

**Registered number: SC134337**

**Binn Landfill (Glenfarg) Limited**

**Directors' report and financial statements  
for the year ended 31 December 2014**

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**Binn Landfill (Glenfarg) Limited**

**Company Information**

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|----------------------------|-----------------------------------------------------------------------------|
| <b>Directors</b>           | C Chapron<br>D Palmer-Jones                                                 |
| <b>Company secretary</b>   | J Knight                                                                    |
| <b>Registered number</b>   | SC134337                                                                    |
| <b>Registered office</b>   | 15 Atholl Crescent<br>Edinburgh<br>Scotland<br>EH3 8HA                      |
| <b>Independent auditor</b> | Mazars LLP<br>Tower Bridge House<br>St Katharine's Way<br>London<br>E1W 1DD |

## **Binn Landfill (Glenfarg) Limited**

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## **Binn Landfill (Glenfarg) Limited**

### **Strategic report for the year ended 31 December 2014**

#### **Business review**

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

|                                            | <b>2014</b> | <b>2013</b> |               |
|--------------------------------------------|-------------|-------------|---------------|
|                                            | <b>£000</b> | <b>£000</b> | <i>Change</i> |
| Turnover                                   | 10,250      | 15,187      | -33%          |
| Operating loss                             | (2,076)     | (1,461)     | -42%          |
| Loss after tax                             | (1,784)     | (2,737)     | +35%          |
| Shareholders' (deficit) funds              | (182)       | 1,602       | -111%         |
| Current assets as % of current liabilities | 62%         | 78%         |               |

Turnover has decreased in 2014 due to lower volumes of waste processed at the landfill site which was eventually closed at the end of the year. Although cost of sales also decreased with a reduction in related landfill costs, the operating loss has increased from last year due to these reductions being offset by increased wood shredding costs and haulage cost relating to the wood business.

Despite higher bad debt expenses and lower corporation tax credit in 2014 the loss after tax has decreased in the year due to an impairment loss of £1,682,000 being recognised in 2013 in relation to the company's landfill site.

The loss recognised in the year has resulted in a shareholders' deficit as at the 31 December 2014.

#### **Principal risks and uncertainties**

The SITA 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 SITA 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 SITA Group the preferred employer in the waste management sector through its employment policies.

##### **Competitive risks**

Part of the SITA 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.

##### **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.

## **Binn Landfill (Glenfarg) Limited**

### **Strategic report (continued) for the year ended 31 December 2014**

#### **Health and safety risks**

The SITA 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 SITA 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

**15 JUL 2015**

and signed on its behalf.

  
**C Chapron**  
**Director**

## **Binn Landfill (Glenfarg) Limited**

### **Directors' report for the year ended 31 December 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

#### **Principal activities**

The company's principal activity during the year was the provision of resource disposal facilities through the operation of a landfill site. The company operates as part of the United Kingdom resource management business of Suez Environnement SAS.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £1,784,000 (2013 - loss £ 2,737,000).

The directors do not recommend the payment of a dividend (2013 - £nil).

#### **Directors**

The directors who served during the year were:

C Chapron  
D Palmer-Jones

No director who held office on 31 December 2014 had an interest in the company's shares either during the financial year or at 31 December 2014.

#### **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.

#### **Future developments**

Following the closure of the company's landfill site, 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 SITA Group. The SITA group, along with its ultimate parent company Suez Environnement SAS, 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 SITA 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 Environment UK 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.

## **Binn Landfill (Glenfarg) Limited**

### **Directors' report for the year ended 31 December 2014**

#### **Environmental impact**

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 2014 the SITA Group:

- Recycled and recovered over 3,500,000 tonnes of the material we handled;
- Generated over 930,000 megawatt hours of electricity from our landfill gas and energy-from-waste facilities;
- 77,000 tonnes of compost produced;
- 13% decrease in Greenhouse Gas (GHG) emissions from vehicles on the previous year;
- Electricity produced increased by 29% from non-hazardous waste incineration;
- There has been a 17% decrease of waste disposed in non hazardous waste landfills (includes municipal, I&C, Sludge and other inputs, excludes inert inputs);
- There has been a 13% decrease in fuel used for collection vehicles;
- Waste prepared for Energy Recovery as Solid Recovered Fuels (SRF) produced from wood has increased by 54%;
- Our carbon emissions from Electricity usage remains at zero in CRC terms;
- Successfully gained re-certification of the Carbon Trust Standard.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, 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 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 judgments and estimates that are reasonable and prudent;
- state whether 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.

