

Registration number 01600851 (England and Wales)

McGrath Bros. (Waste Control) Limited
Annual Report and financial statements
for the year ended 30th November 2014

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McGrath Bros. (Waste Control) Limited

Company information

Directors	David McGrath Patrick McGrath Michael McGrath James Oliver Gerard Vines John McDaid Tara Donaghy
Secretary	David McGrath
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) 202-204 Finchley Road Hampstead London NW3 6BX
Solicitors	Boyes Sutton & Perry Solicitors 20 Wood Street Barnet EN5 4BJ

McGrath Bros. (Waste Control) Limited

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McGrath Bros. (Waste Control) Limited

Directors' report for the year ended 30th November 2014

The directors present their report and financial statements for the year ended 30th November 2014.

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.

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.

Principal activity

The company is engaged in the provision of a full turnkey recycling solution in the 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.

Dividends

The directors do not recommend payment of a dividend (2013: £Nil).

McGrath Bros. (Waste Control) Limited

**Directors' report
for the year ended 30th November 2014**

..... continued

Directors

The directors who served during the year were:

David McGrath
Patrick McGrath
Michael McGrath
James Oliver
Gerard Vines
John McDaid
Tara Donaghy

There were no changes during the year.

Strategic report

The company has chosen in accordance with S.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of financial instruments, research and development and future developments.

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 15th May 2015 and signed on its behalf by:



David McGrath
Managing Director

McGrath Bros. (Waste Control) Limited

Strategic report for the year ended 30th November 2014

The directors present their strategic report for the year ended 30th November 2014.

Review of the business and future prospects

The company had another successful year achieving profit of £3.1 million as against profits of £2.0 million the previous year.

Pricing remained challenging but nevertheless the directors consider these results to be satisfactory in the competitive environment in which we operate.

The satisfactory increase in profitability was due to our increased operational efficiencies resulting from the major redevelopment and investment in modern waste recycling equipment, technology and related infrastructure that we have undertaken at our main waste management site at River Road, Barking and in which we invested a further £3.1 million during the year.

Profitability in the current year continues at a similarly improved level and our high recycling, reprocessing and recovery targets continue to be achieved. Confidence returned to the economy last year and our order book continues to grow. The directors expect the huge investment in waste recycling equipment and related infrastructure that has been made in recent years together with our dedicated and experienced team and reputation in our sector to generate increasing profits going forward.

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.

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.

Results

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

Key performance indicators

		2014	2013	2012	2011
Turnover	(£'000)	22,843	17,822	17,535	17,535
Profit before tax	(£'000)	3,071	2,013	1,511	1,594
Profit before tax	(%)	13.4	11.3	8.5	9.1

Principal risks and uncertainties facing the company

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

McGrath Bros. (Waste Control) Limited

Strategic report for the year ended 30th November 2014

Waste management and recycling 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.

Business confidence recovered during the year but significant competition keeps pressure on pricing. However, we have a healthy order book, we continue to receive new enquiries, we have agreed funding arrangements in place and the directors are confident that sufficient profitability will be generated to maintain and enhance the company, thus protecting the strong balance sheet that has been accumulated to date and which will enable us to continue to provide an excellent and reliable service to our customers.

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 1.8 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 opportunity policy

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.

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.


McGrath Bros. (Waste Control) Limited

**Strategic report
for the year ended 30th November 2014**

..... continued

Approval

This report was approved by the Board on 15th May 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D McGrath', is written over a horizontal line.

**David McGrath
Managing Director**

McGrath Bros. (Waste Control) Limited

**Independent Auditors' Report
to the Members of McGrath Bros. (Waste Control) Limited
for the year ended 30th November 2014**

We have audited the financial statements of McGrath Bros. (Waste Control) Limited for the year ended 30th November 2014 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 1, 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 and the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent 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 2014 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.



