

**Dundee Waste Management Limited**

**Annual report and financial statements for  
the 53 week period ended 1 January 2017**

**Registered number: SC175389**



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# **Dundee Waste Management Limited**

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# **Dundee Waste Management Limited**

## **Annual report and financial statements For the 53 week period ended 1 January 2017**

### **Officers and professional advisers**

#### **Directors**

A. Flight  
I. E. Kelly  
K. J. Kerr

#### **Company Secretary**

TM Company Services Limited

#### **Registered Office**

1 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8 UL

#### **Bankers**

Royal Bank of Scotland

#### **Solicitors**

Clyde & Co  
Harper Macleod  
MacRoberts

#### **Independent Auditor**

Deloitte LLP  
Statutory Auditor  
Aberdeen  
United Kingdom

# **Dundee Waste Management Limited**

## **Directors' report**

The Directors present their report on the affairs of the Company together with the financial statements and independent auditor's report for the 53 week period ended 1 January 2017. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under s.415(a) of the Companies Act 2006.

### **Principal activity and business review**

The Group is engaged in the management and processing of waste and the generation of electricity from refuse derived fuel, and operates a waste-to-energy plant (the "Plant"), which it leases from Dundee City Council for this purpose.

The strategy of the Group is based on the safe and efficient processing of municipal waste under long-term contracts with Dundee City Council and Angus Council.

Additionally the Group's strategy is to supplement these income streams by processing third party commercial waste to utilise the spare capacity of the Plant.

To satisfactorily achieve the above, and the resultant generation of electricity into the National Grid, the Group puts prime emphasis on the health and safety of its employees, contractors and the local community, as well as striving to achieve 100% compliance with the various permits and licences under which the Plant operates.

This requires the Group to ensure a high level of safety awareness and skill within its employee base, a duty which is central to the Group's operations at all levels.

A further strategy of the Group continues to be frequent engagement with the elected members of Dundee City Council, as shareholders, through regular meetings with their Waste-to-Energy Committee at which performance updates are given.

In addition, the Group continues to maintain close dialogue and provide updates on performance to its neighbours through regular meetings of the long-established Good Neighbours Group which comprises members of the local community, a representative of the principal regulator of the plant, the Scottish Environment Protection Agency, and also Friends of the Earth.

In conclusion, assessing performance against the various strands of the above strategy, the Directors are satisfied that the Plant has performed well throughout the period of 2016. Health & safety and regulatory compliance remain the key priorities going forward and will form the basis of sound operational performance and financial management.

### **Future developments**

Dundee City Council, the Group's principal customer and 100% shareholder, is, along with Angus Council, currently engaged in a procurement exercise to secure a new long-term residual waste contract. The Group is not involved, at the shareholder's request, in bidding for the new long-term waste contract. If this project comes to fruition, it is likely to result in the existing Group contracts with Dundee City Council and Angus Council being terminated with mutual agreement before the contractual date of 2020, and possibly before the end of 2017. Consequently the Group would cease all operations and the leased Plant would revert to Dundee City Council. However the Group expects to continue with the successful operation of the Plant with financial stability until such time as any new contracts are put in place, and to achieve a solvent run-down of the Group thereafter.

# **Dundee Waste Management Limited**

## **Directors' report (continued)**

### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the period and remain in force at the date of this report.

### **Results**

The Company recorded a profit for the year of £1,360,000 (2015: £1,735,000). This reduction in profit was primarily due to a combination of lower gate fees as a result of reduced Plant availability and an increase in staff costs and other administrative expenses incurred during the year.

### **Going concern**

The Group and Company meet their day-to-day working capital requirements through cash generated from their operations and through funding arrangements with Dundee City Council, the Group's principal customer and 100% shareholder. The Group and Company are dependent on the ongoing working relationship with Dundee City Council with regard to the continued deferral of waste diversion costs and other measures that have been agreed in order to aid the Group and Company in repaying their liabilities as they fall due. The Directors have received assurances regarding this ongoing working relationship from Dundee City Council and notwithstanding that Dundee City Council and Angus Council are currently seeking to replace their waste contracts with the Company (as outlined in the Strategic Report above), Dundee City Council and Angus Council have not yet concluded their procurement exercise and the existing contracts with DERL until 2020 remain in place. The Directors are not aware of any reason why the financial support provided by Dundee City Council will not continue to be extended.

Accordingly, the Directors continue to adopt the going concern basis.

### **Dividends**

The Directors do not recommend the payment of a dividend (2015: £nil).

### **Directors and their interests**

The Directors who served during the year and at the date of this report are:

A. Flight  
I. E. Kelly  
K. J. Kerr  
R. McMullan (resigned 22 September 2016)

No Director had any interest in the issued share capital of the Company at 1 January 2017 or 27 December 2015.

# **Dundee Waste Management Limited**

## **Directors' report (continued)**

### **Auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware;  
and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Company has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP will continue as auditor for the ensuing financial period under the provisions of section 418 of the Companies Act 2006.

