

Registered number: 05934106

SITA Northumberland Limited

**Directors' report and financial statements
for the year ended 31 March 2012**

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SITA Northumberland Limited

Company Information

Directors	I Sexton J Morton-Smith G McKenna-Mayes J Scanlon G Cato C Exford
Company secretary	SITA UK Limited
Company number	05934106
Registered office	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
Auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

SITA Northumberland Limited

Contents

	Page
Directors' report	1 - 4
Auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 - 19

SITA Northumberland Limited

Directors' report for the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Principal activities

The company was incorporated on 13 September 2006. On 1 April 2007 it commenced a contract with Northumberland County Council to provide waste management services for the recycling and disposal of the County's waste for a period of 28 years.

Business review

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

	2011/12 £'000	2010/11 £'000	Change
Turnover	23,155	20,940	+11%
Operating profit	5,384	3,953	+36%
Loss after tax	(786)	(1,831)	+57%
Shareholder's deficit	(2,889)	(2,103)	-37%

Additional waste was taken from Tees Valley Authority during the year as a result of the decision by SITA UK to carry out a major refurbishment of Lines 1&2. Efforts are continuing to agree an additional medium-term supply contract with a local authority to ensure that Line 3 waste supplies are fully secured for the medium term future.

A Latent Defect became apparent in Line 3 during its third year of operations and the defective part has now been replaced. This caused reduced availability of Line 3 in the year, but the Energy from Waste plant is now expected to operate to a very high level of availability.

With reduced volumes of residual waste being delivered by Northumberland County Council, there is likely to be significant spare capacity available in Line 3 and this will give the Company a good opportunity to benefit from the forthcoming increases in Landfill Tax over the next few years.

The West Sleekburn Materials Recycling Facility continues to perform well.

The Company recorded a loss before tax for the year, but this is normal for a project finance funded company in the early years of operation. The loss before tax is again better than was projected when the Company signed the PFI Waste Contract and rising landfill tax rates should help to ensure this trend continues.

The Company is in a healthy condition and with good prospects for the future.

Results and dividends

The loss for the year, after taxation, amounted to £786,000 (2011 - loss £1,831,000).

The directors do not recommend the payment of a dividend.

SITA Northumberland Limited

Directors' report for the year ended 31 March 2012 Directors

The directors who served during the year were

I Sexton
J Morton-Smith
G McKenna-Mayes
J Scanlon
G Cato
C Exford

No director who held office on 31 March 2012 had an interest in the company's shares either during the financial year or at 31 March 2012

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.

Going concern

The Company is ahead of projected profitability and expects to continue this strong performance for many years to come. The loss before tax in the early years of operations is normal for a project finance based enterprise at this stage of its development. The Directors are therefore confident that the Company will continue to be a going concern.

Land and buildings

In the opinion of the directors there is no material difference between the book and current open market value of interests in land and buildings.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as operational risks, competitive risks, legislative risks, health & safety risks and financial risks.

Operational risks

The Company's primary operations involve a major public sector contract of 28 years, where default on the contract may result in substantial compensation payments to the client.

The long term contract also exposes the Company to the risk that the contract's revenue profile over the life of the contract may be insufficient to compensate the Company for unforeseen cost increases and hence losses may result. The Company has put in place rigorous tender approval procedures to ensure all material risks are properly considered. The Company'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.

SITA Northumberland Limited

Directors' report for the year ended 31 March 2012 Principal risks and uncertainties (continued)

Competitive risks

Most of the Company's revenue is derived from long term fixed price contracts and as such is not vulnerable to competitor activity. A proportion of the company's revenue is derived from the sale of recycled materials and this is subject to normal market pressures of supply and demand.

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 Company and failure to comply could result in heavy penalties.

The Company has entered into a long term operating subcontract with SITA UK Ltd, an experienced waste operator, to manage day to day operation of the Company's facilities. A non-compliance with legislation caused by the negligence of the operator would result in any associated penalties being recharged to the subcontractor. The Company has the right to terminate the operator subcontract in the event of any material persistent non-compliance with legislation on the part of the operator.