#### **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.

**Binn Landfill (Glenfarg) Limited**

**Directors' report  
for the year ended 31 December 2014**

**Provision of information to auditors**

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 auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**Reappointment of auditors**

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

This report was approved by the board on

**15 JUL 2015**

and signed on its behalf.



**C Chapron**  
Director

## **Binn Landfill (Glenfarg) Limited**

### **Independent auditor's report to the shareholder of Binn Landfill (Glenfarg) Limited**

We have audited the financial statements of Binn Landfill (Glenfarg) Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 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](http://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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 shareholder 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.



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: 20 Nov 2015

**Binn Landfill (Glenfarg) Limited**

**Profit and loss account  
for the year ended 31 December 2014**

|                                                      | <b>Note</b> | <b>2014<br/>£000</b>  | <b>2013<br/>£000</b>  |
|------------------------------------------------------|-------------|-----------------------|-----------------------|
| <b>Turnover</b>                                      | 1,2         | <b>10,250</b>         | <b>15,187</b>         |
| Cost of sales                                        |             | <u>(11,570)</u>       | <u>(16,067)</u>       |
| <b>Gross loss</b>                                    |             | <b>(1,320)</b>        | <b>(880)</b>          |
| Administrative expenses                              |             | <u>(756)</u>          | <u>(581)</u>          |
| <b>Operating loss</b>                                | 3           | <b>(2,076)</b>        | <b>(1,461)</b>        |
| <b>Exceptional items</b>                             |             |                       |                       |
| Impairment of tangible fixed assets                  | 6           | <u>-</u>              | <u>(1,682)</u>        |
| <b>Loss on ordinary activities before interest</b>   |             | <b>(2,076)</b>        | <b>(3,143)</b>        |
| Interest payable and similar charges                 | 5           | <u>(87)</u>           | <u>(75)</u>           |
| <b>Loss on ordinary activities before taxation</b>   |             | <b>(2,163)</b>        | <b>(3,218)</b>        |
| Tax credit/ (expense) on loss on ordinary activities | 7           | <u>379</u>            | <u>481</u>            |
| <b>Loss for the financial year</b>                   | 14          | <u><b>(1,784)</b></u> | <u><b>(2,737)</b></u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 17 form part of these financial statements.

**Binn Landfill (Glenfarg) Limited**  
**Registered number: SC134337**

**Balance sheet**  
**as at 31 December 2014**

|                                                | Note | £000    | 2014<br>£000 | 2013<br>£000 |
|------------------------------------------------|------|---------|--------------|--------------|
| <b>Fixed assets</b>                            |      |         |              |              |
| Tangible assets                                | 8    |         | 3,533        | 4,260        |
| <b>Current assets</b>                          |      |         |              |              |
| Debtors                                        | 9    | 1,500   |              | 1,656        |
| Creditors: amounts falling due within one year | 10   | (2,436) |              | (2,132)      |
| <b>Net current liabilities</b>                 |      |         | (936)        | (476)        |
| <b>Total assets less current liabilities</b>   |      |         | 2,597        | 3,784        |
| <b>Provisions for liabilities</b>              |      |         |              |              |
| Other provisions                               | 12   |         | (2,779)      | (2,182)      |
| <b>Net (liabilities)/assets</b>                |      |         | (182)        | 1,602        |
| <b>Capital and reserves</b>                    |      |         |              |              |
| Called up share capital                        | 13   |         | 1,300        | 1,300        |
| Profit and loss account                        | 14   |         | (1,482)      | 302          |
| <b>Shareholders' (deficit)/funds - Equity</b>  | 15   |         | (182)        | 1,602        |

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

  
**C Chapron**  
 Director

The notes on pages 10 to 17 form part of these financial statements.