**Patrick McNamara (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: 15th May 2015

McGrath Bros. (Waste Control) Limited

**Profit and loss account
for the year ended 30th November 2014**

		Continuing operations	
	Notes	2014 £	2013 £
Turnover	2	22,843,116	17,821,932
Cost of sales		<u>(15,790,818)</u>	<u>(12,338,408)</u>
Gross profit		7,052,298	5,483,524
Administrative expenses		<u>(3,828,025)</u>	<u>(3,269,184)</u>
Operating profit	3	3,224,273	2,214,340
Interest payable and similar charges	4	<u>(153,205)</u>	<u>(201,105)</u>
Profit on ordinary activities before tax		3,071,068	2,013,235
Taxation	7	<u>(591,111)</u>	<u>(468,474)</u>
Profit for the year after taxation		<u>2,479,957</u>	<u>1,544,761</u>

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


The notes on pages 10 to 18 form an integral part of these financial statements.

McGrath Bros. (Waste Control) Limited


**Balance sheet
as at 30th November 2014**

	Notes	2014 £	2013 £
Fixed Assets			
Tangible assets	8	10,174,133	8,694,950
Current assets			
Stocks	9	43,118	41,504
Debtors	10	11,375,307	8,362,532
Cash at bank and in hand		213,646	50,022
		<u>11,632,071</u>	<u>8,454,058</u>
Creditors: amounts falling due within one year	11	<u>(6,546,677)</u>	<u>(5,231,305)</u>
Net current assets		<u>5,085,394</u>	<u>3,222,753</u>
Total assets less current liabilities		<u>15,259,527</u>	<u>11,917,703</u>
Creditors: amounts falling due after more than one year	12	(2,943,943)	(2,098,854)
Provisions for liabilities	13	<u>(699,854)</u>	<u>(683,076)</u>
Net assets		<u>11,615,730</u>	<u>9,135,773</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	<u>11,615,630</u>	<u>9,135,673</u>
Shareholders' funds	16	<u>11,615,730</u>	<u>9,135,773</u>

The financial statements were approved by the Board on 15th May 2015 and signed on its behalf by:



David McGrath
Managing Director


Patrick McGrath
Director

Registration number 01600851 (England and Wales)

The notes on pages 10 to 18 form an integral part of these financial statements.

McGrath Bros. (Waste Control) Limited

**Cash flow statement
for the year ended 30th November 2014**

	Notes	2014 £	2013 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		3,224,273	2,214,340
Depreciation		1,513,720	1,109,963
Loss on disposal of fixed assets		40,536	48,220
(Increase)/decrease in stocks		(1,614)	2,000
Increase in debtors		(3012,775)	(2,084,362)
Increase in creditors		1,426,351	931,656
Net cash inflow from operating activities		3,190,491	2,221,817

Cash flow statement

Net cash inflow from operating activities		3,190,491	2,221,817
Returns on investments and servicing of finance	22	(153,205)	(201,105)
Taxation	22	(720,412)	(546,893)
Capital expenditure	22	(1,482,848)	(1,137,485)
		834,026	336,334
Financing	22	(718,520)	(171,317)
Increase in cash in the year		115,506	165,017

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

Increase in cash in the year		115,506	165,017
Cash inflow from change in debt and lease financing	22	718,520	171,317
Change in net funds resulting from cash flows		834,026	336,334
New hire purchase contracts		(1,550,591)	(326,323)
(Increase) / Reduction in debt in the year		(716,565)	10,011
Opening net debt		(2,655,479)	(2,665,490)
Closing net debt		(3,372,044)	(2,655,479)

The notes on pages 10 to 18 form an integral part of these financial statements.

McGrath Bros. (Waste Control) Limited

Notes to the financial statements for the year ended 30th November 2014

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 that 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 2014**

..... continued

1.8. Going concern

The Directors' Report and the Strategic Report set out the company's business activities, and highlight the factors which may impact its financial performance, market position and future development.

The Strategic Report also provides information in relation to the profitable trading position that the company has, its cash flows, liquidity position and details of its financial instruments; management of capital and exposure to credit and liquidity risk.

