

RENEWI ARGYLL & BUTE HOLDINGS LIMITED

Registered number SC219887

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

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RENEWI ARGYLL & BUTE HOLDINGS LIMITED

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RENEWI ARGYLL & BUTE HOLDINGS LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for the Company for the year ended 31 March 2019.

Business review, principal activities and future prospects

The Company acts as a holding company with an investment in Renewi Argyll & Bute Limited.

The profit for the financial year was £539,000 (2018: £352,000).

Principal risks and uncertainties

The Company's ultimate controlling parent is Renewi plc. Risks are managed at a Group level in accordance with the risk management framework of Renewi plc. The principal risks and uncertainties of Renewi plc are discussed in its Annual Report and Accounts for the year ended 31 March 2019.

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.

Financial risk management

A discussion of the objectives and policies used in managing financial risk and the use of financial instruments relevant to the Company's operations can be found in the Renewi plc Annual Report and Accounts for the year ended 31 March 2019.

On behalf of the board



M A Rawling
Director
11 July 2019

Registered office
16 Charlotte Square
Edinburgh
EH2 4DF
United Kingdom
Registered number SC219887

RENEWI ARGYLL & BUTE HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2019.

Dividends

A dividend of £539,000 (2018: £352,000) was paid to Renewi plc in respect of the year, having been received as dividend income from Renewi Argyll & Bute Limited £539,000 (2018: £352,000).

Directors

The Directors who held office during the year, and up to the date of signing the financial statements, unless otherwise stated, were as follows:

A D Brookes	
M A Cowan	(appointed 14 November 2018)
M A Rawling	(appointed 14 November 2018)
M A Turner	(resigned 22 November 2018)

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Future developments

Future developments have been discussed on page 3 with the Strategic Report.

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 United Kingdom Accounting Standards, including FRS 101 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.

The Directors 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.

RENEWI ARGYLL & BUTE HOLDINGS LIMITED

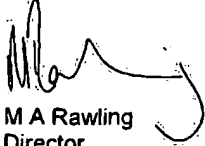
DIRECTORS' REPORT - continued

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



M A Rawling
Director
11 July 2019

RENEWI ARGYLL & BUTE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENEWI ARGYLL & BUTE HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Renewi Argyll & Bute Holdings 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2019; the Statement of Comprehensive Income for the year ended 31 March 2019, and the Statement of Changes in Equity for the year ended 31 March 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

RENEWI ARGYLL & BUTE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENEWI ARGYLL & BUTE HOLDINGS LIMITED - continued

Reporting on other information - continued

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

RENEWI ARGYLL & BUTE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RENEWI ARGYLL & BUTE HOLDINGS LIMITED - continued

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

12 July 2019

RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Finance income		47	86
Finance charges		(47)	(86)
Dividend income	6	539	352
Profit before taxation		539	352
Taxation	7	-	-
Profit for the financial year		539	352
Other comprehensive income			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		539	352

All the activities of the Company relate to continuing operations.

The notes on pages 12 to 16 form an integral part of these financial statements.

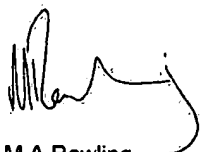
RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

BALANCE SHEET
As at 31 March 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Investments	8	-	-
Trade and other receivables	9	302	335
		<u>302</u>	<u>335</u>
Current assets			
Trade and other receivables	9	90	100
		<u>90</u>	<u>100</u>
Total assets		<u>392</u>	<u>435</u>
Liabilities			
Non-current liabilities			
Other non-current liabilities	11	(302)	(335)
		<u>(302)</u>	<u>(335)</u>
Current liabilities			
Trade and other payables	10	(90)	(100)
		<u>(90)</u>	<u>(100)</u>
Total liabilities		<u>(392)</u>	<u>(435)</u>
Net assets		<u>-</u>	<u>-</u>
Equity			
Share capital	12	-	-
Retained earnings		<u>-</u>	<u>-</u>
Total equity		<u>-</u>	<u>-</u>

The notes on pages 12 to 16 form an integral part of these financial statements.

The financial statements on pages 9 to 16 were approved by the Board of Directors on 11 July 2019 and were signed on its behalf by:



M A Rawling
Director

RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2019

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2017	-	-	-
Total comprehensive income for the year			
Profit for the financial year	-	352	352
Total comprehensive income for the year	-	352	352
Dividends	-	(352)	(352)
Balance at 31 March 2018	-	-	-

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2018	-	-	-
Total comprehensive income for the year			
Profit for the financial year	-	539	539
Total comprehensive income for the year	-	539	539
Dividends	-	(539)	(539)
Balance at 31 March 2019	-	-	-

The notes on pages 12 to 16 form an integral part of these financial statements.

RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except where noted.

General information

Renewi Argyll & Bute Holdings Limited (the "Company") is a private company incorporated and domiciled in the UK.

Basis of preparation

The financial statements are prepared on the historical cost basis, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, in accordance with applicable law, the Companies Act 2006 and Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The presentational currency of these financial statements is sterling and all amounts have been rounded to the nearest £1,000.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is a qualifying entity and has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- disclosures in respect of related party transactions for wholly owned subsidiaries within a group;
- disclosures in respect of capital management;
- disclosures in respect of financial instruments under IFRS 7; and
- the effects of new but not yet effective IFRSs.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

New standards, amendments and interpretations

The Company has adopted IFRS 9 Financial Instruments from 1 April 2018. This standard has resulted in changes in the accounting policies for classification, measurement and impairment of financial assets. There have been no adjustments to the amounts previously recognised in the financial statements or to the classification and measurement of financial instruments.

Going concern

After making enquiries, the Directors have formed the view, at the time of approving the financial statements, that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company's business is a going concern. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Investments

Investments are stated at cost in the balance sheet less any provision for impairment in value.

Finance charges

Finance charges comprise interest payable on intercompany loans and is recognised on an accruals basis in the Statement of Comprehensive Income.

RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019 - continued

1 Accounting policies - continued

Finance income

Finance income comprises interest receivable on intercompany loans and is recognised on an accruals basis in the Statement of Comprehensive Income.

Taxation

Current tax

Current tax is based on taxable profit or loss for the year. The asset or liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, at the balance sheet date.

Dividends

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

Dividend distributions to the Company's shareholder are recognised as a liability in the Company's financial statements in the period in which they are approved.

Financial instruments

Other receivables and other payables

Other receivables and other payables are initially recognised at fair value and subsequently measured at amortised cost.

2 Segmental reporting

The Company acts as a holding company and operates solely in the United Kingdom.

3 Operating result

Auditors' remuneration of £2,000 (2018: £2,000) was borne by a fellow group undertaking.

4 Staff numbers and employee information

There were no employees of the Company in the year (2018: nil). The Company's fellow subsidiary, Renewi UK Services Limited, was contracted to provide management and administrative support to the Company.

5 Directors' emoluments

The Directors were not remunerated for their services to the Company in the current or prior year, neither did the Directors accrue any retirement benefits in respect of service to the Company (2018: £nil). None of the emoluments paid to the Directors by the other group companies related to the services of this company (2018: £nil).

RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019 - continued

6 Dividend income

	2019 £'000	2018 £'000
Dividend income from subsidiaries	<u>539</u>	<u>352</u>

During the year the Company paid a dividend to Renewi plc in respect of the year ended 31 March 2019, having been received as dividend income from Renewi Argyll & Bute Limited.

7 Taxation

The tax on the Company's profit for the year differs from the UK standard rate of tax of 19% (2018: 19%), as explained below:

	2019 £'000	2018 £'000
Profit before tax	539	352
Tax using the UK corporation tax rate of 19% (2018: 19%)	102	67
Non-taxable income	<u>(102)</u>	<u>(67)</u>
Total tax expense	<u>-</u>	<u>-</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). This included a reduction to the main corporation tax rate from 19% to 17% from 1 April 2020.

8 Investments

	Subsidiary undertakings £
Cost and net book value:	
At 1 April 2018 and 31 March 2019	<u>1</u>

At 31 March 2019 the Company had the following investments in subsidiary undertakings:

	Country of registration	Type of business	Type of shares	Proportion of shares held
Renewi Argyll & Bute Limited	Scotland	Waste Management	Ordinary	100%

Registered address: 16 Charlotte Square, Edinburgh, EH2 4DF, United Kingdom

The Balance Sheet value of investments held represents the purchase consideration. In the opinion of the Directors the value of investments is not less than the aggregate amounts at which they are shown in the balance sheet.

RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019 - continued

9 Trade and other receivables

	2019 £'000	2018 £'000
Amounts owed by group undertakings	392	435
	<u>392</u>	<u>435</u>
Current	90	100
Non-current	<u>302</u>	<u>335</u>

Amounts owed by group undertakings comprise a subordinated loan which bears interest at a fixed rate of 12% (2018: 12%). The loan is only repayable by the subsidiary undertaking, Renewi Argyll & Bute Limited, after the obligations under the terms of the external borrowings of that Company have been met.

10 Trade and other payables

	2019 £'000	2018 £'000
Amounts owed to group undertakings - loan and interest (note 11)	90	100
	<u>90</u>	<u>100</u>

Of the amounts owed to group undertakings £90,000 (2018: £100,000) is due to the parent company.

Further information on the subordinated loan amounts owed to immediate parent undertaking are set out in note 11.

11 Other non-current liabilities

	2019 £'000	2018 £'000
Amounts owed to group undertakings	302	335
	<u>302</u>	<u>335</u>
Amounts owed to group undertakings		
Due between 1 and 2 years	67	67
Due between 2 and 5 years	200	200
Due after more than 5 years	35	68
Total	<u>302</u>	<u>335</u>

Amounts owed to group undertakings comprise an unsecured subordinated loan due to parent of £392,000 (2018: £435,000). The subordinated loan bears interest at 12% (2018: 12%) with fixed repayment terms. The current loan liability is £90,000 (2018: £100,000)(note 10).

RENEWI ARGYLL & BUTE HOLDINGS LIMITED
REGISTERED IN SCOTLAND NUMBER SC219887

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019 - continued

12 Share Capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid: 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

13 Commitments

On 4 September 2001, Renewi Argyll & Bute Limited entered into a 25 year contract with Argyll & Bute Council for the management of municipal solid waste. As part of this contract, the Company and its subsidiary, Renewi Argyll & Bute Limited, have pledged to their bankers all of their assets as security for their borrowings.

14 Related parties

The Company has taken advantage of the exemption under FRS 101 not to disclose transactions with companies which are wholly owed within the Renewi plc group.

The Company had no transactions with members of key management personnel of the entity or of a parent of the entity.

15 Ultimate parent company

The immediate and ultimate parent undertaking is Renewi plc, a company registered in Scotland. Renewi plc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2019. The consolidated financial statements of Renewi plc can be obtained from the Company Secretary, Renewi plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire MK1 1BU.