## **Binn Landfill (Glenfarg) Limited**

### **Notes to the financial statements for the year ended 31 December 2014**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

At 31 December 2014 the company had net current liabilities of £936,000 (2013 - £476,000). 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 Environment UK 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 Environment 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.

##### **1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied. Revenue is measured at fair value of the consideration received including landfill tax where appropriate, and exclusive of trade discounts, rebates, Value Added Tax and other sales taxes or duty.

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                               |   |                                                  |
|-------------------------------|---|--------------------------------------------------|
| 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 |

##### **1.5 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

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.

## **Binn Landfill (Glenfarg) Limited**

### **Notes to the financial statements for the year ended 31 December 2014**

#### **1. Accounting policies (continued)**

##### **1.6 Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### **1.7 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.

##### **1.8 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% (2013 - 2.90%) and discounted by 5.76% (2013 - 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. In accordance with Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets", full provision has been made for the company's minimum unavoidable costs.

#### **2. Turnover**

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

All turnover arose within the United Kingdom.

## Binn Landfill (Glenfarg) Limited

### Notes to the financial statements for the year ended 31 December 2014

#### 3. Operating loss

The operating loss is stated after charging:

|                                        | 2014<br>£000 | 2013<br>£000 |
|----------------------------------------|--------------|--------------|
| Depreciation of tangible fixed assets: |              |              |
| - owned by the company                 | 849          | 1,215        |
| Operating lease rentals - other        | 427          | 201          |
|                                        | <u>1,276</u> | <u>1,416</u> |

During the year, no director received any emoluments (2013 - £NIL).

For the year ended 31 December 2014 and the prior year, auditor's remuneration was borne by a fellow group company.

#### 4. Staff costs

Staff costs were as follows:

|                       | 2014<br>£000 | 2013<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 520          | 546          |
| Social security costs | 46           | 47           |
| Other pension costs   | 11           | 11           |
|                       | <u>577</u>   | <u>604</u>   |

All employees are employed by SITA UK Limited and paid by SITA 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:

|             | 2014<br>No. | 2013<br>No. |
|-------------|-------------|-------------|
| Operational | <u>25</u>   | <u>28</u>   |

#### 5. Interest payable

|                                  | 2014<br>£000 | 2013<br>£000 |
|----------------------------------|--------------|--------------|
| Discount on provisions           | 74           | 69           |
| On loans from group undertakings | 13           | 6            |
|                                  | <u>87</u>    | <u>75</u>    |

# **Binn Landfill (Glenfarg) Limited**

## **Notes to the financial statements for the year ended 31 December 2014**

### **6. Exceptional items**

|                                     | <b>2014</b> | <b>2013</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>£000</b> | <b>£000</b> |
| Impairment of tangible fixed assets | -           | 1,682       |

An impairment of £1,682,000 was made in the prior year in regard to the company's landfill site. This impairment was calculated based upon management's decision to no longer fill the site.

### **7. Taxation**

|                                                  | <b>2014</b>  | <b>2013</b>  |
|--------------------------------------------------|--------------|--------------|
|                                                  | <b>£000</b>  | <b>£000</b>  |
| <b>Analysis of tax credit in the year</b>        |              |              |
| <b>Current tax</b> (see note below)              |              |              |
| UK corporation tax credit on loss for the year   | (405)        | (349)        |
| Adjustments in respect of prior periods          | (23)         | (7)          |
| <b>Total current tax</b>                         | <b>(428)</b> | <b>(356)</b> |
| <b>Deferred tax</b>                              |              |              |
| Origination and reversal of timing differences   | (12)         | (123)        |
| Adjustments in respect of prior periods          | 61           | (2)          |
| <b>Total deferred tax</b> (see note 11)          | <b>49</b>    | <b>(125)</b> |
| <b>Tax credit on loss on ordinary activities</b> | <b>(379)</b> | <b>(481)</b> |