Approved by the Board of Directors & signed on behalf of the Board,



**Kenneth J Kerr**  
Managing Director  
1 June 2017

# **Dundee Waste Management Limited**

## **Directors' responsibility statement**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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 Dundee Waste Management Limited**

We have audited the financial statements of Dundee Waste Management Limited for the 53 week period ended 1 January 2017 which comprise the Statement of comprehensive income, the Balance Sheet and the related notes 1 to 13. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 1 January 2017 and of its profit for the 53 week period 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 matters prescribed in the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.



## **Independent auditor's report to the members of Dundee Waste Management Limited (continued)**

### **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.

*L Cowie*

**Lyn Cowie CA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Aberdeen, United Kingdom

1 June 2017

# Dundee Waste Management Limited

## Statement of comprehensive income For the 53 week period ended 1 January 2017

	Notes	53 weeks ended 1 January 2017 £'000	52 weeks ended 27 December 2015 £'000
<b>Turnover</b>	3	6,987	7,290
Cost of sales		(4,943)	(4,995)
<b>Gross profit</b>		2,044	2,295
Administrative expenses		(684)	(560)
<b>Operating profit</b>	4	1,360	1,735
<b>Profit on ordinary activities before taxation</b>		1,360	1,735
Tax on profit on ordinary activities	5	-	-
<b>Total comprehensive income</b>		1,360	1,735

All results for the current and prior financial year were derived from continuing operations.

The accompanying notes on pages 11 to 17 form an integral part of these financial statements.

# Dundee Waste Management Limited

## Statement of changes in equity As at 1 January 2017

		1 January 2017 £'000	27 December 2015 £'000
	Note		
<b>Current assets</b>			
Stocks	6	55	85
Debtors: Amounts falling due within one year	7	35,904	30,879
		<u>35,959</u>	<u>30,964</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(35,190)</u>	<u>(31,555)</u>
<b>Net assets /(liabilities)</b>		<u>769</u>	<u>(591)</u>
<b>Capital and reserves</b>			
Called-up share capital	9	-	-
Profit and loss account		<u>769</u>	<u>(591)</u>
<b>Shareholders' funds/(deficit)</b>		<u>769</u>	<u>(591)</u>

The accompanying notes on pages 11 to 17 form an integral part of these financial statements.

The financial statements of Dundee Waste Management Limited, Company Registration No. SC175389 were approved and authorised for issue by the Board and were signed on its behalf on 1 June 2017.



**Kenneth J Kerr**  
Managing Director

# Dundee Waste Management Limited

## Statement of changes in equity As at 1 January 2017

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 29 December 2014</b>	-	(2,326)	(2,326)
Profit for the financial year	-	1,735	1,735
<b>Total comprehensive income</b>	-	1,735	1,735
<b>At 27 December 2015</b>	-	(591)	(591)
Profit for the financial year	-	1,360	1,360
<b>Total other comprehensive income</b>	-	1,360	1,360
<b>At 1 January 2017</b>	-	769	769

The accompanying notes on pages 11 to 17 form an integral part of these financial statements

# Dundee Waste Management Limited

## Notes to the financial statements For the 53 week period ended 1 January 2017

### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### *a. General information and basis of accounting*

Dundee Waste Management Limited is a private company limited by shares registered in Scotland, incorporated in the United Kingdom under the Companies Act (Company Registration No. SC175389). The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 2 to 4.

This is the first financial statements that comply with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The date of transition is 29 December 2014.

The prior year financial statements were not restated as there was no material adjustments on the adoption of FRS102 in the current year. For more information see note 13.

The functional currency of Dundee Waste Management Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Dundee Waste Management Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Dundee Waste Management Limited is consolidated in the financial statements of its parent, Dundee Energy Recycling Limited, which may be obtained from the address in note 12. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The Company is included in the consolidated financial statements of Dundee Energy Recycling Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

#### *b. Going concern*

The Group and Company meet their day-to-day working capital requirements through cash generated from their operations and through funding arrangements with Dundee City Council, the Group's principal customer and 100% shareholder. The Group and Company are dependent on the ongoing working relationship with Dundee City Council with regard to the continued deferral of waste diversion costs and other measures that have been agreed in order to aid the Group and Company in repaying their liabilities as they fall due. The Directors have received assurances regarding this ongoing working relationship from Dundee City Council and notwithstanding that Dundee City Council and Angus Council are currently seeking to replace their waste contracts with the Company (as outlined in the Strategic Report page2), Dundee City Council and Angus Council have not yet concluded their procurement exercise and the existing contracts with DERL until 2020 remain in place. The Directors are not aware of any reason why the financial support provided by Dundee City Council will not continue to be extended.

Accordingly, the Directors continue to adopt the going concern basis.

#### *c. Turnover*

Turnover represents amounts from management and processing of waste and related items and is stated net of VAT.

#### *d. Financial instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

# Dundee Waste Management Limited

## Notes to the financial statements (continued) For the 53 week period ended 1 January 2017

### 1. Accounting policies (continued)

#### d. Financial instruments

##### *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of any impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### e. Taxation

Current tax, including UK corporation tax and foreign 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.

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 profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, 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.