The company continues to trade profitably, repeat business represents the majority of its turnover, it has a significant 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. 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

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets:		
- owned by the company	1,064,765	842,040
- held under finance leases and hire purchase contracts	448,955	267,923
Loss on disposal of tangible fixed assets	40,536	48,220
Auditors' remuneration:		
- audit	15,000	15,000
- other services	13,048	12,030
	<hr/>	<hr/>

4. Interest payable and similar charges

	2014 £	2013 £
Bank interest	57,796	80,342
Hire purchase interest	95,409	120,763
	<hr/>	<hr/>
	153,205	201,105
	<hr/>	<hr/>

McGrath Bros. (Waste Control) Limited

**Notes to the financial statements
for the year ended 30th November 2014**

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5. Staff costs

Number of employees	2014	2013
The average monthly number of employees (including the directors) during the year were:		
Management and administration	19	19
Waste recycling operations	74	73
	<u>93</u>	<u>92</u>
 Aggregate employment costs	 2014	 2013
	£	£
Wages and salaries	3,353,351	3,247,874
Social security costs	363,988	345,697
Pension costs	13,138	18,154
	<u>3,730,477</u>	<u>3,611,725</u>

5.1. Directors' remuneration

	2014	2013
	£	£
Remuneration and other emoluments	<u>131,719</u>	<u>138,428</u>

Certain directors are remunerated by the parent company, McGrath Brothers (Holdings) Limited, and recharged to the company via management charges payable.

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 £13,138 (2013: £18,154). At the balance sheet date, no contributions were due to the fund (2013: £Nil).

McGrath Bros. (Waste Control) Limited

**Notes to the financial statements
for the year ended 30th November 2014**

..... continued

7. Taxation

Analysis of charge in the year	2014	2013
	£	£
UK corporation tax – current year	574,333	370,412
Adjustments in respect of previous years	-	48,938
	574,333	419,350
Movement in deferred tax (see note 13)	16,778	49,124
Total tax charge	591,111	468,474

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 (21 per cent). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before taxation	3,071,068	2,013,235
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013: 23%)	644,924	463,044
Effects of:		
Expenses not deductible for tax purposes	40,278	7,206
Capital allowances for period in excess of depreciation	(84,688)	(86,576)
Loss on disposal of fixed assets	8,513	11,091
Group tax relief	(52,272)	(29,616)
Change in tax rate (part year 21% and part year 23%)	17,578	5,263
Adjustments in respect of previous years	-	48,938
Tax charge for the year	574,333	419,350

McGrath Bros. (Waste Control) Limited

**Notes to the financial statements
for the year ended 30th November 2014**

..... continued

8. Tangible fixed assets	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1st December 2013	19,400,676	558,732	244,768	20,204,176
Additions	3,059,053	135,378	19,208	3,213,639
Disposals	(726,315)	-	-	(726,315)
At 30th November 2014	21,733,414	694,110	263,976	22,691,500
Depreciation				
At 1st December 2013	10,914,756	407,384	187,086	11,509,226
Charge for the year	1,434,965	63,679	15,076	1,513,720
On disposals	(505,579)	-	-	(505,579)
At 30th November 2014	11,844,142	471,063	202,162	12,517,367
Net book values				
At 30th November 2014	9,889,272	223,047	61,814	10,174,133
At 30th November 2013	8,485,920	151,348	57,682	8,694,950

Assets under hire purchase agreements

Included within the net book value of £10,174,133 is £3,496,800 (2013: £2,488,724) relating to assets held under hire purchase agreements. The depreciation charged in the financial statements during the year in respect of such assets amounted to £448,955 (2013: £267,462)

9. Stocks	2014 £	2013 £
Fuel, plant spares and aggregates	43,118	41,504
10. Debtors	2014 £	2013 £
Trade debtors	5,530,900	3,399,626
Amounts owed by group undertakings	5,805,916	4,922,075
Other debtors	202	202
Prepayments	38,289	40,629
	11,375,307	8,362,532

McGrath Bros. (Waste Control) Limited

**Notes to the financial statements
for the year ended 30th November 2014**

..... continued

11. Creditors: amounts falling due within one year	2014 £	2013 £
Bank operating facility (secured)	1,356,295	1,308,177
Net obligations under hire purchase contracts	552,255	529,468
Trade creditors	2,756,433	1,951,023
Corporation tax	224,333	370,412
Other taxes and social security costs	680,308	462,896
Directors' accounts	15,224	16,638
Other creditors	41,268	38,142
Accruals	920,561	554,549
	<u>6,546,677</u>	<u>5,231,305</u>

The bank operating facility has a limit of £3.0 Million and is secured by a debt purchase agreement and a book debts debenture.

