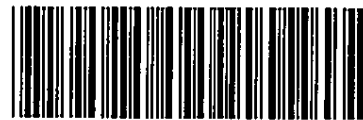


**Registration number 01600851 (England and Wales)**

**McGrath Bros. (Waste Control) Limited**  
**Directors' report and financial statements**  
**for the year ended 30th November 2012**

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## **McGrath Bros. (Waste Control) Limited**

### **Company information**

Directors	D McGrath, Esq P McGrath, Esq M McGrath, Esq J Oliver, Esq G Vines, Esq J McDaid, Esq T Donaghy, (Ms )
Secretary	D McGrath, Esq
Company number	01600851 (England and Wales)
Registered office and business address	McGrath House Hepscott Road Hackney Wick London E9 5HH
Auditors	Riordan O'Sullivan & Co Chartered Certified Accountants and Statutory Auditors 40 Chamberlayne Road London NW10 3JE
Bankers	Allied Irish Bank (GB) Grays Inn Branch 100 Grays Inn Road London WC1X 8AL
Solicitors	Whitehorns Solicitors Ivy House Carnarvon Road Barnet EN5 4LX

## **McGrath Bros. (Waste Control) Limited**

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## McGrath Bros. (Waste Control) Limited

### Directors' report for the year ended 30th November 2012

The directors present their report and financial statements for the year ended 30th November 2012

#### Principal activity

The company is engaged in the provision of waste management, recycling and reprocessing services to a broad range of sectors such as construction, demolition, commercial, industrial, utility, local authority and public services. The company continues to invest in and develop new waste management and recycling processes.

#### Results

The results for the year are set out in the profit and loss account on page 6

#### Review of the business and future prospects

Our volume of business activity was up but our turnover was relatively flat at £17.7 Million as against £17.5 Million the previous year, mainly due to the pressure on prices. Profits were also similar at £1.51 Million as against £1.59 Million the previous year. These results are considered to be satisfactory in the uncertain economic times and continuing lack of growth and business confidence that we experienced throughout the year.

Pricing remains challenging but the directors project this level of profitability to improve due to the increased operational efficiencies resulting from the major redevelopment and investment in modern waste recycling equipment, technology and related infrastructure that we carried out at our main waste management site at River Road, Barking during the last five years and which is now completed. Our high recycling, reprocessing and recovery targets continue to be achieved and our second waste management site at Hackney Wick, East London continues to perform satisfactorily.

With 40 years in the sector, McGrath's remain excited by the challenge of modern day waste management, recycling, re-using and the related energy sector. The above mentioned investment in recycling plant, equipment, technology and training enables us to recycle almost all of the waste handled and our ethos and mission is "all-waste-is-a-resource" and "zero-to-landfill". Our Environmental Management System audits monitors and drives our recovery and recycling rates. We fully comply with stringent Environmental Agency waste recycling legislation and we remain committed to be amongst the leaders in the waste management industry.

The environmental demands now imposed on the waste management industry requires huge capital investment and the levels of profitability being achieved do not yet reflect the investment that McGrath's have made in recent years and additional profits are required to give us the confidence to invest further in the waste sector in the years ahead.

We adopt the Government's waste strategy of developing a sustainable waste industry with negligible use of landfill and increased use of recycled materials and products.

The directors are proud of the highly motivated and highly skilled management and administrative workforce that underpin the McGrath Waste Recycling business and we thank them for their continued loyalty and dedication.

#### Key performance indicators

		2012	2011	2010	2009
Turnover	(£)	17,726,805	17,535,285	15,010,841	14,235,723
Turnover increase/ (decrease)	(%)	1.1	16.8	5.4	(20.1)
Profit before tax	(£)	1,511,331	1,594,317	994,831	749,917
Profit before tax	(%)	8.5	9.1	6.6	5.3

## **McGrath Bros. (Waste Control) Limited**

### **Directors' report for the year ended 30th November 2012**

continued

#### **Fixed assets**

The movements in fixed assets are set out in note 8 to these financial statements

#### **Principal risks and uncertainties facing the company**

The principal risk for our group is similar to most companies and industry sectors, namely the state of the economy

Waste management, recycling and demolition have additional environmental legislative and compliance risks. We try to minimise these risks by employing a highly skilled and experienced management and workforce, by constant training and by having modern recycling plant and equipment so that we can adhere to environmental regulation and comply with the conditions of our operating licences and permits.

The fragile economy and lack of growth continues to have an impact on business confidence which is holding back further investment and activity levels.

