Registered number: 6889679

VEOLIA ES MERSEYSIDE & HALTON LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

VEOLIA ES MERSEYSIDE & HALTON LIMITED

COMPANY INFORMATION

DIRECTORS	G Graveson P Gilmour J Deakin D Gerrard A Paterson R Hunt
COMPANY SECRETARY	R Hunt
REGISTERED NUMBER	6889679
REGISTERED OFFICE	210 Pentonville Road London N1 9JY
INDEPENDENT AUDITOR	Ernst & Young LLP No. 1 Colmore Square Birmingham B4 6HQ

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their Strategic Report for the year ended 31 December 2013

INTRODUCTION

The principal activities of Veolia ES Merseyside & Halton Limited ("the Company") are waste collection, disposal and recycling through a contract with Merseyside Recycling and Waste Authority ('MRWA').

This work is performed using the sites inherited by the Company from MRWA which include a Material Recycling Facility ('MRF'), 4 Transfer Stations & 16 Household Waste Recycling Centre's ('HWRC's') of which 15 have been refurbished and 1 closed as part of the contract. The Company also operates a second MRF at Gilmoss which was operational throughout 2012 and 2013. This MRF has the capacity to process 100,000 tonnes of waste per year giving the company a capacity to process 185,000 tonnes per annum over the two MRF sites.

This company is a subsidiary of Veolia ES Aurora Limited, who in turn is a subsidiary of Veolia Environmental Services (UK) Plc. Veolia Environmental Services (UK) Plc is the largest group in which the company is consolidated within the UK. Veolia Environmental Services (UK) Plc will therefore be referred to throughout these financial statements as the Group.

BUSINESS REVIEW

The contract with MRWA commenced on 1st June 2009 and is for a term of 20 years.

Turnover for the year ended 31 December 2013 was £30,467,000 (2012: £26,414,000) giving a profit before taxation of £1,002,000 (2012: £1,090,000). The increase in turnover compared to 2012 is due to three main reasons: (i) there was a volume driven increase in recyclate income at the company's Material Recycling Facilities with 26,732 tonnes of non-MRWA contract waste received from other Group companies, a new activity in 2013; (ii) commercial trade volumes increased significantly at the company's Transfer Stations with an additional 8,670 tonnes of non-MRWA contract material being processed compared to 2012; and (iii) the main contract with MRWA has an RPIx uplift in Service Fees.

The increase in revenue has been offset by the cost of landfill and third party disposal incurred due to the additional tonnage.

The taxation charge for the year was £312,000 (2012: £205,000), an effective tax rate of 31.1% (2012: 18.8%) and a reconciliation of the total tax charge to the standard rate of corporation tax is set out in note 6 to these financial statements.

During the year, the company processed 612,862 tonnes (2012: 619,043 tonnes) of waste under its contract with Merseyside Council.

The directors expect that the present level of activity will be maintained and the company will continue to trade profitably in the forthcoming year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities create risk factors that are both external and internal to the company. These risks include but are not limited to environmental legislation, health and safety issues, recycling issues, business continuity, the use of financial instruments and the actions of customers and competitors. The company has implemented risk controls and loss mitigation plans.

This report was approved by the board on 25 September 2014 and signed on its behalf by

D Gerrard
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

RESULTS

The profit for the year, after taxation, amounted to £690,000 *(2012 - £885,000)*.

DIRECTORS

The directors who served during the year were:

G Graveson
P Gilmour
J Deakin
D Gerrard
A Paterson
R Hunt

The parent company maintains insurance for the directors of the company in respect of their duties as directors. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

FINANCIAL INSTRUMENTS

Treasury activities are managed under a framework of policies and procedures approved and monitored by the Board. The objectives are to protect the assets of the company and to identify and then manage financial risk. In applying its policies, the company utilises long term loan agreements in order to negate risk.The company finances its operations through intercompany financing and the generation of operating cash flows.

The company's borrowings and loans are all denominated in Sterling and therefore the company has no foreign currency exposure on its financing.

During the period the Veolia Environmental Services (UK) Plc group financing arrangement was fully repaid and a new loan arrangement was issued by Veolia Environnement UK Limited (see note 11 for further details). The new loan of £16,000,000 is on the group's standard terms (Libor + 250bp).

The company's borrowings are tied to Libor with interest rates being reset each quarter. The directors consider that Libor rates will continue to be stable for the foreseeable future with only small increases due in 2014 and 2015. The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to Merseyside Recycling and Waste Authority who are underwritten by central government.

