remuneration	68,400	26,523
Operating leases - other assets	-	42,962
Operating leases - plant and machinery	-	154,594
	<u>206,531</u>	<u>1,042,928</u>
Directors' remuneration	206,531	1,042,928
Directors' pension contributions to money purchase schemes	<u>15,996</u>	<u>23,520</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2015	2014
	£	£
Emoluments etc	166,531	643,667
Pension contributions to money purchase schemes	<u>15,996</u>	<u>-</u>

**5. EXCEPTIONAL ITEMS**

Shown on the face of the profit and loss account is an exceptional loss of £93,170 (2014: £4,608,911) arising in connection with the sale or termination of operations.

The composition of this figure, which relates to the disposal of the waste management trade and certain assets and liabilities of North Tees Waste Management Limited in the comparative financial year, is discussed in more detail in note 10 below.

Included within administrative expenses is £34,316 (2014: £848,834) of bad and doubtful debts charges relating to a provision made against balances owed to North Tees Waste Management Limited by North Tees Waste Management Cowpen Limited (see also note 21).

**6. AMOUNTS WRITTEN OFF INVESTMENTS**

	2015	2014
	£	£
Amounts written off investments	<u>985</u>	<u>55,828</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015	2014
	£	£
Bank loan interest	-	14,080
Interest on corporation tax	23,262	-
Hire purchase	-	8,976
	<u>23,262</u>	<u>23,056</u>

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**8. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
(Over)/Underprovision in prior year	(126,000)	(110,417)
Deferred tax:		
Adjustment to estimated recoverable amount of deferred tax asset	-	69,500
Tax on loss on ordinary activities	<u>(126,000)</u>	<u>(40,917)</u>

UK corporation tax has been charged at 20.75%.

**Factors affecting the tax credit**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	<u>(607,627)</u>	<u>(3,827,911)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.750% (2014 - 22.500%)	(126,083)	(861,280)
Effects of:		
Expenses not deductible for tax purposes	13,469	235,988
Capital allowances in excess of depreciation	(105)	(219,159)
Exceptional loss on the sale of operations	19,333	1,037,005
Amounts deductible in respect of the sale of operations	-	(281,850)
Site preparation relief and capping costs incurred	-	(54,553)
Prior year adjustment	(126,000)	(110,417)
Dividend income	-	(162,810)
Amounts written off investments	204	12,561
Losses not utilised	-	294,098
Group relief loss utilised	<u>93,182</u>	-
Current tax credit	<u>(126,000)</u>	<u>(110,417)</u>

**9. DIVIDENDS**

	2015 £	2014 £
Ordinary shares of £1 each		
Interim dividends on A shares	-	3,807,008
Interim dividends on B shares	-	1,903,504
	<u>-</u>	<u>5,710,512</u>

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**10. DISCONTINUED OPERATIONS**

During the comparative financial year, on 30 December 2013, North Tees Waste Management Limited sold its waste management trade and certain assets and liabilities to Green North East Trading BidCo Limited (GNET).

See note 2 for an analysis of operations.

The overall profit/(loss) on sale or termination of operations that formed part of the comparative profit and loss account for the year ended 30 June 2014 was as follows:

Consideration receivable	19,441,602
Costs associated with the disposal	(915,724)
Net assets disposed of	(17,630,280)
Permanent diminution charge	<u>(5,504,509)</u>
Overall loss on sale or termination of operations	<u>(4,608,911)</u>

The £93,170 loss on sale or termination of operations in the year ended 30 June 2015 relates to additional costs incurred in the current financial year in connection with the 30 December 2013 disposal event.