#### **Financial instruments, credit and liquidity risks**

The principal financial instruments that fund the company's operations are bank balances, bank borrowings, trade debtors, trade creditors and hire purchase finance. The company does not have any complex financial instruments.

Whilst acknowledging that the success of the company is dependent on the state of the economy generally and on the waste management industry in which we operate, we believe that we manage our exposure to financial risk by maintaining a strong balance sheet with a good mix of long standing customers and a modern and efficient financial and management reporting system that monitor our day to day operational risk.

#### **Going concern**

The directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 18 in the financial statements.

#### **Employee involvement**

Our workforce is our most important and valuable asset and they operate at the heart of our operations and in the main see for themselves our activities and developments on a day to day basis. In addition regular meetings are held to discuss activity and performance and opportunity is given for management to be questioned on all areas that affect our employees. We encourage an open door policy of involvement and close cooperation.

#### **Equal opportunities**

It is the policy of the company to employ persons of any ethnic origin, of either sex, and to employ persons only by considering their ability to undertake the task required. This policy applies at all levels of employment.

#### **Employment of disabled persons**

The company continues its policy regarding the employment of disabled persons and fair consideration is given to applications for employment by disabled persons having regard to their particular aptitudes and abilities.

**McGrath Bros. (Waste Control) Limited**

**Directors' report  
for the year ended 30th November 2012**

continued

**Health and safety at work**

The company has its own health and safety professionals who look after the health, safety and welfare of its employees. We continue to invest in training to ensure that the highest standards of health and safety are imposed and maintained. We continue to support the health and safety policies of our customers and the industry generally.

**Directors**

The directors who served during the year were

D McGrath, Esq  
P McGrath, Esq  
M McGrath, Esq  
J Oliver, Esq  
G Vines, Esq  
J McDaid, Esq  
T Donaghy, (Ms )

There were no changes during the year

**Charitable and political contributions**

Charitable donations of £625 (2011 £1,393) were made during the year. No political contributions were made.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors are responsible for the maintenance and integrity of information included on the company's website.

**McGrath Bros. (Waste Control) Limited**

**Directors' report  
for the year ended 30th November 2012**

continued

**Statement of disclosure of information to auditors**

The directors of the company who held office at the date of approval of this annual report confirm that


- so far as each director is aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit 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

**Auditors**

Riordan O'Sullivan & Co, Chartered Certified Accountants and Statutory Auditors, are deemed to be re-appointed in accordance with an elective resolution made under S 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

**Approval**

This report was approved by the Board on 22nd March 2013 and signed on its behalf by

  
\_\_\_\_\_  
**D. McGrath, Esq.**  
**Director**

**McGrath Bros. (Waste Control) Limited**

**Independent Auditors' Report  
to the Members of McGrath Bros. (Waste Control) Limited  
for the year ended 30th November 2012**

We have audited the financial statements of McGrath Bros (Waste Control) Limited for the year ended 30th November 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30th November 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

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

**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 by the company, or the company 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. F. O'Sullivan (Senior Statutory Auditor)  
for and on behalf of Riordan O'Sullivan & Co  
Chartered Certified Accountants and Statutory Auditors  
40 Chamberlayne Road  
London, NW10 3JE**

**Dated: 22nd March 2013**

**McGrath Bros. (Waste Control) Limited**

**Profit and loss account  
for the year ended 30th November 2012**

		<b>Continuing operations</b>	
	<b>Notes</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Turnover</b>	<b>2</b>	<b>17,726,805</b>	17,535,285
Cost of sales		<u>(12,241,831)</u>	<u>(11,852,448)</u>
<b>Gross profit</b>		<b>5,484,974</b>	5,682,837
Administrative expenses		<u>(3,696,688)</u>	<u>(3,826,575)</u>
<b>Operating profit</b>	<b>3</b>	<b>1,788,286</b>	1,856,262
Interest payable and similar charges	<b>4</b>	<u>(276,955)</u>	<u>(261,945)</u>
<b>Profit on ordinary activities before tax</b>		<b>1,511,331</b>	1,594,317
Taxation	<b>7</b>	<u>(257,138)</u>	<u>(337,130)</u>
<b>Profit for the year after taxation</b>		<u><b>1,254,193</b></u>	<u>1,257,187</u>

There are no recognised gains or losses other than the profits shown above


**The notes on pages 9 to 17 form an integral part of these financial statements.**

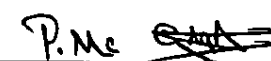
**McGrath Bros. (Waste Control) Limited**