# Dundee Waste Management Limited

## Notes to the financial statements (continued) For the 53 week period ended 1 January 2017

### 1. Accounting policies (continued)

#### *e. Taxation (continued)*

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Revenue recognition*

In making its judgement, management considered the detailed criteria for the recognition of revenue from the provision of services set out in FRS 102 Section 23 *Revenue* and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Management is satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate.

#### *Recoverability of intercompany receivables*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Management considers each period whether there is any indication of impairment in relation to intercompany receivables. No such indicators have been identified in the current or prior period. As the intercompany receivables are normally short-term in nature, there is no requirement to perform a full impairment review unless such indicators exist.

### 3. Turnover

The Company's business activity is that described in the Directors' Report. All turnover is derived entirely in the United Kingdom.

# Dundee Waste Management Limited

## Notes to the financial statements (continued) For the 53 week period ended 1 January 2017

### 4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	53 weeks ended 1 January 2017 £'000	52 weeks ended 27 December 2015 £'000
Cost of stock recognised as an expense	30	20

Auditor's remuneration for the current period and prior period has been borne by the Parent Company Dundee Energy Recycling Limited. The Directors estimate that the balance relating to the Company for the 53 week period was £1,000 (December 2015: £1,000).

### 5. Tax on profit on ordinary activities

	53 weeks ended 1 January 2017 £'000	52 weeks ended 27 December 2015 £'000
<b>Current taxation</b>		
UK corporation tax at 20% (December 2015 – 20.5%)	-	-
Tax on profit on ordinary activities	-	-

No provision has been made for deferred taxation (December 2015: £nil). There is an unprovided deferred tax asset at 1 January 2017 of £1,525,000 (December 2015: £1,588,000). Having considered the recoverability of the deferred tax asset, the Directors do not consider it prudent to recognise this asset at the present time.

The forthcoming changes in the corporation tax rate to 19% and 17% in future years will not materially affect the future tax charge.

The relevant deferred tax balances have been re-measured accordingly.



# Dundee Waste Management Limited

## Notes to the financial statements (continued) For the 53 week period ended 1 January 2017

### 5. Tax on profit on ordinary activities (continued)

The difference between the total current tax as shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	53 weeks ended 1 January 2017 £'000	52 weeks ended 27 December 2015 £'000
Profit on ordinary activities before tax	1,360	1,735
Tax on profit on ordinary activities at standard UK corporation tax rate of 20%	272	351
Factors affecting the charge for the period:		
Transfer pricing adjustment	(304)	(337)
Deferred tax not recognised	32	(14)
Tax on profit on ordinary activities	-	-

### 6. Stocks

	1 January 2017 £'000	27 December 2015 £'000
Stock of spare parts and consumables	55	85

There is no material difference between the balance sheet value of stocks and their replacement cost.

### 7. Debtors: Amounts falling due within one year

	1 January 2017 £'000	27 December 2015 £'000
Trade debtors	1,032	730
Amounts owed by Parent undertaking	34,852	30,127
Other debtors and prepayments	20	22
	35,904	30,879

The amounts owed by the Parent undertaking are repayable on demand and non-interest bearing.

# Dundee Waste Management Limited

## Notes to the financial statements (continued) For the 53 week period ended 1 January 2017

### 8. Creditors: Amounts falling due within one year

	1 January 2017 £'000	27 December 2015 £'000
Trade creditors	1,352	96
Amounts owed to other Group undertakings	33,383	31,340
Accruals and deferred revenue	455	119
	<u>35,190</u>	<u>31,555</u>

The amounts owed to other Group undertakings are repayable on demand and non-interest bearing.

### 9. Share capital

	1 January 2017 £	27 December 2015 £
<b>Authorised, called-up, allotted and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

- The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the re-measurement of investment properties, net of dividends paid and other adjustments.

### 10. Intra-group indebtedness

The Company has issued a letter of continuing financial support to a fellow Company undertaking which confirms that, for a period of at least one year from the approval date of these financial statements, the Company will not call for repayment of amounts due to the Company from the fellow Company undertaking at a time when, or with the result that, the liabilities of the fellow Company undertaking exceed its assets.

### 11. Related party transactions

The Company's Parent Company is Dundee Energy Recycling Limited whose 100% shareholder is Dundee City Council.

The Company as a wholly-owned subsidiary has taken advantage of exemptions granted under section 33 of FRS 102 to not disclose details of transactions with other wholly-owned members of the Group headed by Dundee Energy Recycling Limited.

The Company had no transactions during the year or the preceding period with other related parties.

### 12. Immediate and ultimate Parent Company

The Company is wholly-owned by Dundee Energy Recycling Limited, the registered office address of this Company is 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL. By holding 100% of the issued share capital of that Company, Dundee City Council is deemed the ultimate controlling party.

Copies of the published consolidated financial statements of the Parent Company may be requested from the Secretary, TM Company Services Limited, 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL.

# **Dundee Waste Management Limited**

## **Notes to the financial statements (continued)** **For the 53 week period ended 1 January 2017**

### **13. Explanation of transition to FRS 102**

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the period ended 27 December 2015 and the date of transition to FRS 102 was therefore 29 December 2014. All current accounting policies are in compliance with FRS 102 and, therefore, no transition changes have occurred.