

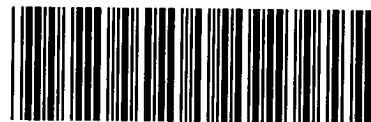
RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED

Registered Number 06835759

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

WEDNESDAY



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RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED

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RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2014.

Business review, principal activities and future outlook

On 8 December 2009, the Company entered into a 25 year conditional Public Private Partnership (PPP) contract with Derbyshire County Council and Derby City Council (the "Councils"), commencing on the date of completion of a new waste treatment facility, for the provision of waste management services within Derbyshire. As part of the contract the Company intends to build a new waste management facility, which it would operate until the end of the contract. Until the completion of the new waste treatment facility the Company operates the waste management services within Derbyshire under the terms of the contract, which principally involves the disposal of waste.

The loss on ordinary activities before taxation for the year was £173,000 (2013: £254,000 loss). All activities are in line with the Directors' plans for the Company.

At the end of the year, the retained profit and loss account stood at £322,000 profit (2013: £455,000). No dividend was paid or is proposed for the year (2013: nil).

Key performance indicators (KPIs)

The principal KPIs for the Company are the volume of waste processed during the year and subsequent diversion of waste from landfill disposal. For the year ended 31 March 2014, the Company processed 328,000 tonnes (2013: 320,000 tonnes) and diverted 17% from landfill disposal (2013: 17%).

Principal risks and uncertainties

The Company is a wholly-owned subsidiary of Shanks Group plc. Risks are managed at a local level in accordance with the risk management framework of Shanks Group plc. The principal risks and uncertainties of Shanks Group plc are discussed in its Annual Report and Accounts for the year ended 31 March 2014.

Financial Instruments

A discussion of the objectives and policies employed in managing risk and the Company's use of financial instruments can be found in the Shanks Group plc Annual Report and Accounts for the year ended 31 March 2014.

Directors

The Directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

M A Turner	
D K Mulligan	(appointed 10 February 2014)
PD Eglinton	(appointed 10 February 2014)
J J C Simpson	(resigned 31 March 2014)
E M Bayley	(resigned 31 December 2013)

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Strategic report

The Company has taken the exemption from preparing a strategic report as it is entitled to prepare accounts in accordance with the small companies' regime.

RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED

DIRECTORS' REPORT – continued

Statement of Directors' responsibilities

The Directors are responsible for preparing 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 prepared 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.

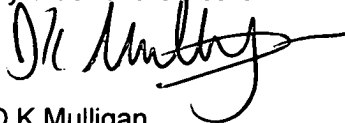
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006 the Directors confirm that:

- (a) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



D K Mulligan
Director
29 July 2014

Registered Office:

Dunedin House
Auckland Park
Mount Farm
Milton Keynes
Buckinghamshire
MK1 1BU

RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Resource Recovery Solutions (Derbyshire) Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 report and financial statements (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 other matter prescribed by the Companies Act 2006

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

RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED - continued

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

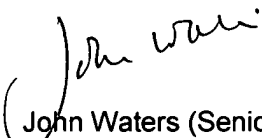
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 July 2014

RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED
Registered in England number 06835759

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	<u>Note</u>	2014 £'000	2013 £'000
Turnover		33,955	30,836
Cost of sales		(34,112)	(31,081)
		<hr/>	<hr/>
Gross loss		(157)	(245)
Administrative expenses		(18)	(19)
		<hr/>	<hr/>
Operating loss	3	(175)	(264)
Interest receivable and similar income	6	2	10
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(173)	(254)
Tax on loss on ordinary activities	7	40	61
		<hr/>	<hr/>
Loss for the financial year	11	(133)	(193)
		<hr/> <hr/>	<hr/> <hr/>

All the activities of the Company relate to continuing operations.

There is no material difference between the reported results for the year and those that would be reported under the historical cost convention.

The Company has no recognised gains or losses other than those set out above. Accordingly, no separate statement of total recognised gains and losses has been prepared.

RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED
Registered in England number 06835759

BALANCE SHEET
AS AT 31 MARCH 2014

	<u>Note</u>	2014 £'000	2013 £'000
Current assets			
Debtors	8	925	2,120
Cash at bank and in hand		84	318
		<hr/>	<hr/>
		1,009	2,438
Creditors: amounts falling due within one year	9	(687)	(1,983)
		<hr/>	<hr/>
Net assets		322	455
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	322	455
		<hr/>	<hr/>
Total shareholder's funds	12	322	455
		<hr/>	<hr/>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 29 July 2014 and signed on its behalf by:



D K Mulligan
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except where noted.

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention and comply with applicable law, the Companies Act 2006 and applicable accounting standards in the United Kingdom (UK Generally Accepted Accounting Practice).

(b) Going concern

After making enquiries, the Directors have formed the view, at the time of approving the financial statements, that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company's business is a going concern. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

(c) Turnover

Turnover represents the invoiced value of services provided under the contract with Derbyshire County Council and Derby City Council, exclusive of value added tax. Turnover is recognised when processing occurs or the service is provided.

(d) Financial income

Interest receivable comprises amounts receivable on bank balances and is recognised on an accruals basis.

(e) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 SEGMENTAL REPORTING

The Company's activities consist solely of waste management in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014 - continued

3 OPERATING LOSS

	2014 £'000	2013 £'000
<i>The operating loss is stated after charging:</i>		
Auditors' remuneration for audit services	18	18
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS

The Directors were not remunerated for their services to the Company; neither did the Directors accrue any retirement benefits in respect of service to the Company in the current or prior year. None of the emoluments paid to the Directors by other group companies during the current or prior year related to services given to this Company.

5 EMPLOYEE INFORMATION

There were no employees of the Company in the year (2013: none). The Company's fellow subsidiary Company, Shanks Waste Operations Limited, was contracted to provide management and administrative support.

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Other interest receivable	2	10
	<u> </u>	<u> </u>

7 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit based on the result for the year is made up as follows:

	2014 £'000	2013 £'000
Corporation tax	(40)	(61)
	<u> </u>	<u> </u>

The tax assessed for the year is equal to (2013: equal to) the United Kingdom standard rate of corporation tax of 23% (2013: 24%).

Factors that may affect future current and total tax charges

The March 2013 budget statement announced an intention to reduce the main rate of corporation tax to 21% (effective from 1 April 2014) and then 20% (effective from 1 April 2015). These changes were substantively enacted on 2 July 2013 and will reduce the Company's future current tax charge accordingly.

RESOURCE RECOVERY SOLUTIONS (DERBYSHIRE) LIMITED
Registered in England number 06835759

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014 - continued

8 DEBTORS

	2014 £'000	2013 £'000
Trade debtors	-	8
Amounts owed by group undertakings	730	1,908
Corporation tax	40	61
Prepayments and accrued income	155	143
	<u>925</u>	<u>2,120</u>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9 CREDITORS: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	-	57
Accruals and deferred income	687	1,926
	<u>687</u>	<u>1,983</u>

10 CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid: 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

11 PROFIT AND LOSS ACCOUNT

	£'000
At 1 April 2013	455
Loss for the financial year	(133)
	<u>322</u>
At 31 March 2014	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014 - continued

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £'000	2013 £'000
Loss for the financial year	(133)	(193)
Net movement in shareholder's funds	(133)	(193)
Opening shareholder's funds	455	648
Closing shareholder's funds	322	455

13 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS 8 Related Party Transactions not to disclose transactions with companies which are wholly-owned undertakings within the Shanks Group plc group.

14 CASH FLOW STATEMENT

The Company is a wholly-owned subsidiary of Shanks Group plc and is included in the consolidated financial statements of Shanks Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

15 IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate holding company is Resource Recovery Solutions (Derbyshire) Holdings Ltd. The ultimate parent company and controlling party is Shanks Group plc, a Company registered in Scotland, and is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Shanks Group plc can be obtained from the Company Secretary, Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire, MK1 1BU.