**Balance sheet  
as at 30th November 2012**

	Notes	2012		2011	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	8		8,389,325		9,399,638
<b>Current assets</b>					
Stocks	9	43,504		46,358	
Debtors	10	6,278,170		4,450,735	
Cash at bank and in hand		6,365		13,719	
		<u>6,328,039</u>		<u>4,510,812</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,676,164)</u>		<u>(4,400,993)</u>	
<b>Net current assets</b>			<u>1,651,875</u>		<u>109,819</u>
<b>Total assets less current liabilities</b>			<u>10,041,200</u>		<u>9,509,457</u>
<b>Creditors: amounts falling due after more than one year</b>	12		(1,816,236)		(2,503,445)
<b>Provisions for liabilities</b>	13		<u>(633,952)</u>		<u>(669,193)</u>
<b>Net assets</b>			<u><u>7,591,012</u></u>		<u><u>6,336,819</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account	15		<u>7,590,912</u>		<u>6,336,719</u>
<b>Shareholders' funds</b>	16		<u><u>7,591,012</u></u>		<u><u>6,336,819</u></u>

The financial statements were approved by the Board on 22nd March 2013 and signed on its behalf by

  
D. McGrath, Esq.  
Director

  
P. McGrath, Esq.  
Director

Registration number 01600851 (England and Wales)

The notes on pages 9 to 17 form an integral part of these financial statements.

**McGrath Bros. (Waste Control) Limited**

**Cash flow statement  
for the year ended 30th November 2012**

	<b>Notes</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		1,788,286	1,856,262
Depreciation		1,234,911	1,150,032
Increase in stocks		2,854	(1,232)
Increase in debtors		(1,827,435)	(468,841)
(Decrease)/increase in creditors		(258,837)	52,256
<b>Net cash inflow from operating activities</b>		<b>939,779</b>	<b>2,588,477</b>

**Cash flow statement**

Net cash inflow from operating activities		939,779	2,588,477
Returns on investments and servicing of finance	22	(276,955)	(261,945)
Taxation	22	-	(38,610)
Capital expenditure	22	(224,598)	(680,369)
Financing	22	(1,239,882)	(1,507,993)
<b>(Decrease)/ increase in cash in the year</b>		<b>(801,656)</b>	<b>99,560</b>

**Reconciliation of net cash flow to movement in net debts (Note 23)**

<b>(Decrease)/ increase in cash in the year</b>		<b>(801,656)</b>	99,560
Cash outflow from change in debts and lease financing	22	1,239,882	1,507,993
Change in net funds resulting from cash flows		438,226	1,607,553
New hire purchase contracts		-	(955,026)
<b>Reduction in debt in the year</b>		<b>438,226</b>	652,527
<b>Opening net debt</b>		<b>(3,103,716)</b>	<b>(3,756,243)</b>
<b>Closing net debt</b>		<b>(2,665,490)</b>	<b>(3,103,716)</b>

The notes on pages 9 to 17 form an integral part of these financial statements.

## **McGrath Bros. (Waste Control) Limited**

### **Notes to the financial statements for the year ended 30th November 2012**

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

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

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

##### **1.2. Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Plant and machinery	- over 5 to 10 years
Fixtures, fittings and equipment	- over 4 to 7 years
Motor vehicles	- over 4 to 7 years

##### **1.4. Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives in accordance with our depreciation policy as set out above. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged on a straight-line basis over the lease term.

##### **1.5. Stocks**

Stocks are valued at the lower of cost and net realisable value.

##### **1.6. Pensions**

The pension costs charged in the financial statements represent the contribution paid by the company during the year.

##### **1.7. Deferred taxation**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

**1.8. Going concern**

The Directors' Report sets out the company's business activities, and highlights the factors which may impact its financial performance, market position and future development

The Directors' report also provides information in relation to the profitable trading position that the company has, its cash flows, liquidity position and details of their financial instruments, management of capital and exposure to credit and liquidity risk

The company continues to trade satisfactorily, repeat business represents the majority of its turnover, it has a reasonable level of new enquiries and its forecasts project continuous profitable trading for the current year and beyond. The company meets its day to day working capital requirements through a bank facility linked to its debtor book. The company's hire purchase debts are reducing year on year which will add to its cashflow generation going forward. As a consequence the directors are confident that the company has sufficient resources to meet its requirements for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

**3. Operating profit**

	2012 £	2011 £
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	1,218,773	1,150,032
Loss on disposal of tangible fixed assets	16,138	-
Auditors' remuneration		
- audit	15,000	15,000
- other services	12,580	30,472
	<u>1,244,491</u>	<u>1,195,504</u>

