

SLOUGH ENTERPRISE LIMITED

Report and Financial Statements

For the year ended 31 December 2014

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ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2014

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DIRECTORS

D Atherton
A Nelson
R West

COMPANY SECRETARY

Sherard Secretariat Services Limited

REGISTERED OFFICE

The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ

COMPANY NUMBER

04590691

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

STRATEGIC REPORT

For the year ended 31 December 2014

The Directors present their Strategic report for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company's principal activity is the provision of environmental services, mainly through a long term contract with Slough Borough Council. These services include refuse collection, street cleansing, grounds and highway maintenance. In addition to the contract with Slough Borough Council, the Company undertakes commercial trade waste collections for a variety of customers. The principal activity has not changed during the year and the Directors are not aware, at the date of this review, of any likely major changes in the next year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account for the year is set out on page 5 and shows turnover of £16,741,000 (2013 - £16,224,000) and a profit after tax of £1,812,000 (2013 - £1,686,000).

There have been no events since the balance sheet date which materially affect the position of the Company.

KEY PERFORMANCE INDICATORS

The Company's principal key performance indicators are turnover and profit before tax which are shown in the profit and loss account for the year set out on page 5.

PRINCIPAL RISKS & UNCERTAINTIES

Slough Enterprise's business model is based around operating a long-term, high value partnering contract with Slough Borough Council which is delivered by a business unit with sufficient managerial and entrepreneurial strength to grow locally through winning additional work to sustain a long term viable business.

Although the greater part of Slough Enterprise's income comes from Slough Borough Council, the Company is potentially exposed to some credit risk in its dealings with the non-local authority customers. Therefore there are controls in place over customer acceptance, invoicing and cash collection.

Slough Enterprise pays careful attention to the management of its cash and working capital position. Controls are in place to ensure that appropriate payment terms are included in contracts with clients, subcontractors and suppliers. These factors contribute to the application of a going concern basis, as discussed below.

Slough Enterprise contributes to a defined benefit pension scheme for certain employees who transferred under TUPE – however the risk of fluctuating contribution rates is effectively managed as Slough Borough Council retains liability for any such fluctuations, unless the rate changes are due to actions taken by Slough Enterprise. As Slough Enterprise has not taken any such actions, participation in the scheme does not hold the financial risks normally associated with defined benefit schemes.

The Company's risks and other key performance indicators are reported and managed on a Divisional basis. To gain a further understanding of this business, details of the Divisional reviews are contained in the Report and Financial Statements of the intermediate parent undertaking, Amey UK plc ("the Group"), for the year ended 31 December 2014. The Company is a member of the Government Division of the Group.

On behalf of the Board



Andrew Nelson
Director

1 July 2015

REPORT OF THE DIRECTORS
For the year ended 31 December 2014

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2014..

DIRECTORS

D Atherton
A Nelson
R West

GOING CONCERN

After making enquiries, and based on the assumptions outlined in note 1 to the financial statements, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

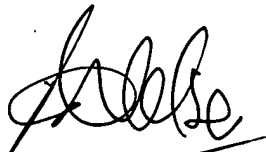
No dividends were paid by the Company during the year (2013 – £nil). The Directors do not recommend the payment of a final dividend.

AUDITOR

Deloitte LLP has been appointed as Auditor and has expressed their willingness to continue in office as auditor. In accordance with s487 of the Companies Act 2006, Deloitte LLP will be re-appointed as Auditor to the Company for the year to 31 December 2015.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of the audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



Andrew Nelson
Director

1 July 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic report, the Report of the Directors 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 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'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SLOUGH ENTERPRISE LIMITED

We have audited the financial statements of Slough Enterprise Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 annual 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 material misstatements or inconsistencies we consider the implications for our report.

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 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic 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, 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.



Emma Cox BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
1 July 2015

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
TURNOVER	1	16,741	16,224
Cost of sales		(13,782)	(12,374)
GROSS PROFIT		2,959	3,850
Administrative expenses		(650)	(2,178)
OPERATING PROFIT	4	2,309	1,672
Net interest receivable and similar income	5	1	14
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,310	1,686
Tax on profit on ordinary activities	6	(498)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	1,812	1,686

All transactions relate to continuing operations.

There were no recognised gains and losses other than the profit for the current and preceding financial year. Accordingly, a statement of total recognised gains and losses has not been presented.

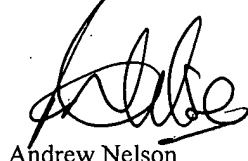
The notes of pages 7 to 14 form part of these financial statements.