Health & safety risks

Whilst the Company has no direct employees, it acknowledges that subcontractors' employees working within the waste management industry face significant potential hazards in their everyday work. In addition, sites managed by the Company are open to the public and require constant monitoring to ensure that members of the public are not also exposed to significant risks.

The Company encourages subcontractors to meet the highest standards so that the risks to both employees and others visiting Company sites are minimised. Subcontractors are required to report accidents and near misses on a regular basis and these reports are reviewed at Board meetings. Subcontractors are encouraged to take pre-emptive action where risks to employees or members of the public have been identified.

Financial instrument risks

The Company was created as part of a Project Finance structure to manage the provision of waste services for the County of Northumberland over a 28 year period. Financial instruments were used to minimise the long term financial risks associated with such a major project.

Use of derivatives

The Company uses long term interest rate swaps in respect of related borrowings to reduce exposure to interest rate fluctuations.

Exposure to liquidity and cash flow risk

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 interest payments on a variable rate debt.

Funding facilities have been put in place to meet the projected long term cash requirements of the Company and the Company has used interest rate swaps to minimise the level of variable rate debt.

The Company produces long term cash forecasts and monitors cash flows against these on a regular basis to ensure all financial obligations may be met as they fall due.

Employee involvement

The Company has no direct employees, all provision of services having been subcontracted to third parties.

SITA Northumberland Limited

**Directors' report
for the year ended 31 March 2012**

Statement of directors' responsibilities

The directors are responsible for preparing the 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.

Provision of information to auditor

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 auditor is unaware, and
- that 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 auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Re-appointment of auditor

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

This report was approved by the board on 19th July 2012 and signed on its behalf



I Sexton
Director

SITA Northumberland Limited

Independent auditor's report to the shareholders of SITA Northumberland Limited

We have audited the financial statements of SITA Northumberland Limited for the year ended 31 March 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 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 March 2012 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.

SITA Northumberland Limited

Independent auditor's report to the shareholders of SITA Northumberland Limited

Opinion on other matter 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, 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



D Herbinet (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 9 August 2022

SITA Northumberland Limited

**Profit and loss account
for the year ended 31 March 2012**

	Note	2012 £000	2011 £000
Turnover	1,2	23,155	20,940
Cost of sales		(16,369)	(15,014)
Gross profit		6,786	5,926
Administrative expenses		(1,402)	(1,973)
Operating profit	3	5,384	3,953
Interest receivable and similar income	5	628	540
Interest payable and similar charges	6	(6,761)	(6,780)
Loss on ordinary activities before taxation		(749)	(2,287)
Tax on loss on ordinary activities	7	(37)	456
Loss for the financial year	15	(786)	(1,831)

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 10 to 19 form part of these financial statements

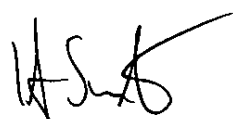
SITA Northumberland Limited
Registered number: 05934106

Balance sheet
as at 31 March 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Intangible assets	8		3,027		3,160
Tangible assets	9		79,198		82,836
			<u>82,225</u>		<u>85,996</u>
Current assets					
Debtors	10	4,979		3,209	
Cash at bank		3,777		5,686	
		<u>8,756</u>		<u>8,895</u>	
Creditors: amounts falling due within one year	11	(4,187)		(4,223)	
Net current assets			<u>4,569</u>		<u>4,672</u>
Total assets less current liabilities			<u>86,794</u>		<u>90,668</u>
Creditors: amounts falling due after more than one year	12		(89,683)		(92,771)
Net liabilities			<u>(2,889)</u>		<u>(2,103)</u>
Capital and reserves					
Called up share capital	14		10		10
Profit and loss account	15		(2,899)		(2,113)
Shareholders' deficit	16		<u>(2,889)</u>		<u>(2,103)</u>