**4. Interest payable and similar charges**

	2012 £	2011 £
Bank interest	69,761	20,547
Hire purchase interest	207,194	241,398
	<u>276,955</u>	<u>261,945</u>

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

**5. Staff costs**

<b>Number of employees</b>	<b>2012</b>	<b>2011</b>
The average monthly number of employees (including the directors) during the year were		
Management and administration	<b>19</b>	20
Waste recycling operations	<b>74</b>	78
	<u><b>93</b></u>	<u>98</u>
 <b>Aggregate employment costs</b>	 <b>2012</b>	 <b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,276,368</b>	3,411,712
Social security costs	<b>354,979</b>	378,624
Pension costs	<b>27,311</b>	25,840
	<u><b>3,658,658</b></u>	<u>3,816,176</u>

**5.1. Directors' remuneration**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u><b>133,122</b></u>	<u>141,692</u>

**6. Pension costs**

The company operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent pension fund managers. The pension charge represents contributions paid by the company and amounted to £27,311 (2011 £25,840).

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

**7. Taxation**

<b>Analysis of charge in year</b>	<b>2012 £</b>	<b>2011 £</b>
UK corporation tax – current year	292,379	205,576
Movement in deferred tax (see note 13)	(35,241)	131,554
<b>Total tax charge</b>	<b>257,138</b>	<b>337,130</b>

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (24 per cent) The differences are explained below

	<b>2012 £</b>	<b>2011 £</b>
Profit on ordinary activities before taxation	1,511,331	1,594,317
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 26%)	362,719	414,522
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,643	790
Capital allowances for period in excess of depreciation	(35,765)	(169,957)
Group tax relief	(54,123)	(44,891)
Change in tax rate (part year 26% and part year 24%)	8,032	5,112
Loss on disposal of fixed assets	3,873	-
<b>Tax charge for the year</b>	<b>292,379</b>	<b>205,576</b>

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

8.	Tangible fixed assets	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
	<b>Cost</b>				
	At 1st December 2011	18,961,276	473,798	199,956	19,635,030
	Additions	263,396	26,205	-	289,601
	Disposals	(788,613)	-	-	(788,613)
	<b>At 30th November 2012</b>	<b>18,436,059</b>	<b>500,003</b>	<b>199,956</b>	<b>19,136,018</b>
	<b>Depreciation</b>				
	At 1st December 2011	9,754,061	317,628	163,703	10,235,392
	On disposals	(707,472)	-	-	(707,472)
	Charge for the year	1,155,853	49,060	13,861	1,218,773
	<b>At 30th November 2012</b>	<b>10,202,441</b>	<b>366,688</b>	<b>177,564</b>	<b>10,746,693</b>
	<b>Net book values</b>				
	<b>At 30th November 2012</b>	<b>8,233,618</b>	<b>133,315</b>	<b>22,392</b>	<b>8,389,325</b>
	At 30th November 2011	9,207,215	156,170	36,253	9,399,638

The net book value of plant and machinery includes an amount of £3,034,206 (2011 £4,363,552) in respect of assets held under hire purchase contracts

9.	Stocks	2012 £	2011 £
	Fuel, plant spares and aggregates	<b>43,504</b>	46,358
		<u>43,504</u>	<u>46,358</u>
10.	Debtors	2012 £	2011 £
	Trade debtors	3,283,315	3,181,316
	Amounts owed by group undertakings	2,897,105	1,224,690
	Other debtors	57,007	4,028
	Prepayments	40,743	40,701
		<u>6,278,170</u>	<u>4,450,735</u>

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

<b>11. Creditors: amounts falling due within one year</b>	<b>2012 £</b>	<b>2011 £</b>
Bank operating facility (secured)	1,429,537	635,235
Net obligations under hire purchase contracts	660,762	1,244,640
Trade creditors	1,380,519	1,631,400
Corporation tax	497,955	205,576
Other taxes and social security costs	611,260	521,869
Directors' accounts	21,847	44,681
Other creditors	14,558	-
Accruals	59,726	117,592
	<u>4,676,164</u>	<u>4,400,993</u>

The bank operating facility has a limit of £3 0 Million and is secured by a first mortgage debenture over the assets of the company and the Group

<b>12. Creditors: amounts falling due after more than one year</b>	<b>2012 £</b>	<b>2011 £</b>
Net obligations under hire purchase contracts	581,556	1,237,560
Amounts owed to group undertakings	1,234,680	1,265,885
	<u>1,816,236</u>	<u>2,503,445</u>
	<b>£</b>	<b>£</b>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	792,722	1,443,880
Repayable between one and five years	638,150	1,430,872
	<u>1,430,872</u>	<u>2,874,752</u>
Finance charges and interest allocated to future accounting periods	(188,554)	(392,552)
	<u>1,242,318</u>	<u>2,482,200</u>