**11. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>
<b>COST</b>	
Additions	<u>637</u>
At 30 June 2015	<u>637</u>
<b>DEPRECIATION</b>	
Charge for year	<u>127</u>
At 30 June 2015	<u>127</u>
<b>NET BOOK VALUE</b>	
At 30 June 2015	<u>510</u>

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**12. FIXED ASSET INVESTMENTS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Shares in group undertakings	<u>285,528</u>	<u>286,513</u>
	<u><b>285,528</b></u>	<u><b>286,513</b></u>

Additional information is as follows:

	<b>Shares in group undertakings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>COST</b>		
At 1 July 2014	1,000,000	1,000,000
Additions	-	-
Disposals	-	-
At 30 June 2015	<u>1,000,000</u>	<u>1,000,000</u>
<b>PROVISIONS</b>		
At 1 July 2014	713,487	713,487
Amounts provided for	<u>985</u>	<u>985</u>
At 30 June 2015	<u>714,472</u>	<u>714,472</u>
<b>NET BOOK VALUE</b>		
At 30 June 2015	<u><u>285,528</u></u>	<u><u>285,528</u></u>
At 30 June 2014	<u><u>286,513</u></u>	<u><u>286,513</u></u>

**Shares in group undertakings**

At 30 June 2015 the investments of North Tees Waste Management Limited in the share capital of other companies include the following:

**North Tees Remediation Limited**

Nature of business : Disposal of hazardous waste

Class of shares :

Ordinary

%  
holding  
20.00

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	1,427,636	1,432,566
(Loss)/profit for the year	<u>(4,930)</u>	<u>(16,922)</u>

During the year the directors conducted a review of the carrying value of the investment in North Tees Remediation Limited, which resulted in a write-off of £985.

**North Tees Waste Management Cowpen Limited**

Nature of business : Property investment and development

Class of shares :

Ordinary

%  
holding  
100.00

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	(1,068,514)	(1,053,427)
(Loss)/profit for the year	<u>(15,087)</u>	<u>(1,740,196)</u>

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**13. INVESTMENT PROPERTY**

	<b>Total £</b>
<b>COST OR VALUATION</b>	
At 1 July 2014	
and 30 June 2015	<u>2</u>
<b>NET BOOK VALUE</b>	
At 30 June 2015	<u>2</u>
At 30 June 2014	<u>2</u>

Investment property assets comprise the following:

**Teesport landfill site**

This asset was reclassified to investment property on 30 December 2013 when the property ceased to be used for trading purposes following the granting of a leasehold interest over the site to GNET (see note 10) as part of the disposal of the waste management trade and certain assets and liabilities of North Tees Waste Management Limited.

On 30 June 2014 the directors revalued the Teesport investment property on an open market value basis, with the assessed value of £1 taking into account the length and terms of the leasehold interest granted and the fact that the lessee was also granted an option to acquire the reversionary freehold interest for a nominal sum. At 30 June 2015 the directors consider that the open market value of the Teesport Investment property remained at £1.

**Cowpen Bewley landfill site infrastructure and cell engineering assets**

This asset was reclassified to investment property on 30 December 2013 when North Tees Waste Management Cowpen Limited (a 100% subsidiary of North Tees Waste Management Limited) granted GNET a leasehold interest over its Cowpen Bewley landfill site.

The granting of the leasehold interest was linked to the disposal of the waste management trade and certain assets and liabilities of North Tees Waste Management Limited (see note 10) and the infrastructure and cell engineering structures that had been capitalised by North Tees Waste Management Limited in their capacity as site operator ceased to be used for trading purposes with effect from 30 December 2013.

On 30 June 2014 the directors revalued the Cowpen Bewley investment property on an open market value basis with the assessed value of £1 taking into account the length and terms of the effective leasehold interest that GNET holds over the property (via the lease with North Tees Waste Management Cowpen Limited) and the fact that GNET was also granted an option to acquire the reversioner freehold interest for a nominal sum. At 30 June 2015 the directors consider that the open market value of the Cowpen Bewley investment property remained at £1.

Cost or valuation at 30 June 2015 is represented by:

	<b>£</b>
Valuation in 2014	<b>(5,504,509)</b>
Cost	<b><u>5,504,511</u></b>
	<b><u>2</u></b>

The valuation in 2014 is considered to be a permanent diminution and has been charged to the profit and loss.