The Directors consider the company's exposure to credit risk is acceptable. It is and has been throughout the period under review, the company's policy that no trading in derivative financial instruments are undertaken.

EMPLOYEES

During the year the company continued to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of all significant matters affecting the company's trading position and of any significant organisational changes.

DISABLED EMPLOYEES

The company supports the employment of disabled people wherever possible, having regard to their particular aptitudes and abilities, through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion.

GOING CONCERN

The Company is responsible for all the operational aspects of delivering the waste processing solution to MRWA. This arrangement is subject to a 20 year contract, currently expected to expire in 2029. In addition to the revenues arising from this contract, the Company also receives revenues from third parties to process waste.

The Company is financed by inter-company loans provided by other members of the Veolia group. The directors have received an undertaking from Veolia Environmental Services (UK) plc that it will continue to support the company. The directors therefore believe that funding will continue to be made available to the company for the foreseeable future.

Having taken into account the contractual revenue arising from the aforementioned Council and the likely revenues arising from third parties and the Company's ongoing operational expenditure together with likely capital additions and likely capital repayments, the Company's Directors have concluded that it is appropriate that the financial statements are prepared and presented using the going concern principle.

AUDIT INFORMATION

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 being information needed by the auditor in connection with preparing its report of which the auditor is unaware, and
- having made enquiries of fellow directors and the company's auditor, that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the 's auditor is aware of that information.

AUDITOR

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 September 2014 and signed on its behalf by

D Gerrard
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors are responsible for preparing the Strategic Report, 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 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 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;
- 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 VEOLIA ES MERSEYSIDE & HALTON LIMITED

We have audited the financial statements of Veolia ES Merseyside & Halton Ltd for the year ended 31 December 2013 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 set out on page 5, 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 Reports and financial statements 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 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 31 December 2013 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VEOLIA ES MERSEYSIDE & HALTON LIMITED

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.

Ernst & Young LLP

Lorna McNeil (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP (Statutory Auditor)
Birmingham

Date: 29 September 2014

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	*2012* *£000*
TURNOVER	1	**30,467**	*26,414*
Cost of sales		**(26,836)**	*(22,463)*
GROSS PROFIT		**3,631**	*3,951*
Administrative expenses		**(2,207)**	*(2,409)*
OPERATING PROFIT	2	**1,424**	*1,542*
Interest receivable and similar income		**3**	*1*
Interest payable and similar charges	5	**(425)**	*(453)*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,002**	*1,090*
Tax on profit on ordinary activities	6	**(312)**	*(205)*
PROFIT FOR THE FINANCIAL YEAR	14	**690**	*885*

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

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

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£000	2013 £000	*£000*	*2012* *£000*
FIXED ASSETS					
Tangible assets	7		**17,392**		*18,104*
CURRENT ASSETS					
Stocks	8	**378**		*349*	
Debtors	9	**8,610**		*5,251*	
Cash at bank		**65**		*65*	
		9,053		*5,665*	
CREDITORS: amounts falling due within one year	10	**(7,357)**		*(6,824)*	
NET CURRENT ASSETS/(LIABILITIES)			**1,696**		*(1,159)*
TOTAL ASSETS LESS CURRENT LIABILITIES			**19,088**		*16,945*
CREDITORS: amounts falling due after more than one year	11		**(16,000)**		*(14,600)*
PROVISIONS FOR LIABILITIES					
Deferred tax	12		**(726)**		*(673)*
NET ASSETS			**2,362**		*1,672*
CAPITAL AND RESERVES					
Called up share capital	13		**-**		*-*
Profit and loss account	14		**2,362**		*1,672*
SHAREHOLDERS' FUNDS	15		**2,362**		*1,672*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2014.

D Gerrard
Director

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

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 United Kingdom accounting standards.

1.2 Financial support

An intermediate parent company, Veolia Environmental Services (UK) Plc, has provided in writing that it is its intention to continue to provide sufficient finance for the company to meet its liabilities when they fall due for a period of at least 12 months from the date of approval of these financial statements. The financial statements have therefore been prepared on a going concern basis.

1.3 *Revenue recognition*

Turnover represents the value of services provided in the year including landfill tax, but excluding value added tax. Turnover arising from waste disposal activities is recognised on receipt of waste. Turnover relating to the sale of materials is recognised at either the point of dispatch or once substantially all the risks and rewards have been passed to the customer.

All turnover arises in the United Kingdom and relates to the principal continuing activities.