Hire purchase contracts are secured on the assets to which they relate

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

<b>13.</b>	<b>Provision for liabilities and charges</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	<b>Deferred taxation</b>		
	Balance brought forward	669,193	537,639
	Charge for the year	(35,241)	131,554
	Balance carried forward	633,952	669,193
		<hr/>	<hr/>
In accordance with Financial Reporting Standard 19 "Deferred Taxation" provision has been made in full for deferred tax liabilities arising from timing differences in respect of accelerated capital allowances on plant and machinery			
<b>14.</b>	<b>Share capital</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	100 ordinary shares of £1 each	100	100
		<hr/>	<hr/>
<b>15.</b>	<b>Profit and loss account</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	At 1st December	6,336,719	5,079,532
	Profit on ordinary activities before tax	1,511,331	1,594,317
	Taxation charge	(257,138)	(337,130)
	At 30th November	7,590,912	6,336,719
		<hr/>	<hr/>
<b>16.</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Profit on ordinary activities before tax	1,511,331	1,594,317
	Taxation charge	(257,138)	(337,130)
	Profit for the year after taxation	1,254,193	1,257,187
	Opening shareholders' funds	6,336,819	5,079,632
	Closing shareholders' funds	7,591,012	6,336,819
		<hr/>	<hr/>

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

**17. Financial commitments**

There were no capital commitments either authorised or contracted for at the balance sheet date

Annual commitment under a non-cancellable operating lease is as follows

	<b><u>Land and buildings</u></b>	
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Expiry date		
- within one year	<b>1,200,000</b>	1,200,000
- between two and five years	<b>1,200,000</b>	1,200,000
- after five years	<b>1,200,000</b>	1,200,000

The company pays for all insurance, maintenance and repair costs under the arrangement

**18. Contingent liabilities**

Bank and others guarantees given by the company as part of group funding arrangement amounted to £21,545,000 (2011 £22,545,000)

**19. Related party transactions**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
At the balance sheet date the following amounts were owed from/ (to) fellow group undertakings		
McGrath (RMC) Limited	<b>453,405</b>	172,027
Demo One Limited	<b>325,959</b>	194,792
McGrath Brothers (Holdings) Limited	<b>2,117,741</b>	857,871
McGrath Bros (Environmental) Limited	<b>(1,234,680)</b>	(1,265,885)
	<b><u>1,662,425</u></b>	<b><u>(41,195)</u></b>

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with members of the group headed by McGrath Brothers (Holdings) Limited on the grounds that the company is a wholly owned subsidiary and is included in the consolidated accounts

**20. Ultimate parent undertaking**

McGrath Brothers (Holdings) Limited, a company incorporated in Great Britain, is the company's ultimate parent undertaking

**21. Post balance sheet events**

There were no events since the year end which materially affected the company

**McGrath Bros. (Waste Control) Limited**

**Notes to the financial statements  
for the year ended 30th November 2012**

continued

**22. Gross cash flows**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	<u>(276,995)</u>	<u>(261,945)</u>
<b>Taxation</b>		
Corporation tax paid	<u>-</u>	<u>(38,610)</u>
 <b>Capital expenditure</b>		
Payments to acquire tangible assets	<u>(289,601)</u>	<u>(680,369)</u>
Receipts from sales of tangible assets	<u>65,003</u>	<u>-</u>
	<u><b>(224,598)</b></u>	<u><b>(680,369)</b></u>
 <b>Financing</b>		
Capital element of hire purchase contracts	<u><b>1,239,882</b></u>	<u><b>(1,507,993)</b></u>

**23. Analysis of changes in net debt**

	<b>Opening balance £</b>	<b>Cash flows £</b>	<b>Closing balance £</b>
Cash at bank and in hand	13,719	(7,354)	<b>6,365</b>
Bank operating facility	<u>(635,235)</u>	<u>(794,302)</u>	<u><b>(1,429,537)</b></u>
	<u>(621,516)</u>	<u>(801,656)</u>	<u><b>(1,423,172)</b></u>
 Hire purchase contracts	<u>(2,482,200)</u>	<u>1,239,882</u>	<u><b>(1,242,318)</b></u>
 <b>Net debt</b>	<u><b>(3,103,716)</b></u>	<u><b>438,226</b></u>	<u><b>(2,665,490)</b></u>