Registered number: SC134337

Binn Landfill (Glenfarg) Limited

Annual report and financial statements

For the year ended 31 December 2015

Binn Landfill (Glenfarg) Limited

Company Information

Directors	D Palmer-Jones F Duval (appointed 1 February 2016)
Company secretary	J Knight
Registered number	SC134337
Registered office	15 Atholl Crescent Edinburgh Scotland EH3 8HA
Independent auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

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Business review

The company's key financial and other performance indicators during the year were as follows:

	2015	2014	
	£000	£000	*Change*
Turnover	**6,068**	10,250	- 41%
Operating loss	**(1,126)**	(2,076)	- 46%
Loss after tax	**(1,116)**	(1,784)	- 37%
Shareholders' deficit	**(1,298)**	(182)	- 613%
Current assets as % of current liabilities	**62%**	62%	

Turnover has decreased in 2015 following the closure of the landfill site at the end of the 2014, this decease has been offset with increased revenue from the wood shredding business.

The operating loss and loss after tax have decreased from last year due mainly to a net bad debt release in the year compared with a net bad debt expense in the prior year.

The loss recognised in the year has resulted in an increased shareholders' deficit as at the 31 December 2015.

Principal risks and uncertainties

The SUEZ Group has established a risk committee that evaluates the main risks facing the Group and the measures in place to manage those risks. The principal risks and uncertainties facing the Group are broadly grouped as: operational risks, competitive risks, legislative risks, health and safety risks and financial instrument risks.

Operational risks

The SUEZ Group's operations involve some major public sector contracts, ranging from periods of 7 to 25 years or more, where default on the contract may result in substantial compensation payments to the client.

Long-term contracts also expose the Group to the risk that the contract's revenue profile over the life of the contract may not be sufficient to compensate the Group for unforeseen cost increases, and hence losses may result. The Group has put in place rigorous tender approval procedures to ensure all risks are properly considered. The Group's management and review procedures are aimed at ensuring any problems are identified at an early stage and steps are taken to mitigate any losses arising.

The success of the Group's operations is dependent upon the recruitment and retention of good quality staff. The Group's strategy seeks to make the SUEZ Group the preferred employer in the waste management sector through its employment policies.

Competitive risks

Part of the SUEZ Group's business involves contracts with local authorities which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria.

The remaining business relies upon short-term contracts and non-contractual business from industrial and commercial customers, which is subject to normal price competition in the open market.

Strategic report (continued)
For the year ended 31 December 2015

Legislative risks

The waste management business is subject to strict legislation and regulation. These standards are subject to continuous revision. Compliance with new standards can impose additional costs on the Group, and failure to comply could result in heavy penalties. The Group's management systems aim to ensure compliance with all relevant regulations.

Health and safety risks

The SUEZ Group acknowledges that its employees working within the waste management industry face significant potential hazards in their everyday work. The Group makes every effort to ensure that its Health and Safety policies are of the highest standard, are fit for purpose and are strictly adhered to on a daily basis.

Financial instrument risks

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives.

Use of derivatives

On certain major contracts, the SUEZ Group uses interest rate swaps in respect of the related funding to reduce exposure to interest rate movements.

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Group's major joint venture and associated investments, which the Group does not intend to sell in the short-term, are held at net asset value and are therefore not exposed to price risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow risk is the risk of exposure to variability of cash flows relating to a recognised asset or liability such as future interest payments on a variable rate debt. The Group produces long-term cash forecasts and monitors cash flows against these on a daily basis to ensure all financial obligations may be met as they fall due. Group funding requirements are periodically agreed with the Suez Group.

This report was approved by the board on 29/09/16 and signed on its behalf.

Duval

F Duval
Director

Directors' report
For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The company's principal activity during the year was the provision of resource management facilities.The company operates as part of the United Kingdom resource management business of SUEZ Group SA.

Results and proposed dividends

The loss for the year, after taxation, amounted to £1,117,000 *(2014 - loss £1,784,000)*

The directors do not recommend the payment of a dividend for the year ending 31st December 2015 *(2014 - £nil)*.

Directors

The directors who served during the year were:

C Chapron (resigned 1 February 2016)
D Palmer-Jones

No director who held office on 31 December 2015 had an interest in the company's shares either during the financial year or at 31 December 2015.

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

Our purpose is to protect our environment by putting waste to good use.