1.4 Tangible fixed assets

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:

Short term leasehold property	-	Over the life of the contract
Plant & machinery	-	3 to 11 years

Assets in the course of construction are not depreciated during the construction phase. On completion, these assets will be transferred into the appropriate asset category and will be depreciated per the depreciation policy.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

1.5 Operating leases

Rental payments arising from operating leases are charged to the profit and loss account as incurred.

1.6 Stocks

The company holds stock of spares, containers and bags which are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis.

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax is not provided on timing differences arising from gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses in due course.

1.8 Pensions

The Group operates a pension scheme for all staff. The pension costs for the defined contribution scheme represent contributions payable by the company in the year. The assets of the scheme are invested and managed independently of the finances of the Group.

The company participated in two defined benefit pension schemes in the current year, the Merseyside Pension Fund,a Local Authority scheme, and the Citrus Pension Plan, a multi-employer scheme. Both of these are funded schemes, with the assets of the schemes held separately from those of the company, in trustee administered funds.

Whilst the company's contributions are affected by the surplus / deficit in the schemes, the company has a contractual agreement with the Authority to cap the company's exposure and so the schemes are accounted for as defined contribution schemes.

The latest available information relating to the schemes and the implications for the company are detailed in the notes to the financial statements.

1.9 Related party transactions

Where appropriate, the company takes advantage of the exemption available under paragraph 3(c) of Financial Reporting Standard 8 'Related Party Transactions' not to disclose intra-group transactions with other wholly owned subsidiaries.

1.10 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £000	*2012 £000*
Depreciation of tangible fixed assets:		
- owned by the company	1,601	*1,585*
Operating lease rentals:		
- vehicles	1,135	*1,173*

The audit remuneration for the current period of £17,000 (2012: £16,000) is for the audit of the financial statements of the company.

3. DIRECTORS' EMOLUMENTS

	2013 £000	*2012 £000*
Remuneration	224	*334*

The highest paid director received remuneration of £111,000 *(2012 - £127,000)*.

Two directors (2012: three) received remuneration directly from the company for their services. The other directors consider that the time spent in relation to the company is negligible compared to their other duties in the Group and therefore no charge is recognised for their services.

The above remuneration includes £20,000 (2012: £23,000) for contributions to a Defined Contribution pension scheme for 2 (2012: 2) directors accruing benefits in Defined Contribution schemes.

4. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2013 £000	*2012* *£000*
Wages and salaries	8,765	*7,506*
Social security costs	783	*701*
Other pension costs	535	*500*
	10,083	*8,707*

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	*2012* *No.*
Head office and administration	18	*20*
Operatives	292	*243*
	310	*263*

5. INTEREST PAYABLE

	2013 £000	*2012* *£000*
On loans from Group undertakings	425	*453*

6. TAXATION

	2013 £000	*2012* *£000*
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	288	*283*
Adjustments in respect of prior periods	(29)	*(32)*
Total current tax	259	*251*
Deferred tax		
Origination and reversal of timing differences	7	*(12)*
Effect of decreased tax rate on opening liability	(109)	*(58)*
Origination and reversal of timing differences - prior year	155	*24*
Total deferred tax (see note 12)	53	*(46)*
Tax on profit on ordinary activities	312	*205*

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2012 - lower than)* the standard rate of corporation tax in the UK of 23.25% *(2012 - 24.5%)*. The differences are explained below:

	2013 £000	*2012 £000*
Profit on ordinary activities before tax	**1,002**	*1,090*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% *(2012 - 24.5%)*	**233**	*267*
Effects of:		
Expenses not deductible for tax purposes	**62**	*-*
Accelerated capital allowances	**(7)**	*20*
Adjustments to tax charge in respect of prior periods	**(29)**	*(32)*
Short term timing difference leading to an increase (decrease) in taxation	**-**	*(4)*
Current tax charge for the year (see note above)	**259**	*251*

Factors that may affect future tax charges

Deferred tax liabilities have been stated at the corporation tax rate of 20% *(2012: 23%)* reflecting the reduction in the UK corporation tax rate which takes effect from 1 April 2015, which was substantively enacted on 2 July 2013. This is on the basis that it is anticipated that the Company's deferred tax liabilities will materially unwind after 1 April 2015.