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Trade debtors	328	151,557
Amounts owed by group undertakings	3,026,511	3,201,511
Other debtors	13,788	1,085,235
Taxation	297,238	-
VAT	23,603	9,799
Prepayments and accrued income	107,130	22,006
	<u>3,468,598</u>	<u>4,470,108</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Trade creditors	52,759	43,837
Amounts owed to group undertakings	1,906,516	1,329,111
Taxation	-	129,583
Social security and other taxes	10,974	10,442
Landfill tax	128,320	101,206
Other creditors	4,184	190,623
Credit card	1,892	3,180
Directors' loan accounts	939	939
Accrued expenses	94,790	116,207
	<u>2,200,374</u>	<u>1,925,128</u>

**16. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	<b>Land and buildings</b>	
	2015	2014
	£	£
Expiring:		
Within one year	-	13,000
Between one and five years	10,500	-
	<u>10,500</u>	<u>13,000</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2015	2014
Number:	Class:	Nominal value:	£	£
800	Ordinary A	£1	800	800
400	Ordinary B	£1	400	400
			<u>1,200</u>	<u>1,200</u>

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**18. RESERVES**

	<b>Profit and loss account £</b>
At 1 July 2014	<b>3,409,676</b>
Deficit for the year	<b>(481,627)</b>
At 30 June 2015	<b><u>2,928,049</u></b>

**19. PENSION COMMITMENTS**

**Defined benefit scheme**

Until 30 December 2013 the company operated a pension scheme providing benefits based on final pensionable pay. The disposal of the waste management trade and certain assets and liabilities of North Tees Waste Management Limited on that date resulted in the defined benefit pension scheme being transferred to GNET (see note 10). The net liability de-recognised on the disposal event was £42,000, which comprised £600,000 of present value of defined benefit obligations and £558,000 of fair value of scheme assets (with no amounts having been recognised in profit or loss or the statement of recognised gains and losses for the year ended 30 June 2014).

In light of the effective disposal of the defined benefit pension scheme during the comparative financial year ended 30 June 2014 it is not considered that detailed disclosures regarding the defined benefit pension scheme are relevant to these 30 June 2015 financial statements, and as such no disclosures have been included.

**Defined contribution scheme**

The company operates a defined contribution pension scheme on behalf of its staff and one (2014: three) of the company directors. Contributions for the year ended 30 June 2015 were £15,996 (2014: £70,062).

**20. CONTINGENT LIABILITIES**

The company has an active ongoing legal dispute with HM Revenue and Customs (HMRC) concerning the company's treatment, for landfill tax purposes, of material used in the construction of engineered structures at the entity's landfill sites

In December 2015 the company lodged appeals with the tax tribunal against assessments raised by HMRC in the amount of £38,117,743. The company has successfully applied to HMRC, on the grounds of hardship, for leave to appeal to the tax tribunal without payment or deposit of the sums assessed. The liabilities are therefore contingent on the outcome of those appeals. Furthermore, separate judicial review proceedings have now been commenced by the company in respect of misdirection due to correspondence issued by HMRC in November 2009. Based on advice provided by independent Legal Counsel, the company is confident their grounds for dispute have merit.

The liability of £38,117,743 referred to above has not on this basis been recognised in the accounts save for in this note.

The company considers that part of the total contingent liability, in the sum of £20,462,992, to be proper to the acquirer under the business sale agreement referred to in note 10, as it relates to the period post 30 December 2013.

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**21. RELATED PARTY DISCLOSURES**

**North Tees Holdings Limited (the parent company of North Tees Waste Management Limited during the financial year ended 30 June 2015)**

A dividend of £nil (2014: £5,710,512) was paid to North Tees Holdings Limited during the year.