SLOUGH ENTERPRISE LIMITED
Company number: 04590691

BALANCE SHEET
At 31 December 2014

		2014	2013
		£'000	£'000
	Note		
FIXED ASSETS			
Tangible fixed assets	7	104	119
CURRENT ASSETS			
Debtors	8	14,462	13,574
Cash at bank		2,811	179
Total current assets		17,273	13,753
CREDITORS: amounts falling due within one year	9	(6,643)	(4,950)
NET CURRENT ASSETS		10,630	8,803
NET ASSETS		10,734	8,922
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	10,733	8,921
EQUITY SHAREHOLDERS' FUNDS	12	10,734	8,922

The financial statements on pages 5 to 14 were approved and authorised for issue by the Board of Directors on 1 July 2015 and signed on its behalf by:



Andrew Nelson

Director

The notes of pages 7 to 14 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom Accounting Standards.

The following principal accounting policies have been applied consistently in the current and prior year:

Going concern

The Company is a subsidiary of Amey UK plc and its financial resources are managed on a Group basis. In 2014, the Group generated strong cash flows and maintained a high degree of liquidity. Group cash balances at 31 December 2014 were £203.1 million and, in addition, the Group held £100 million of undrawn bank loan facilities at that date, which expire in July 2019.

The Directors have prepared forecasts for the purpose of their going concern review which show that the Amey Group of companies operates comfortably within its available cash balances and credit facilities. The Directors have also considered reasonably possible sensitivities in the forecasts which principally reflect the impact of continued economic uncertainty and unforeseen adverse working capital movements. The Directors have also considered various mitigating actions available to the Group including reducing discretionary spend and further active management of working capital.

In drawing their conclusions on going concern, the Directors have reviewed the forecasts, sensitivities and mitigating actions noted above. They have considered the impact of being part of the wider Ferrovial Group. As a result of their considerations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of signing these financial statements. The Directors therefore continue to adopt the going concern basis in preparing these financial statements.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	25% per annum
Plant and machinery, fixtures and fittings	10% - 33% per annum
Motor vehicles	25% per annum

Leases

Lease rentals are charged to the profit and loss account on a straight line basis over the year of the lease.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers.

Turnover is recognised when the service is delivered. Revenue from trade waste contracts is spread over the length of the contract.

Post retirement benefits

The Company operates a money purchase scheme for its senior employees. The assets of the scheme are held separately from those of the Company in independently administered funds. The unpaid contributions outstanding at the year end are included in "accruals and deferred income".

The Company also participates in a local government run defined benefit scheme. The risks and rewards remain primarily with the local government so the Company accounts for these as defined contribution schemes.

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

1. ACCOUNTING POLICIES (continued)

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the year in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities have not been discounted.

2. EMPLOYEES (INCLUDING DIRECTORS)

	2014 £'000	2013 £'000
Staff costs consist of:		
Wages and salaries	-	4,731
Social security costs	-	468
Pension costs	-	145
	<hr/>	<hr/>
Total staff costs	-	5,344
	<hr/>	<hr/>

	2014 Number	2013 Number
The average number of employees during the year was as follows:		
Street cleaning, refuse collection, highways and ground operatives	-	150
Management and administration	-	18
	<hr/>	<hr/>
Total average number of employees	-	168
	<hr/>	<hr/>

In 2014, the costs of employees of Amey Services Limited are recharged to this Company in direct support of its trade. The Company no longer has direct employees. Employee information is disclosed in Amey Services Limited and relates to all of the companies in the Amey Group where Amey Services Limited is the employing company.

In 2013, the Company had direct employees, the costs of which are disclosed in the table above.

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

3. DIRECTORS

No Directors were remunerated through the Company in 2014 or 2013.

The Directors are all employees of another wholly owned subsidiary of the Group and are remunerated by that company. It is not practicable to split the remuneration between companies within the Group.

4. OPERATING PROFIT

	2014 £'000	2013 £'000
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible fixed assets - owned	47	45
Lease rentals - plant and machinery	1,092	-
	<u>1,139</u>	<u>45</u>

The auditor's remuneration is borne by Amey Group Services Limited, a fellow subsidiary undertaking of the Company, and is not recharged.

5. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Interest receivable and similar income	7	14
Interest payable and similar charges	(6)	-
	<u>1</u>	<u>14</u>
Net interest receivable and similar income	<u>1</u>	<u>14</u>

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
<i>UK corporation tax</i>		
Current tax	498	-
Total tax charge for the year	498	-

The tax assessed for the year is different from that resulting from the standard rate of corporation tax in the UK at 21.5% (2013 - 23.25%).

The differences are explained below.

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	2,310	1,686
Tax at 21.5% (2013 - 23.25%) thereon	497	392
Effects of:		
Expenses not deductible for tax purposes	-	(13)
Group relief claimed	-	(379)
Depreciation in excess of capital allowances	1	-
Total current tax charge for the year	498	-

The estimated value of the potential deferred tax asset not recognised of £24,000 (2013 – £30,000) was in respect of deferred capital allowances of £110,000 (2013 – £140,000) and other timing differences of £10,000 (2013 - £10,000) measured at an expected standard tax rate of 20% (2013 – 20%). A deferred tax asset has not been recognised as the Company does not anticipate paying tax in the foreseeable future.