7. TANGIBLE FIXED ASSETS

	Short leasehold land & buildings £000	Plant & machinery £000	Assets in the course of construction £000	Total £000
Cost				
At 1 January 2013	1,680	18,245	113	20,038
Additions	35	891	22	948
Disposals	(38)	(31)	-	(69)
Transfer between classes	11,242	(11,129)	(113)	-
At 31 December 2013	12,919	7,976	22	20,917
Depreciation				
At 1 January 2013	283	1,651	-	1,934
Charge for the year	793	808	-	1,601
On disposals	-	(10)	-	(10)
Transfer between classes	673	(673)	-	-
At 31 December 2013	1,749	1,776	-	3,525
Net book value				
At 31 December 2013	11,170	6,200	22	17,392
At 31 December 2012	*1,397*	*16,594*	*113*	*18,104*

A review of the fixed asset register during 2013 identified £10,398,000 (cost) of assets classified as plant & machinery which would be more appropriately classified as land and buildings therefore these amounts have been reclassified in the year.

The short leasehold land and building assets consists of land which is subject to a peppercorn rent and buildings which are owned by the company but which will be transferred to MRWA at the end of the contract.

8. STOCKS

	2013 £000	*2012 £000*
Fuel, spares, containers and bags	378	*349*

The replacement cost of stock is not significantly different to the carrying value.

9. DEBTORS

	2013 £000	*2012 £000*
Trade debtors	819	*1,890*
Amounts due from Group undertakings	4,369	*-*
Other debtors	-	*85*
Prepayments and accrued income	3,422	*3,276*
	8,610	*5,251*

10. CREDITORS:
Amounts falling due within one year

	2013 £000	*2012 £000*
Trade creditors	817	*798*
Amounts due to Group undertakings	3,229	*3,653*
Corporation tax	544	*146*
Other taxation and social security	365	*-*
Other creditors	1,051	*925*
Accruals and deferred income	1,351	*1,302*
	7,357	*6,824*

11. CREDITORS:
Amounts falling due after more than one year

	2013 £000	*2012 £000*
Amounts due to other group undertakings	16,000	*14,600*

In 2013, the Company entered into a revised loan agreement of £16m with Veolia Environnement UK Limited, an intermediate parent company. The terms of the new loan are in accordance with the Group's standard loan terms, which include an interest rate of GBP 6 month LIBOR + 250bp and a utilisation fee of 35bp. The new loan is for a duration of ten years (being repayable on 31 December 2023) and does not contain a cash sweep clause thus providing more flexible financing to the company.

12. DEFERRED TAXATION

	2013 £000	2012 £000
At beginning of year	673	719
Released during year (P&L)	(102)	(70)
Other movement (P&L)	155	24
At end of year	726	673

The provision for deferred taxation is made up as follows:

	2013 £000	2012 £000
Accelerated capital allowances	726	673

13. SHARE CAPITAL

	2013 £	2012 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

14. RESERVES

	Profit and loss account £000
At 1 January 2013	1,672
Profit for the financial year	690
At 31 December 2013	2,362

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £000	2012 £000
Opening shareholders' funds	1,672	787
Profit for the financial year	690	885
Closing shareholders' funds	2,362	1,672

16. PENSION COMMITMENTS

Defined contribution schemes

The Veolia Group operates various defined contribution pension schemes. The assets of the schemes are invested and managed independently of the finances of the Group.

Contributions of £269,000 (2012: £363,000) were paid by the company in respect of its participation in the defined contribution schemes during the year.

There are no unpaid contributions at the year end (2012: £nil).

Defined benefit schemes

The company participated in two defined benefit pension schemes in the current year, the Merseyside Pension Fund, a Local Authority scheme, and the Citrus Pension Plan, a multi-employer scheme. Both of these are funded schemes, with the assets of the schemes held separately from those of the company, in trustee administered funds.

Whilst the company's contributions are affected by the surplus / deficit in the schemes, the company has a contractual agreement with the Authority to cap the company's exposure and so the schemes are accounted for as defined contribution schemes.

The pension contributions for the year amounted to £266,000 (2012: £137,000).

There are no unpaid contributions at the year end (2012: £nil).

17. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013	*2012*
	£000	*£000*
Expiry date:		
Between 2 and 5 years	**1,135**	*1,173*

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent and controlling company is Veolia Environnement S.A. (incorporated in France). Copies of the parent's consolidated financial statements may be obtained from the Secretary, 36-38 Avenue Kleber, 75116 Paris, France.

The company's ultimate United Kingdom holding company is Veolia Environnement UK Limited (registered in England and Wales). The company's immediate parent company is Veolia ES Aurora Limited (registered in England and Wales). The directors consider Veolia Environmental Services Plc to be the smallest group for which group financial statements including Veolia ES Merseyside & Halton Limited are drawn up. Copies of the accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.