12. Creditors: amounts falling due after more than one year	2014 £	2013 £
Net obligations under hire purchase contracts	1,677,140	867,856
Amounts owed to group undertakings	1,266,803	1,230,998
	<u>2,943,943</u>	<u>2,098,854</u>

Commitments under hire purchase agreements	£	£
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Future commitments under hire purchase agreements are as follows:

Amounts payable within 1 year	623,743	598,007
Amounts payable between 1 and 2 years	623,743	598,007
Amounts payable between 3 and 5 years	1,287,915	386,127
	<u>2,535,401</u>	<u>1,582,141</u>
Less interest and finance charges relating to future periods	(306,006)	(184,817)
	<u>2,229,395</u>	<u>1,397,324</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 2014**

..... continued

13.	Provision for liabilities and charges	2014	2013
		£	£
	Deferred taxation		
	Balance brought forward	683,076	633,952
	Charge for the year	16,778	49,124
		<hr/>	<hr/>
	Balance carried forward	699,854	683,076
		<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.			
14.	Share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	100 ordinary shares of £1 each	100	100
		<hr/>	<hr/>
15.	Profit and loss account	2014	2013
		£	£
	At 1st December	9,135,673	7,590,912
	Profit on ordinary activities before tax	3,071,068	2,013,235
	Taxation charge	(591,111)	(468,474)
		<hr/>	<hr/>
	At 30th November	11,615,630	9,135,673
		<hr/>	<hr/>
16.	Reconciliation of movements in shareholders' funds	2014	2013
		£	£
	Profit on ordinary activities before tax	3,071,068	2,013,235
	Taxation charge	(591,111)	(468,474)
		<hr/>	<hr/>
	Profit for the year after taxation	2,479,957	1,544,761
	Opening shareholders' funds	9,135,773	7,591,012
		<hr/>	<hr/>
	Closing shareholders' funds	11,615,730	9,135,773
		<hr/>	<hr/>

McGrath Bros. (Waste Control) Limited

**Notes to the financial statements
for the year ended 30th November 2014**

..... 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:

	<u>Land and buildings</u>	
	2014	2013
	£	£
Expiry date		
- within one year	1,300,000	1,300,000
- between two and five years	1,300,000	1,300,000
- after five years	1,300,000	1,300,000

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

18. Contingent liabilities

The company is a guarantor as part of group funding arrangements. At the balance sheet date group loans amounted to £15,145,000 (2013: £19,345,000)

19. Related party transactions

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 group 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 2014**

..... continued

22. Gross cash flows

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest paid	(153,205)	(201,105)
	<hr/>	<hr/>
Taxation		
Corporation tax paid	(720,412)	(546,893)
	<hr/>	<hr/>
Capital expenditure		
Payments to acquire tangible assets	(1,663,048)	(1,225,439)
Receipts from sales of tangible assets	180,200	87,954
	<hr/>	<hr/>
	(1,482,848)	(1,137,485)
	<hr/>	<hr/>
Financing		
Capital element of hire purchase contracts	(718,520)	(171,317)
	<hr/>	<hr/>

23. Analysis of changes in net debt

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	50,022	163,624	-	213,646
Bank operating facility	(1,308,177)	(48,118)	-	(1,356,295)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,258,155)	115,506	-	(1,142,649)
	<hr/>	<hr/>	<hr/>	<hr/>
Hire purchase contracts	(1,397,324)	718,520	(1,550,591)	(2,229,395)
	<hr/>	<hr/>	<hr/>	<hr/>
Net debt	(2,655,479)	834,026	(1,550,591)	(3,372,044)
	<hr/>	<hr/>	<hr/>	<hr/>