A crucial element of this is ensuring that the vision of the circular economy – where the waste cycle can work with the economic cycle to return waste as a secondary resource back into production and consumption – becomes a reality and value is extracted from waste.

In 2015 the SUEZ Recycling and Recovery UK Group:

- Recycled and recovered 3,358,616 tonnes of the material we handled;
- Generated over 1,100,000 megawatt hours of electricity from our landfill gas and energy-from-waste facilities;
- 60,000 tonnes of compost produced;
- Only a 1% increase in Greenhouse Gas (GHG) emissions from vehicles on the previous year;
- Electricity produced increased by 46% from non-hazardous waste incineration;
- There has been a 12% decrease of waste disposed in non-hazardous waste landfills (includes municipal, I&C, Sludge and other inputs, excludes inert);
- There has been no variation in the amount of fuel used for collection vehicles
- Waste prepared for Energy Recovery as Solid Recovered Fuels (SRF) produced from wood has increased by 29%;

SUEZ Recycling and Recovery UK (formerly SITA UK), were recertified to the Carbon Trust Standard in 2014. This certified that SITA UK had shown a 32.7% Absolute reduction in tCO_2e based on the compliance period of 1 January 2012 to 31 December 2013. This certification corresponds to the footprint of all UK operations and is valid until 31 July 2016. SUEZ Recycling and Recovery UK have been certified with the standard since 1 January 2010 and have committed to recertify in 2016.

Directors' report
For the year ended 31 December 2015

Future developments

Following the closure of the company's landfill site at the end of 2014, the directors expect that the company will return to profitability in the foreseeable future through its landfill gas revenue and recycling activities.

Going Concern

The company's going concern is intrinsically linked to the performance, risks and going concern of the SUEZ R&R UK Group. The SUEZ R&R UK Group, along with its ultimate parent company SUEZ SA, has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a consequence, the directors believe that the SUEZ R&R UK Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having made enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The company's ultimate UK parent company, SUEZ UK Group Holdings Limited, has confirmed its intention and ability to provide such financial support as may be necessary to allow the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Directors' indemnity

The company has granted indemnity to one or more of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report. These matters relate to financial instrument risk and overview of performance in the year.

Binn Landfill (Glenfarg) Limited

Directors' report
For the year ended 31 December 2015

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The re-appointment of auditors will be considered at the company's AGM.

This report was approved by the board on 29/03/16 and signed on its behalf.

F Duval

F Duval
Director

Independent auditor's report to the member of Binn Landfill (Glenfarg) Limited

We have audited the financial statements of Binn Landfill (Glenfarg) Limited for the year ended 31 December 2015, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 5, 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. This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Binn Landfill (Glenfarg) Limited

Independent auditor's report to the member of Binn Landfill (Glenfarg) 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.

J. Seaman

Jonathan Seaman (Senior Statutory Auditor)

for and on behalf of
Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD
Date: 30 September 2016

Binn Landfill (Glenfarg) Limited

Statement of comprehensive income
For the year ended 31 December 2015

	Note	**2015 £000**	*2014 £000*
Turnover		**6,608**	*10,250*
Cost of sales		**(7,717)**	*(11,570)*
Gross loss		**(1,109)**	*(1,320)*
Administrative expenses		**(18)**	*(756)*
Operating loss		**(1,127)**	*(2,076)*
Interest payable and expenses	8	**(112)**	*(87)*
Loss on ordinary activities before taxation		**(1,239)**	*(2,163)*
Taxation credit on loss on ordinary activities	9	**122**	*379*
Loss for the financial year		**(1,117)**	*(1,784)*
Total comprehensive loss for the year		**(1,117)**	*(1,784)*

The loss and total comprehensive loss for the year is attributable to continuing operations.

Binn Landfill (Glenfarg) Limited
Registered number: SC134337

Statement of financial position
As at 31 December 2015

	Note		2015 £000		*2014 £000*
Fixed assets					
Tangible assets	10		**2,895**		*3,533*
			2,895		*3,533*
Current assets					
Stocks	11	**58**		-	
Debtors: Amounts falling due within one year	12	**1,999**		*1,500*	
		2,057		*1,500*	
Creditors: Amounts falling due within one year	13	**(3,341)**		*(2,436)*	
Net current liabilities			**(1,284)**		*(936)*
Total assets less current liabilities			**1,611**		*2,597*
Provisions for liabilities					
Provisions		**2,910**		*2,779*	
			(2,910)		*(2,779)*
Net liabilities			**(1,299)**		*(182)*
Capital and reserves					
Called up share capital	17		**1,300**		*1,300*
Profit and loss account	18		**(2,599)**		*(1,482)*
Shareholder's deficit - deficit			**(1,299)**		*(182)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
29/09/16

F Duval
Director

The notes on pages 11 to 24 form part of these financial statements.