#### **Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

|                                                                                                               | <b>2014</b>  | <b>2013</b>  |
|---------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                               | <b>£000</b>  | <b>£000</b>  |
| Loss on ordinary activities before tax                                                                        | (2,163)      | (3,218)      |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%) | (465)        | (748)        |
| <b>Effects of:</b>                                                                                            |              |              |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                     | 48           | 135          |
| Capital allowances for year in excess of depreciation                                                         | (39)         | 254          |
| Adjustments to tax charge in respect of prior periods                                                         | (23)         | (7)          |
| Short term timing difference leading to an increase (decrease) in taxation                                    | 51           | 10           |
| <b>Current tax credit for the year</b> (see note above)                                                       | <b>(428)</b> | <b>(356)</b> |

## Binn Landfill (Glenfarg) Limited

### Notes to the financial statements for the year ended 31 December 2014

#### 7. Taxation (continued)

##### Factors that may affect future tax charges

The UK corporation tax rate decreased from 23% to 21% from 1 April 2014. 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 20% from 1 April 2015 had been enacted at the balance sheet date and the prior year deferred tax balance has been adjusted to reflect this change (*note 11*).

#### 8. Tangible fixed assets

|                          | Land &<br>Buildings<br>£000 | Plant &<br>machinery<br>£000 | Assets under<br>construction<br>£000 | Total<br>£000 |
|--------------------------|-----------------------------|------------------------------|--------------------------------------|---------------|
| <b>Cost</b>              |                             |                              |                                      |               |
| At 1 January 2014        | 15,980                      | 1,873                        | 401                                  | 18,254        |
| Additions                | 111                         | -                            | 107                                  | 218           |
| Transfers intra group    | 43                          | 248                          | -                                    | 291           |
| Disposals                | -                           | (470)                        | (149)                                | (619)         |
| Transfer between classes | -                           | 27                           | (27)                                 | -             |
| At 31 December 2014      | 16,134                      | 1,678                        | 332                                  | 18,144        |
| <b>Depreciation</b>      |                             |                              |                                      |               |
| At 1 January 2014        | 12,851                      | 1,143                        | -                                    | 13,994        |
| Charge for the year      | 743                         | 106                          | -                                    | 849           |
| Transfers intra group    | (10)                        | 248                          | -                                    | 238           |
| On disposals             | -                           | (470)                        | -                                    | (470)         |
| At 31 December 2014      | 13,584                      | 1,027                        | -                                    | 14,611        |
| <b>Net book value</b>    |                             |                              |                                      |               |
| At 31 December 2014      | 2,550                       | 651                          | 332                                  | 3,533         |
| At 31 December 2013      | 3,129                       | 730                          | 401                                  | 4,260         |

The net book value of land and buildings may be analysed as follows:

|                                       | 2014<br>£000 | 2013<br>£000 |
|---------------------------------------|--------------|--------------|
| Freehold property - landfill airspace | -            | -            |
| Freehold property - buildings         | 87           | 130          |
| Long leasehold property               | 2,217        | 2,400        |
| Landfill engineering                  | 246          | 599          |
|                                       | 2,550        | 3,129        |

**Binn Landfill (Glenfarg) Limited**

**Notes to the financial statements  
for the year ended 31 December 2014**

**9. Debtors falling due within one year**

|                                  | <b>2014</b>  | <b>2013</b>  |
|----------------------------------|--------------|--------------|
|                                  | <b>£000</b>  | <b>£000</b>  |
| Corporation tax repayable        | 327          | 320          |
| Prepayments and accrued income   | 298          | 412          |
| Deferred tax asset (see note 11) | 875          | 924          |
|                                  | <u>1,500</u> | <u>1,656</u> |

**10. Creditors:  
Amounts falling due within one year**

|                                    | <b>2014</b>  | <b>2013</b>  |
|------------------------------------|--------------|--------------|
|                                    | <b>£000</b>  | <b>£000</b>  |
| Amounts owed to group undertakings | 2,206        | 1,456        |
| Other taxation and social security | 5            | 543          |
| Accruals and deferred income       | 225          | 133          |
|                                    | <u>2,436</u> | <u>2,132</u> |