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

19th July 2012



I Sexton
Director

The notes on pages 10 to 19 form part of these financial statements

SITA Northumberland Limited

**Cash flow statement
for the year ended 31 March 2012**

	Note	2012 £000	2011 £000
Net cash flow from operating activities	19	7,503	9,045
Returns on investments and servicing of finance	20	(6,133)	(6,240)
Capital expenditure and financial investment	20	(20)	(886)
Cash inflow before financing		1,350	1,919
Financing	20	(3,259)	(414)
(Decrease)/Increase in cash in the year		(1,909)	1,505

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 March 2012**

	2012 £000	2011 £000
(Decrease)/Increase in cash in the year	(1,909)	1,505
Cash outflow from decrease in debt and lease financing	3,259	414
Change in net debt resulting from cash flows	1,350	1,919
Other non-cash changes	(45)	(45)
Movement in net debt in the year	1,305	1,874
Net debt at 1 April 2011	(90,000)	(91,874)
Net debt at 31 March 2012	(88,695)	(90,000)

The notes on pages 10 to 19 form part of these financial statements

SITA Northumberland Limited

Notes to the financial statements for the year ended 31 March 2012

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

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 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.3 Pre-contract costs

The company accounts for all pre-contract costs in accordance with UITF Abstract 34 'Pre-contract costs' Costs incurred by bidders and transferred to the company at the inception of the contract are recognised in the balance sheet and charged to the profit and loss account over the duration of the contract

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

Long leasehold property	-	Lease term, straight line
Short leasehold property	-	Lease term, straight line
Plant & machinery	-	5 - 28 years, straight line
Motor vehicles	-	4 - 10 years, straight line
Assets under construction	-	Depreciation commences upon completion of the asset

The interest and finance costs attributable to the financing of separately identifiable major capital projects prior to the date of completion are capitalised and depreciated over the useful economic life of the project

1.5 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 at 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

1.6 Financial instruments

The company uses financial instruments to reduce its exposure to interest rates Transactions are recorded at the contracted rate

SITA Northumberland Limited

**Notes to the financial statements
for the year ended 31 March 2012**

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company being the provision of waste management services to municipal, industrial and commercial customers

All turnover arose within the United Kingdom

3. Operating profit

The operating profit is stated after charging

	2012	<i>2011</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets		
- owned by the company	3,658	3,622
Auditors' remuneration for audit services	10	10
Amortisation of pre-contract costs	133	134
	<u>3,791</u>	<u>3,756</u>

4. Directors' remuneration

	2012	<i>2011</i>
	£000	<i>£000</i>
Directors' fees	98	96
	<u>98</u>	<u>96</u>

5. Interest receivable

	2012	<i>2011</i>
	£000	<i>£000</i>
Other interest receivable	593	505
Bank interest receivable	35	35
	<u>628</u>	<u>540</u>

6. Interest payable

	2012	<i>2011</i>
	£000	<i>£000</i>
On bank loans and overdrafts	5,605	5,619
On loans from related undertakings	1,156	1,161
	<u>6,761</u>	<u>6,780</u>

SITA Northumberland Limited

Notes to the financial statements for the year ended 31 March 2012

7 Taxation

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on loss for the year	-	-
Deferred tax		
Origination and reversal of timing differences	36	(453)
Adjustments in respect of prior periods	1	(3)
Total deferred tax (see note 13)	37	(456)
Tax on loss on ordinary activities	37	(456)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2011 - *higher than*) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012 £000	2011 £000
Loss on ordinary activities before tax	(749)	(2,287)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(195)	(640)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	189	149
Capital allowances for year in excess of depreciation	(957)	(1,503)
Tax losses carried forward	-	1,994
Unrelieved tax losses carried forward	963	-
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

The UK corporation tax rate decreased from 28% to 26% from 1 April 2011 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 24% from 1 April 2012 had been enacted at the balance sheet date and the deferred tax balance has been adjusted to reflect this change (note 13) Further announcements have also been made to reduce the rate by a further 1% per annum down to 22% from 1 April 2014

SITA Northumberland Limited

**Notes to the financial statements
for the year ended 31 March 2012**

8. Intangible fixed assets

	Pre contract costs £000
Cost	
At 1 April 2011 and 31 March 2012	3,693
Amortisation	
At 1 April 2011	533
Charge for the year	133
At 31 March 2012	666
Net book value	
At 31 March 2012	3,027
<i>At 31 March 2011</i>	3,160

SITA Northumberland Limited

**Notes to the financial statements
for the year ended 31 March 2012**

9 Tangible fixed assets

	Land & buildings £000	Plant & machinery £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost					
At 1 April 2011	29,714	59,741	84	19	89,558
Additions	-	-	-	20	20
Transfer between classes	-	39	-	(39)	-
At 31 March 2012	29,714	59,780	84	-	89,578
Depreciation					
At 1 April 2011	2,390	4,323	9	-	6,722
Charge for the year	1,169	2,478	11	-	3,658
At 31 March 2012	3,559	6,801	20	-	10,380
Net book value					
At 31 March 2012	26,155	52,979	64	-	79,198
<i>At 31 March 2011</i>	<i>27,324</i>	<i>55,418</i>	<i>75</i>	<i>19</i>	<i>82,836</i>

The net book value of tangible fixed assets includes £3,891,000 relating to capitalised interest (2011 - £4,065,000)
During the year ended 31 March 2012, no interest was capitalised (2011 - £Nil)

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

	2012 £000	2011 £000
Long leasehold property	25,962	27,098
Short leasehold property	193	226
	26,155	27,324

10. Debtors

	2012 £000	2011 £000
Trade debtors	1,951	-
Prepayments and accrued income	2,528	2,672
Deferred tax asset (see note 13)	500	537
	4,979	3,209

SITA Northumberland Limited

**Notes to the financial statements
for the year ended 31 March 2012**

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

	2012 £000	2011 £000
Bank loans and overdrafts	1,589	1,615
Loans from related parties	1,200	1,300
Social security and other taxes	405	73
Accruals and deferred income	993	1,235
	<u>4,187</u>	<u>4,223</u>

**12 Creditors:
Amounts falling due after more than one year**

	2012 £000	2011 £000
Bank loans	81,695	83,240
Loans from related parties	7,988	9,531
	<u>89,683</u>	<u>92,771</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £000	2011 £000
Repayable by instalments	<u>76,644</u>	<u>79,004</u>

The bank loan comprises a Term loan, which is repayable by six-monthly instalments between 30 September 2010 and 31 March 2033. Interest is payable at a margin above LIBOR. The loan is secured by a fixed and floating charge over the company's present and future assets.

The bank loan is shown net of loan arrangement fees of £940,000 (2011 £985,000). These fees are being amortised to the profit and loss account over the period of the loan. The charge for the year ended 31 March 2012 was £45,000 (2011 £45,000).

The subordinated loan is owed by the company to its parent company, SITA Northumberland Holdings Limited. It accrues interest at 11% and is repayable by six-monthly instalments commencing in October 2010.

13. Deferred tax asset

	2012 £000	2011 £000
At beginning of year	537	81
Increase during year	(37)	456
	<u>500</u>	<u>537</u>

SITA Northumberland Limited

**Notes to the financial statements
for the year ended 31 March 2012**

13. Deferred tax asset (continued)

The deferred tax asset is made up as follows

	2012	2011
	£000	£000
Accelerated capital allowances	6,528	6,458
Tax losses carried forward	(7,028)	(6,995)
	<u>(500)</u>	<u>(537)</u>

14. Share capital

	2012	2011
	£000	£000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

15 Reserves

	Profit and loss account £000
At 1 April 2011	(2,113)
Loss for the year	(786)
	<u>(2,899)</u>
At 31 March 2012	<u>(2,899)</u>

16 Reconciliation of movement in shareholders' deficit

	2012	2011
	£000	£000
Opening shareholders' deficit	(2,103)	(272)
Loss for the year	(786)	(1,831)
	<u>(2,889)</u>	<u>(2,103)</u>
Closing shareholders' deficit	<u>(2,889)</u>	<u>(2,103)</u>

17 Post balance sheet events

There have been no significant events requiring disclosure since the balance sheet date

18. Financial instruments

The company has entered into an interest swap arrangement to hedge against movements in the interest rate on its variable rate borrowings. The notional value of the hedged amount at 31 March 2012 is £87,102,000.

The fair value of this interest swap at 31 March 2012 is £(20,851,000) (2011 - £(8,619,000)).

SITA Northumberland Limited

**Notes to the financial statements
for the year ended 31 March 2012**

19. Net cash flow from operating activities

	2012	2011
	£000	£000
Operating profit	5,384	3,953
Amortisation of intangible fixed assets	133	134
Depreciation of tangible fixed assets	3,658	3,622
Amortisation of debt arrangement fees	45	45
(Increase)/decrease in debtors	(1,807)	692
Increase in creditors	90	599
Net cash inflow from operating activities	7,503	9,045

20. Analysis of cash flows for headings netted in cash flow statement

	2012	2011
	£000	£000
Returns on investments and servicing of finance		
Interest received	628	540
Interest paid	(6,761)	(6,780)
Net cash outflow from returns on investments and servicing of finance	(6,133)	(6,240)
	2012	2011
	£000	£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(20)	(886)
	2012	2011
	£000	£000
Financing		
Repayment of loans	(1,616)	(973)
Other new loans	-	559
Repayment of other loans	(1,643)	-
Net cash outflow from financing	(3,259)	(414)

SITA Northumberland Limited

Notes to the financial statements for the year ended 31 March 2012

21. Analysis of changes in net debt

	1 April 2011 £000	Cash flow £000	Other non-cash changes £000	31 March 2012 £000
Cash at bank and in hand	5,686	(1,909)	-	3,777
Debt				
Debts due within one year	(2,915)	3,259	(3,133)	(2,789)
Debts falling due after more than one year	(92,771)	-	3,088	(89,683)
Net debt	(90,000)	1,350	(45)	(88,695)

22. Related party transactions

During the year SITA UK Limited has charged the company £9,750 (2011 - £789,180) in respect of project management, planning fees and construction costs, which have been capitalised as part of 'Construction in progress'

The company was charged £12,593,997 (2011 - £11,188,163) by SITA UK Limited for waste management services under an Operation and Maintenance contract between the two companies. The company was also charged £175,351 (2011 - £166,209) during the period in respect of administration services provided by SITA UK Limited. At the year end £978,226 (2011 - £693,680) is included in creditors relating to amounts owed by the company to SITA UK Limited.

The company was charged £226,344 by SITA UK Limited during the year ended 31 March 2012 in relation to other recharges (2011 - £91,902).

The company received interest on bank deposits with Royal Bank of Scotland of £34,533 (2011 - £34,505). At the year end the balance on the company's bank account with Royal Bank of Scotland was £3,776,724 (2011 - £5,685,389). The company also received interest of £592,791 in relation to interest rate swaps from Royal Bank of Scotland (2011 - £505,259).

The company was charged £5,604,978 (2011 - £5,618,636) in interest rate swap and interest charges and £1,635 (2011 - £1,534) in bank charges by Royal Bank of Scotland at normal market rates. An amount of £10,109 (2011 - £9,997) was also charged in respect of commitment fees on unused loan facilities. The company was also recharged £6,007 of legal fees from Royal Bank of Scotland during the year (2011 - £Nil). At the year end, the loan balance with Royal Bank of Scotland was £84,224,841 (2011 - £85,839,541).

The company was charged £11,475 in agency fees from Royal Bank of Scotland in the year ended 31 March 2012 (2011 - £10,907).

The company was charged interest of £1,155,991 by its parent company SITA Northumberland Holdings Limited during the year ended 31 March 2012 (2011 - £1,160,852). At the year end, the balance on this loan is £9,187,602 (2011 - £10,831,612).

SITA Northumberland Limited

**Notes to the financial statements
for the year ended 31 March 2012**

23. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is SITA Northumberland Holdings Limited, a company registered in England & Wales

SITA Northumberland Holdings Limited is owned and controlled by SITA UK Limited (42.5%), Royal Bank Project Investments Limited (42.5%) and AXA Infrastructure Investissement SAS (15%)