Binn Landfill (Glenfarg) Limited

Statement of changes in equity
For the year ended 31 December 2015

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2015	**1,300**	**(1,482)**	**(182)**
Comprehensive income for the year			
Loss for the year	**-**	**(1,117)**	**(1,117)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**(1,117)**	**(1,117)**
At 31 December 2015	**1,300**	**(2,599)**	**(1,299)**

Statement of changes in equity
For the year ended 31 December 2014

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2014	**1,300**	**302**	**1,602**
Comprehensive income for the year			
Loss for the year	**-**	**(1,784)**	**(1,784)**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**(1,784)**	**(1,784)**
At 31 December 2014	**1,300**	**(1,482)**	**(182)**

The notes on pages 11 to 24 form part of these financial statements.

1. General information

Binn Landfill (Glenfarg) Limited is a limited company incorporated and domiciled in the United Kingdom. These financial statements cover the individual entity. The address of its registered office and principal place of business is shown on the company information page of these accounts .

The principal activities of the Company are detailed on page 3.

The Company's intermediate parent company is SHUKCO 327 Limited, incorporated and registered in the United Kingdom, which owns 100% of the Company ordinary share capital. The ultimate parent company is SUEZ SA, a company incorporated and registered in France.

The smallest Group in which the Company is incorporated into is SUEZ Recycling and Recovery Holdings UK Limited and the largest is SUEZ SA. The consolidated financial statements of SUEZ may be obtained from Tour CB21, 16 Place de L'Iris, 92040 Paris La Defense Cedex, France. The financial statements have been presented in Pounds Sterling as this is the functional currency of the Company and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The recognition, measurement and disclosure requirements of International Financial Reporting Standard as adopted by the EU (EU adopted IFRS) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium sized Companies and Groups Regulations 2008/410 ('Regulations').

These financial statements have been prepared under the historical costs convention.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

First time application of FRS 100 and FRS 101

In the current year the group has adopted FRS 100 and FRS 101. In previous years the financia statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP (see note 24).

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures.
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraph 118(e) of IAS 38 Intangible Assets.
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements.
- the requirements of IAS 7 Statement of Cash Flows.
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions. entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of paragraphs 6 to 21 of IFRS 1 First-time adoption of International Financial Reporting Standards, to present an opening statement of financial position at the date of transition.

The company has **NOT** taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment.
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture.

2. Accounting policies (continued)

2.3 Going concern

At 31 December 2015 the company had net current liabilities of £1,284,000 (2014 - £936,000). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as SUEZ UK Group Holdings Limited has confirmed its intention and ability to provide such financial support as may be necessary to allow the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements. SUEZ UK Group Holdings Limited, the company's ultimate UK parent company, has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full.

Having taken into account all available information, in particular forecasts for the next twelve months from the date of approval of the financial statements, and having performed the appropriate sensitivity analyses; the directors are of the opinion that it is appropriate to prepare the accounts on a going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Generation of electricity

Revenue arising on generation of electricity and gas is recognised as the energy is generated.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property - landfill	- On the basis of airspace used
Landfill engineering	- On the basis of airspace used
Long leasehold property	- Over the lease term
Freehold property - buildings	- 5 - 10 years, straight line
Plant and machinery	- 3 - 20 years, straight line
Assets under construction	- Depreciation commences upon completion of assets

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.7 Stocks

Stocks relate to spare parts and fuel and are valued at cost after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Accounting policies (continued)

2.12 Provisions for environmental and landfill costs and landfill gas revenues

Provisions for environmental and landfill costs include provisions associated with the closure and post-closure of landfill sites. The company estimates its total future requirements for closure costs and for post-closure monitoring and maintenance of the site after the anticipated closure.