**11. Deferred tax asset**

|                                         | <b>2014</b> | <b>2013</b> |
|-----------------------------------------|-------------|-------------|
|                                         | <b>£000</b> | <b>£000</b> |
| At beginning of year                    | 924         | 799         |
| (Charge for)/released during year (P&L) | (49)        | 125         |
| At end of year                          | <u>875</u>  | <u>924</u>  |

The deferred tax asset is made up as follows:

|                                | <b>2014</b> | <b>2013</b> |
|--------------------------------|-------------|-------------|
|                                | <b>£000</b> | <b>£000</b> |
| Accelerated capital allowances | 697         | 794         |
| Other timing differences       | 178         | 130         |
|                                | <u>875</u>  | <u>924</u>  |

# **Binn Landfill (Glenfarg) Limited**

## **Notes to the financial statements for the year ended 31 December 2014**

### **12. Provisions**

|                       | <b>Environment<br/>al and landfill<br/>costs<br/>£000</b> |
|-----------------------|-----------------------------------------------------------|
| At 1 January 2014     | 2,182                                                     |
| Additions             | 523                                                       |
| Unwinding of discount | 74                                                        |
| At 31 December 2014   | <u>2,779</u>                                              |

#### **Environmental and landfill costs**

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 1.8. 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.

### **13. Share capital**

|                                           | <b>2014<br/>£000</b> | <b>2013<br/>£000</b> |
|-------------------------------------------|----------------------|----------------------|
| <b>Allotted, called up and fully paid</b> |                      |                      |
| 1,300,000 ordinary shares of £1 each      | <u>1,300</u>         | <u>1,300</u>         |

### **14. Reserves**

|                             | <b>Profit and loss<br/>account<br/>£000</b> |
|-----------------------------|---------------------------------------------|
| At 1 January 2014           | 302                                         |
| Loss for the financial year | (1,784)                                     |
| At 31 December 2014         | <u>(1,482)</u>                              |

### **15. Reconciliation of movement in shareholders' funds**

|                                       | <b>2014<br/>£000</b> | <b>2013<br/>£000</b> |
|---------------------------------------|----------------------|----------------------|
| Opening shareholders' funds           | 1,602                | 4,339                |
| Loss for the financial year           | (1,784)              | (2,737)              |
| Closing shareholders' (deficit)/funds | <u>(182)</u>         | <u>1,602</u>         |

### **16. Contingent liabilities**

The company has provided unsecured guarantees to third parties in respect of restoration and performance bonds. At 31 December 2014, guarantees outstanding amounted to £872,000 (2013 - £2,000,000).

## Binn Landfill (Glenfarg) Limited

### Notes to the financial statements for the year ended 31 December 2014

#### 17. Capital commitments

At 31 December 2014 the company had capital commitments as follows:

|                                                               | 2014<br>£000 | 2013<br>£000 |
|---------------------------------------------------------------|--------------|--------------|
| Contracted for but not provided in these financial statements | 16           | -            |

#### 18. 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 £11,000 (2013 - £11,000).

#### 19. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

|                         | Land and buildings |              | Other        |              |
|-------------------------|--------------------|--------------|--------------|--------------|
|                         | 2014<br>£000       | 2013<br>£000 | 2014<br>£000 | 2013<br>£000 |
| Expiry date:            |                    |              |              |              |
| Within 1 year           | -                  | -            | 226          | -            |
| After more than 5 years | 201                | 201          | -            | -            |

#### 20. Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public.

#### 21. Ultimate parent undertaking and controlling party

At the year end the ultimate parent undertaking was Suez Environnement SAS, 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 Environnement SAS, 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 SITA Holdings UK Limited, a company registered in England & Wales. The consolidated financial statements of the SITA Holdings UK Limited Group may be obtained from SITA House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.

In the opinion of the directors, SITA Holdings 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 Environnement SAS was the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited.