

**CAIRD GROUP LIMITED**

**Registered in Scotland number SC010344**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 March 2015**

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**CAIRD GROUP LIMITED**  
**Registered in Scotland number SC010344**

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**CAIRD GROUP LIMITED**  
**Registered in Scotland number SC010344**

**DIRECTORS' REPORT**

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

**Business review and principal activities**

The principal activity of the Company is that of a holding company.

On 15 July 2014 Caird Trustees Limited and Caird Trustees (Atlas) Limited (both direct subsidiary undertakings) were dissolved.

On 9 January 2015 requests were made to the Registrar of Companies for Norfolk Environmental Development Limited and Caird Industrial Services Limited to be dissolved which were completed on 19 April 2015.

On 24 February 2015 an intercompany loan of £3,253 owed from Caird Commercial Vehicles Limited to Shanks Group plc was assigned to Caird Group Limited. On the same day the Company received dividends in specie totalling £606,306 from direct subsidiary undertakings, being £70,144 from Caird Commercial Vehicles Limited, £16,492 from Caird Trading Limited and £519,670 from Reform Street Investments Limited. It also fully impaired at that date its investments in Caird Commercial Vehicles Limited and Caird Trading Limited.

On 26 February 2015 requests were made to the Registrar of Companies for Caird Commercial Vehicles Limited, Caird Trading Limited and Reform Street Investments Limited to be struck off.

The profit on ordinary activities before taxation was £535,067 (2014: £38,121). The Directors do not recommend the payment of a final dividend (2014: £nil). The profit for the financial year transferred to reserves was £535,378 (2014: £38,513).

**Principal risks and uncertainties**

The Company's ultimate controlling parent is 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.

**Key performance indicators**

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company.

**Future developments**

The Directors do not anticipate any significant changes for the coming year in respect of the position and activities of the Company.

**Directors**

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

P G Dilnot  
T R Woolrych

**CAIRD GROUP LIMITED**  
**Registered in Scotland number SC010344**  
**DIRECTORS' REPORT – continued**

**Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure of information to auditors**

In accordance with section 418 of the Companies Act 2006 the directors confirm:

- (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 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



T R Woolrych

Director

Date: 30 June 2015

Registered Office:  
16 Charlotte Square  
Edinburgh, EH2 4DF

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAIRD GROUP LIMITED**

## **Report on the financial statements**

### **Our opinion**

In our opinion Caird Group 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 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.

### **What we have audited**

Caird Group Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account and statement of total recognised gains and losses 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 CAIRD GROUP 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**

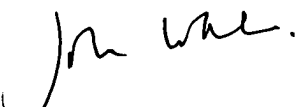
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

**CAIRD GROUP LIMITED**  
**Registered in Scotland number SC010344**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2015**

	<u>Note</u>	<u>2015</u> £	<u>2014</u> £
Other operating expenses	4	(71,239)	(473,662)
Income from shares in group undertakings		606,306	508,000
		<hr/>	<hr/>
<b>Operating profit</b>		535,067	34,338
Interest receivable and similar income	5	-	3,783
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		535,067	38,121
Tax on profit on ordinary activities	6	311	392
		<hr/>	<hr/>
<b>Profit for the financial year</b>	12	535,378	38,513
		<hr/>	<hr/>

All of the above relates to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the year ended 31 March 2015**

There were no recognised gains or losses other than the profit for the financial years.

**CAIRD GROUP LIMITED**  
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**BALANCE SHEET**  
**as at 31 March 2015**

	<u>Note</u>	<u>2015</u> £	<u>2014</u> £
<b>Fixed assets</b>			
Investments	7	1,100,001	1,171,002
<b>Current assets</b>			
Debtors	8	29,269,379	29,266,370
Cash at bank and in hand		461,224	461,412
		<hr/>	<hr/>
		29,730,603	29,727,782
Creditors: amounts falling due within one year	9	(624,907)	(1,228,465)
		<hr/>	<hr/>
<b>Net current assets</b>		29,105,696	28,499,317
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		30,205,697	29,670,319
		<hr/>	<hr/>
<b>Net assets</b>		30,205,697	29,670,319
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called-up share capital	10	4,257,212	4,257,212
Share premium account	11	1,972,477	1,972,477
Capital redemption reserve	11	8,259,839	8,259,839
Profit and loss account	11	15,716,169	15,180,791
		<hr/>	<hr/>
<b>Total shareholder's funds</b>	12	30,205,697	29,670,319
		<hr/>	<hr/>

The financial statements on pages 5 to 13 were approved by the Board of Directors on 30 June 2015 and were signed on its behalf by:



T R Woolrych  
Director



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable law, the Companies Act 2006 and in accordance with applicable Accounting Standards in the United Kingdom (UK Generally Accepted Accounting Practice). The accounting policies set out below have been consistently applied. As the Company is a wholly-owned subsidiary undertaking of Shanks Group plc, group financial statements have not been prepared as permitted by section 400 of the Companies Act 2006 and the financial statements contain information about the Company as an individual undertaking.

**Taxation**

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years or that are never taxable or deductible.

**Dividends**

Dividend income is recognised when the right to receive payment is established.

**Fixed asset investments**

Fixed asset investments are shown at cost including fees relating to acquisition, less provision for any impairment in value. The Directors review the carrying value of investments for any such impairment of value on an annual basis.

**Deferred tax**

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

**2 Segmental reporting**

The principal activity of the Company is that of a holding company and it operates solely in the United Kingdom.

**3 Company status**

Audit costs have been borne by the ultimate parent company. There were no employees of the Company in the year. The Directors were not remunerated for their services to the Company, neither did the Directors accrue any retirement benefits in respect of service to the Company. None of the emoluments paid to the Directors by the other group companies during the year related to services given to the Company. The services to this Company were of negligible value.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015 - continued**

**4 Other operating expenses**

	<u>2015</u> £	<u>2014</u> £
Legal fees	60	-
Bank charges	183	193
Impairment of investment	70,996	89,000
Waiver of Intercompany loan	-	384,469
	<hr/> 71,239	<hr/> 473,662
	<hr/>	<hr/>

On 24 February 2015 dividends in specie were received from Caird Commercial Vehicles Limited, Caird Trading Limited and Reform Street Investments Limited. An impairment charge of £70,996 was recognised against the carrying value of these investments to reduce their value to nil and following this requests were made to the Registrar of Companies on 26 February 2015 for the companies to be struck off.

In the prior year, following receipt of a dividend in specie from Caird Industrial Services Limited on 25 February 2014, an impairment charge of £89,000 was recognised against the carrying value of this investment.

On 24 February 2014 an intercompany loan of £384,469 owed from Caird Industrial Services Limited was formally discharged by a deed of waiver resulting in the write off of £384,469. On the same day an intercompany loan of £4,536,161 owed by Norfolk Environmental Developments Limited was also formally discharged by a deed of waiver, this loan had been fully provided for, therefore no further write off was required.

**5 Interest receivable and similar income**

	<u>2015</u> £	<u>2014</u> £
Income received from fixed asset investments	-	3,783
	<hr/>	<hr/>

**6 Tax on profit on ordinary activities**

The tax credit for the year is made up as follows:

	<u>2015</u> £	<u>2014</u> £
Based on the profit for the year:		
Corporation tax		
Current year	311	391
Adjustment in respect of prior periods	-	1
	<hr/> 311	<hr/> 392
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015 - continued**

**6 Tax on profit on ordinary activities - continued**

The tax assessed for the year differs (2014: differs) to the United Kingdom standard rate of corporation tax of 21% (2014: 23%), as explained below:

	<u>2015</u> £	<u>2014</u> £
Profit on ordinary activities before tax	535,067	38,121
	<hr/>	<hr/>
Tax charge based on UK tax rate of 21% (2014: 23%)	(112,364)	(8,768)
Tax effect of the following items:		
Non-taxable investment income	-	870
Items adjusted for tax purposes	260	347
Non deductible impairment of investment	(14,909)	(20,470)
Non taxable release of intercompany loan	-	(88,428)
Non taxable dividends received – covered by UK dividend exemption	127,324	116,840
Adjustment in respect of prior periods	-	1
	<hr/>	<hr/>
Corporation tax credit for the year	311	392
	<hr/>	<hr/>

The Finance Act 2013, which was substantially enacted on 17 July 2013, included legislation to reduce the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and then 20% by 1 April 2015.

**7 Fixed asset investments**

	Subsidiary undertakings <u>equity</u> £	Joint ventures <u>equity</u> £	Joint ventures <u>non-equity</u> £	<u>Total</u> £
At 1 April 2014	71,002	350,000	750,000	1,171,002
Disposals	(5)	-	-	(5)
Impairment charge	(70,996)	-	-	(70,996)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	1	350,000	750,000	1,100,001
	<hr/>	<hr/>	<hr/>	<hr/>

**CAIRD GROUP LIMITED**  
**Registered in Scotland number SC010344**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015 - continued**

**7 Fixed asset investments – continued**

The balance sheet value of investments represents the purchase consideration and associated costs for the purchase of these shares, together with loans made, less any write down for impairment. In the opinion of the Directors the value of investments in the subsidiary undertakings is not less than the aggregate amounts at which they are shown in the balance sheet.

At 31 March 2015 the following companies were the principal subsidiary undertakings of the Company:

	<u>Registered in</u>	<u>Proportion of shares held</u>	<u>Type of shares</u>	<u>Type of business</u>
Caird Trading Limited	Scotland	100%	Ordinary	Dormant
Reform Street Investments Limited	England and Wales	100%	Ordinary	Dormant
Atlas Clensol Limited	England and Wales	100%	Ordinary	Dormant
Norfolk Environmental Development Limited	England and Wales	100%	Ordinary	Dormant
Caird Commercial Vehicles Limited	England and Wales	100%	Ordinary	Dormant
Caird Industrial Services Limited	England and Wales	100%	Ordinary	Dormant

On 26 February 2015 requests were made to the Registrar of Companies for Caird Commercial Vehicles Limited, Caird Trading Limited and Reform Street Investments Limited to be struck off.

On 19 March 2014 Norfolk Environmental Development Limited and Caird Industrial Services Limited were placed into liquidation and on 9 January 2015 requests were made to the Registrar of Companies for these companies to be dissolved which was completed on 19 April 2015.

At 31 March 2015 the Company held the following equity interests in joint venture companies:

	<u>Registered in</u>	<u>Proportion of shares held</u>	<u>Type of shares</u>	<u>Type of business</u>
Caird Evered Holdings Limited	England and Wales	50%	Ordinary	Dormant

The Company also held 100% of the 'C' shares (non-equity) in Caird Evered Holdings Limited, the rights to dividends on the 'C' shares rank in preference to the holdings in the ordinary shares of Caird Evered Holdings Limited.

**CAIRD GROUP LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015 – continued**

**8 Debtors**

	<u>2015</u> £	<u>2014</u> £
Amounts owed by parent undertaking	28,711,869	28,708,780
Amounts owed by subsidiary undertakings	1	1
Amounts owed by group undertakings	508,000	508,000
Amounts owed by joint venture undertakings	49,198	49,198
Corporation tax	311	391
	<hr/> 29,269,379	<hr/> 29,266,370
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by parent, subsidiary, group and joint venture undertakings are unsecured, interest free and have no fixed date of repayment.

**9 Creditors: amounts falling due within one year**

	<u>2015</u> £	<u>2014</u> £
Amounts owed to subsidiary undertakings	624,907	1,227,965
Accruals	-	500
	<hr/> 624,907	<hr/> 1,228,465
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed to subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

**10 Called-up share capital**

At 1 April 2014 and at 31 March 2015:

	£
<b>Allotted, called up and fully paid:</b>	
16,748,848 (2014: 16,748,848) ordinary shares of 25p each	4,187,212
70,000 (2014: 70,000) deferred shares of £1 each	70,000
	<hr/> 4,257,212
	<hr/> <hr/>

The deferred shares confer no rights on the holders to attend or vote at general meetings nor to participate in the profits of the Company or its assets on a winding up except to the extent of 1p per deferred share in preference to the ordinary shareholder. These are classified as non-equity.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015 - continued**

**11 Reserves**

	<u>Called-up share capital</u> £	<u>Share premium account</u> £	<u>Capital redemption reserve</u> £	<u>Profit and loss account</u> £
At 1 April 2014	4,257,212	1,972,477	8,259,839	15,180,791
Profit for the financial year	-	-	-	535,378
At 31 March 2015	<u>4,257,212</u>	<u>1,972,477</u>	<u>8,259,839</u>	<u>15,716,169</u>

**12 Reconciliation of movements in equity and non-equity shareholder's funds**

	<u>2015</u> £	<u>2014</u> £
Profit for the financial year	535,378	38,513
Opening shareholder's funds	29,670,319	29,631,806
Closing shareholder's funds	<u>30,205,697</u>	<u>29,670,319</u>
Comprising:		
Equity shareholder's funds	30,135,697	29,600,319
Non-equity shareholder's funds	70,000	70,000
Closing shareholder's funds	<u>30,205,697</u>	<u>29,670,319</u>

**13 Deferred tax**

Deferred tax assets are only recognised where they are expected to be recovered in the foreseeable future. The Company has the following unrecognised deferred tax assets:

	<u>2015</u> £	<u>2014</u> £
Tax losses	<u>282,575</u>	<u>282,575</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015 - continued**

**14 Contingent liabilities**

The Company has given guarantees and a right of set off in respect of its parent and fellow subsidiary undertakings' borrowings. As at 31 March 2015 the Group borrowings for which the Company was a co-guarantor were £61,967,758 (2014: £84,771,082).

The Company has given an unlimited guarantee in respect of the Group's retail bonds totalling £144,707,329 (2014: £165,343,915).

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 £96,661,839 (2014: £88,947,029).

The Company is a member of a HMRC Group VAT registration and as at 31 March 2015 had a contingent liability of £635,202 (2014: £985,878) under this registration.

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 £346,879 (2014: £nil) under this arrangement.

**15 Related party transactions**

As permitted by FRS 8, the Company, being a wholly-owned subsidiary of another company which prepares a statement of related party transactions including that of this Company, has not prepared such a statement itself.

**16 Cash flow statement**

The Company is a wholly-owned subsidiary of Shanks Group plc and is included in the consolidated statements of Shanks Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

**17 Ultimate parent company**

The Company's immediate and ultimate parent undertaking and controlling party is Shanks Group plc, a company registered in Scotland. Copies of Shanks Group plc consolidated financial statements may be obtained from the Company Secretary, Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire, MK1 1BU.