Closure costs:
Provision is made for final capping and site inspection costs. These costs are incurred during the operating life of the site and the company provides for these costs as the permitted airspace is used.
Post closure costs:
Provision is made for inspection, ground water monitoring, leachate management, methane gas control and recovery, and the operation and maintenance costs to be incurred during the period after the site closes.

Post-closure provisions have been shown at net present value. The current cost estimated has been inflated at 2.90% (2014 - 2.90%) and discounted by 5.76% (2014 - 5.76%).The unwinding of the discount element is shown in the financial statements as a financial item.

Future revenues from the generation of electricity from landfill gas during the post-closure period, where contracts are in place for its sale, are deducted from the provision balances and are discounted in line with the post-closure provision.

The company provides for both closure and post-closure costs as the permitted airspace is used.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Due to uncertainties inherent in the estimation process, the Company regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used by the Company in preparing the Financial Statements relate mainly to:

The key estimates used by the Company in preparing the Financial Statements relate mainly to:

- the measurement of the recoverable amount of property, plant and equipment and inventories.
- the measurement of provisions.
- the measurement of financial instruments.
- recognition of deferred tax asset.

As well as relying on estimates, the Company management also makes judgments to define the appropriate accounting treatment to apply to certain activities and transactions, when the effective IFRS standards and interpretations do not specifically deal with the related accounting issue.

4. Analysis of turnover

The whole of the turnover is attributable to the one principal activity of the company being the provision of waste disposal facilities.

An analysis of turnover by class of business is as follows:

	2015	*2014*
	£000	*£000*
Rendering of services	**6,213**	*9,752*
Generation of electricity	**395**	*497*
	6,608	*10,249*

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2015	*2014*
	£000	*£000*
Depreciation of tangible fixed assets	**649**	*849*
Operating lease rentals: land and buildings	**216**	*201*
Operating lease rentals: other	**226**	*226*
Cost of stocks recognised as an expense	**139**	*210*

During the year, no director received any emoluments *(2014 - £NIL)*.

6. Auditors' remuneration

For the year ended 31 December 2015 and the prior year, auditor's remuneration was borne by a fellow group company.

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Employees

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	511	520
Social security costs	46	46
Cost of defined contribution scheme	13	11
	570	577

All employees are employed by SUEZ Recycling and Recovery UK Limited and paid by SUEZ Recycling and Recovery Holdings UK Limited. Costs are then recharged to the company.

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

	2015 No.	2014 No.
Operational	24	25

8. Interest Payable and similar charges

	2015 £000	2014 £000
Unwinding of discount rate	98	74
Loans from group undertakings	14	13
	112	87

9. Taxation

	2015 £000	2014 £000
Corporation tax		
Current tax on loss for the year	(158)	(405)
Adjustments in respect of previous periods	(38)	(23)
	(196)	(428)
Total current tax	(196)	(428)
Deferred tax		
Origination and reversal of timing differences	80	(12)
Adjustments in respect of prior periods	(6)	61
Total deferred tax	74	49
Taxation on loss on ordinary activities	(122)	(379)

9. Taxation (continued)

Factors affecting affecting the tax charge for year

The tax assessed for the year is higher than *(2014 - higher than)* the standard rate of corporation tax in the UK of 20.25%% *(2014 - 21.5%)*. The differences are explained below:

	2015 £000	*2014* *£000*
Loss on ordinary activities before tax	**(1,239)**	*(2,163)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25%% (2014 - 21.5%)	**(251)**	*(465)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**84**	*47*
Adjustments to tax charge in respect of prior periods	**(44)**	*38*
Tax rate adjustment	**89**	*1*
Total tax credit for the year	**(122)**	*(379)*

Factors that may affect future tax charges

The UK corporation tax rate decreased from 21% to 20% from 1 April 2015. The impact on the current year's tax charge is shown above.

Further reductions to the UK corporation tax rate have been announced that will have an effect on future tax charges. The change in the corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 has been enacted at the balance sheet date and the deferred tax balance has been adjusted to reflect this change.

Further reductions in the rate to 17% from 1 April 2020 have now been announced but not substantively enacted at the balance sheet date, and are therefore not recognised in these financial statements.