North Tees Waste Management Limited also entered into various working capital transactions with North Tees Holdings Limited including for example cash transfers or the settlement or receipt of amounts by one party on behalf of the other. The net impact of such transactions during the financial year is reflected in the balance outstanding at the year end. At 30 June 2015 the balance due from/(to) North Tees Holdings Limited was £3,026,511 (2014: £3,201,511 and 2013: £2,550,515).

**North Tees Limited (a fellow member of the North Tees Holdings Limited group during the financial year ended 30 June 2015)**

The following transactions were carried out during the year: sales and recharges of expenditure from North Tees Waste Management Limited to North Tees Limited of £nil (2014: £114,519); and expenses incurred from North Tees Limited of £nil (2014: £866). North Tees Waste Management Limited also charged North Tees Limited management fees of £100,000 during the year (2014: £nil)

In addition, North Tees Waste Management Limited carried out support service work on behalf of North Tees Limited in both the year ended 30 June 2015 and the year ended 30 June 2014. No amount was charged to North Tees Limited for services provided in the year to 30 June 2015 (2014: £nil).

North Tees Waste Management Limited also entered into various working capital transactions with North Tees Limited including for example cash transfers or the settlement or receipt of amounts by one party on behalf of the other. The net impact of such transactions during the financial year is reflected in the balance outstanding at the year end. At 30 June 2015 the balance due from/(to) North Tees Limited was £(1,203,385) (2014: £(622,490) and 2013: £(7,681,281)) with £100,000 also being included in prepayments and accrued income.

**North Tees Remediation Limited (a fellow member of the North Tees Holdings Limited group during the financial year ended 30 June 2015)**

The following transactions were carried out during the year: sales and recharges of expenditure from North Tees Waste Management Limited to North Tees Remediation Limited of £nil (2014: £nil); and expenses incurred from North Tees Remediation Limited of £5,814 (2014: £9,968).

In addition, North Tees Waste Management Limited carried out support service work on behalf of North Tees Remediation Limited in both the year ended 30 June 2015 and the year ended 30 June 2014. No amount was charged to North Tees Remediation Limited for services provided in the year to 30 June 2015 (2014: £nil).

North Tees Waste Management Limited also entered into various working capital transactions with North Tees Remediation Limited including for example cash transfers or the settlement or receipt of amounts by one party on behalf of the other. The net impact of such transactions during the financial year is reflected in the balance outstanding at the year end. At 30 June 2015 the balance due from/(to) North Tees Remediation Limited was £(703,131) (2014: £(706,621) and 2013: £(764,856)).

A dividend of £nil (2014: £35,600) was paid to North Tees Waste Management Limited during the year.

**North Tees Waste Management Cowpen Limited (a fellow member of the North Tees Holdings Limited group during the financial year ended 30 June 2015)**

The following transactions were carried out during the year: sales and recharges of expenditure from North Tees Waste Management Limited to North Tees Waste Management Cowpen Limited of £nil (2014: £nil); and provision made against amounts owed by related parties of £34,316 (2014: £848,834).

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**21. RELATED PARTY DISCLOSURES - continued**

In addition, North Tees Waste Management Limited carried out support service work on behalf of North Tees Waste Management Cowpen Limited in both the year ended 30 June 2015 and the year ended 30 June 2014. No amount was charged to North Tees Waste Management Cowpen Limited for services provided in the year to 30 June 2015 (2014: £nil).

North Tees Waste Management Limited also entered into various working capital transactions with North Tees Waste Management Cowpen Limited including for example cash transfers or the settlement or receipt of amounts by one party on behalf of the other. The net impact of such transactions during the financial year is reflected in the balance outstanding at the year end. At 30 June 2015 the balance due from/(to) North Tees Waste Management Cowpen Limited was £nil (2014: £nil and 2013: £1,413,769).