The UK Finance Act 2013, enacted on 17 July 2013, included provision for the main rate of corporation tax to reduce from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. This will reduce the Company's future tax charge accordingly.

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Vehicles, plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 January 2014	171	623	79	873
Additions	-	32	-	32
Disposals	(35)	(475)	(79)	(589)
At 31 December 2014	136	180	-	316
Depreciation				
At 1 January 2014	94	581	79	754
Provided in year	18	29	-	47
Disposals	(35)	(475)	(79)	(589)
Reclassifications	22	(22)	-	-
At 31 December 2014	99	113	-	212
Net book value				
31 December 2014	37	67	-	104
31 December 2013	77	42	-	119

8. DEBTORS

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Amounts due from fellow group companies	12,113	11,576
Trade debtors	1,864	1,823
Amounts recoverable on contracts	429	-
Prepayments and accrued income	56	175
Total debtors	14,462	13,574

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	591	251
Amounts owed to group undertakings	3,573	2,264
Other taxes and social security	588	841
Accruals and deferred income	1,891	1,594
Total creditors falling due within one year	6,643	4,950

Amounts due to fellow group undertakings are unsecured and are repayable on demand.

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

10. SHARE CAPITAL

	2014 £'000	2013 £'000
Issued, called up and fully paid		
1,001 (2013 – 1,001) Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11. PROFIT AND LOSS ACCOUNT

	£'000
At 1 January 2014	8,921
Profit for the financial year	<u>1,812</u>
At 31 December 2014	<u>10,733</u>

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit for the financial year	<u>1,812</u>	<u>1,686</u>
Net movement in equity shareholders' funds	1,812	1,686
Equity shareholders' funds at 1 January	<u>8,922</u>	<u>7,236</u>
Equity shareholders' funds at 31 December	<u>10,734</u>	<u>8,922</u>

13. PENSION SCHEME

The Company contributes to a defined benefit scheme, the Royal County of Berkshire Pension Scheme. This contains staff in Slough Enterprise Limited who transferred to the Company from Slough Borough Council under TUPE transfer arrangements. Except for certain defined circumstances as noted below, under the terms of the transfer agreements with Slough Borough Council the Company's contributions to this scheme are effectively fixed at 16.3% for the duration of the contract. Slough Borough Council retains liability for the provision of all pension and related benefits in respect of employees prior to their transfer to Slough Enterprise Limited. The only obligation of the Company is to make additional contributions to reimburse Slough Borough Council for any increase in its funding liability caused by specific actions undertaken by the Company, unless otherwise agreed with Slough Borough Council. The Company has not undertaken, and has no current intention of undertaking, any of these specific actions. Because the Company has no liability in respect of the Royal County of Berkshire Pension Scheme other than as described above and it is not affected by any surplus or deficit in the scheme, it is accounting for its pension costs in respect of the scheme as if it were a defined contribution scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme under these arrangements and amounted to £170,000 (2013 - £109,158). At the year end, contributions amounting to £nil (2013 - £11,254) were payable to the scheme and are included in creditors.

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

14. FINANCIAL AND CAPITAL COMMITMENTS

At 31 December 2014, the Company had annual amounts payable for non-cancellable operating lease commitments that expire:

	Land & buildings 2014 £'000	Land & buildings 2013 £'000
In second to fifth year	81	-
Total lease commitments	81	-

The Company had no capital commitments at 31 December 2014 or at 31 December 2013.

15. CONTINGENT LIABILITIES

The Company has guaranteed certain performance bonds and borrowings of certain group undertakings.

Losses, for which no provision has been made in these financial statements, which might arise from litigation in the normal course of business are not expected to be material in the context of these financial statements.

There were no other contingent liabilities as at 31 December 2014 or at 31 December 2013.

16. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary undertaking of the group headed by Ferrovia, S.A. and has taken advantage of the exemption conferred by FRS 8 (Related Party Disclosures) not to disclose transactions with Ferrovia, S.A. or other wholly owned subsidiary undertakings within the Ferrovia, S.A. group.

17. CASH FLOW STATEMENT

The Company has taken advantage of the exemption conferred by FRS 1 (Cash Flow Statements) not to prepare a cash flow statement on the basis that the Company's results are included in the consolidated financial statements of Ferrovia, S.A., the Company's ultimate parent undertaking, whose financial statements are publicly available.

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

18. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is Ferrovial, S.A., a company incorporated in Spain.

Copies of the group financial statements of Ferrovial, S.A., which is the parent of the largest group of which the Company is a member, can be obtained from:

Ferrovial, S.A.
Principe de Vergara, 135
28002 Madrid
Spain

Copies of the group financial statements of Amey UK plc, the ultimate holding company in the UK and the parent of the smallest group for which group financial statements are prepared and of which the Company is a member, can be obtained from:

Head Office
The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