10. Tangible Fixed Assets

	Land & Buildings	Plant & machinery	Fixtures & fittings	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 January 2015	16,134	1,678	-	332	18,144
Additions	-	23	1	1	25
Transfers intra group	-	-	-	(14)	(14)
Transfers between classes	132	83	(1)	(214)	-
At 31 December 2015	16,266	1,784	-	105	18,155
Depreciation					
At 1 January 2015	13,584	1,027	-	-	14,611
Charge owned for the period	539	110	-	-	649
At 31 December 2015	14,123	1,137	-	-	15,260
Net book value					
At 31 December 2015	2,143	647	-	105	2,895
At 31 December 2014	*2,550*	*651*	*-*	*332*	*3,533*

11. Stocks

	2015	*2014*
	£000	*£000*
Raw materials and consumables	58	-
	58	-

In the year ended 31 December 2015 £139,000 (2014: £210,000) was the amount of inventory recognised as an expense. £nil has been written down in the year (2014: £nil).

The difference between purchase price of stocks and their replacement cost is not material.

12. Debtors

	2015 £000	2014 £000
Due within one year		
Corporation tax recoverable	125	327
Prepayments and accrued income	1,073	298
Deferred taxation	801	875
	1,999	1,500

13. Creditors : Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	2,506	2,206
Taxation and social security	25	5
Accruals and deferred income	810	225
	3,341	2,436

14. Financial Instruments

	2015 £000	2014 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,008	241
	1,008	241
Financial liabilities		
Financial liabilities measured at amortised cost	(3,316)	(2,431)
	(3,316)	(2,431)

Financial assets measured at amortised cost comprise of accrued income.

Financial Liabilities measured at amortised cost comprise balances owed to group companies and accruals.

15. Deferred taxation

	2015 £000	2014 £000
At beginning of year	875	924
Utilised in year	(74)	(49)
At end of year	**801**	**875**

The deferred tax asset is made up as follows:

	2015 £000	*2014 £000*
Accelerated capital allowances	646	*697*
Other timing differences	155	*178*
	801	*875*

16. Provisions

	Environmental and landfill costs £000
At 1 January 2015	2,779
Charged to the profit or loss	67
Utilised in year	(34)
Unwinding of discount rate	98
At 31 December 2015	**2,910**

Environmental and landfill costs

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 2.12. The closure costs will be incurred prior to and during the closure of the company's landfill sites, whilst the post closure provision will be utilised over the 30 years thereafter.

17. Share Capital

	2015 £000	*2014 £000*
Allotted, called up and fully paid		
1,300,000 ordinary shares of £1 each	1,300	*1,300*

These shares carry no rights to fixed income nor have any preferences or restrictions attached on them.

18. Reserves

Profit & loss account

Profit & Loss account is distributable reserves made up of retained earnings.

19. Capital commitments

At 31 December 2015 the Company had capital commitments as follows:

	2015 £000	*2014 £000*
Contracted for but not provided in these financial statements	-	*16*
	-	*16*

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,000 (2014 - £11,000).

21. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £000	*2014 £000*
Land and buildings		
Not later than 1 year	216	*201*
Later than 1 year and not later than 5 years	791	*806*
Later than 5 years	363	*458*
Total	1,370	*1,465*

	2015 £000	*2014 £000*
Other		
Not later than 1 year	226	*226*
Later than 1 year and not later than 5 years	70	*296*
Total	296	*522*

22. Related party transactions

The Company has taken the exemption under FRS101 not to disclose transactions with group entities, as Binn Landfill (Glenfarg) Limited is a wholly owned subsidiary, and the consolidated financial statements in which the company is included are available to the public.

23. Controlling party

At the year end the ultimate parent undertaking was SUEZ SA, a company incorporated in France.

The largest group of which Binn Landfill (Glenfarg) Limited is a member and for which group financial statements are drawn up is that headed by SUEZ SA, whose consolidated financial statements are available from Tour CB21, 16 Place de L'Iris, 92040 Paris La Defense Cedex, France. The smallest such group is that headed by SUEZ Recycling and Recovery Holdings UK Limited, a company registered in England & Wales. The consolidated financial statements of the SUEZ Recycling and Recovery UK Limited Group may be obtained from SUEZ House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.

In the opinion of the directors, SUEZ Recycling and Recovery UK Limited controls the company as a result of controlling 100% of the issued share capital of Binn Landfill (Glenfarg) Limited. At the year end SUEZ SA was the ultimate controlling party, being the ultimate controlling party of SUEZ Recycling and Recovery Holdings UK Limited.

24. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.