**Greenways Waste Management Limited (which ceased to be a fellow member of the North Tees Holdings Limited group during the comparative financial year ended 30 June 2014)**

The following transactions were carried out during the period to 30 December 2013, at which time Greenways Waste Management Limited ceased to be a fellow member of the North Tees Holdings Limited group: sales and recharges of expenditure from North Tees Waste Management Limited to Greenways Waste Management Limited of £665,193 and expenses incurred from Greenways Waste Management Limited of £245,022.

Greenways Waste Management Limited also paid a dividend of £605,000 to North Tees Waste Management Limited during the period to 30 December 2013.

**Impetus Ireland Limited (which ceased to be a fellow member of the North Tees Holdings Limited group during the comparative financial year ended 30 June 2014)**

The following transactions were carried out during the period to 30 December 2013, at which time Impetus Ireland Limited ceased to be a fellow member of the North Tees Holdings Limited group: sales and recharges of expenditure from North Tees Waste Management Limited to Impetus Ireland Limited of £183,386.

Impetus Ireland Limited also paid a dividend of £83,000 to North Tees Waste Management Limited during the period to 30 December 2013.

**Anderson Barrowcliff LLP (an LLP in which D R Shawcross is a partner)**

During the year, Anderson Barrowcliff LLP provided accounting services to North Tees Waste Management Limited to the value of £85,291 (2014: £202,172), of which £53,000 (2014: £189,278) related to the disposal of waste management trade and assets on 30 December 2013 and forms part of the loss on sale of operations. The balance outstanding at 30 June 2015 was £29,090 (2014: £21,800), of which £nil (2014: £7,800) was included in trade creditors, with the remainder included in accruals and deferred income.

**N T Flintoft (a director of North Tees Waste Management Limited during the financial year ended 30 June 2015)**

During the comparative year ended 30 June 2014 the company paid £1,000,000 to N T Flintoft in settlement of the amount that was outstanding to him following North Tees Waste Management Limited's purchase of N T Flintoft's 20% holding in North Tees Remediation Limited in the year ended 30 June 2011.

**R J Lord (a director of North Tees Waste Management Limited until his resignation on 9 April 2014)**

During the comparative year ended 30 June 2014 North Tees Waste Management Limited paid £350,000 to R J Lord in respect of a further amount that became payable by the company in connection with a previous acquisition of shares in Greenways Waste Management Limited.

**I G Hunter (the ultimate controlling party of and a director of North Tees Waste Management Limited during the financial year ended 30 June 2015)**

At 30 June 2015 the company owed £939 (2014: £939) to I G Hunter, which is included in directors' loan accounts falling due in less than one year.

**North Tees Waste Management Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 June 2015**

**22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2015	2014
	£	£
Loss for the financial year	(481,627)	(3,786,994)
Dividends	-	(5,710,512)
<b>Net reduction of shareholders' funds</b>	<b>(481,627)</b>	<b>(9,497,506)</b>
Opening shareholders' funds	<u>3,410,876</u>	<u>12,908,382</u>
<b>Closing shareholders' funds</b>	<u><u>2,929,249</u></u>	<u><u>3,410,876</u></u>

**23. CONTROL**

The ultimate parent company of North Tees Waste Management Limited is North Tees Holdings Limited. North Tees Holdings Limited is under the control of Mr IG Hunter by virtue of his ownership of 85% of the issued share capital of that company at the balance sheet date.

North Tees Holdings Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate the financial statements of North Tees Waste Management Limited at 30 June 2015. Copies of the group accounts can be obtained from Companies House.

**24. POST BALANCE SHEET EVENTS**

On 18 September 2015 North Tees Waste Management Limited received an interim dividend of £280,000 from North Tees Remediation Limited in respect of the financial year ending 30 June 2016.

On 25 May 2016 North Tees Waste Management Limited sold its Teesport landfill site investment property to North Tees Landfill Limited (a company under the control of Mr IG Hunter) for consideration of £1. As is shown in note 13 above the investment property was carried at £1 at 30 June 2015.