

Waste Solutions Sk Ltd

Private limited with Share Capital

Company No : **06023503**

Registered Address:

**Enterprise House,
Oakhurst Drive
Off Birdhall Lane
Cheadle Heath
Stockport
SK3 0XS**

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Duedil Company Limited

Registered Office : Fairfax House, 15 Fulwood Place, London WC1V 6AY

Registered in : England / Wales

Company No : 06999618

www.duedil.com

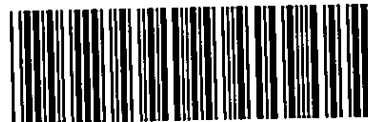
WASTE SOLUTIONS SK LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

FOR YEAR ENDED 31 MARCH 2010

Company No 6023503

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WASTE SOLUTIONS SK LIMITED

ANNUAL REPORT

FOR YEAR ENDED 31 MARCH 2010

CONTENTS	PAGES
Officers and professional advisers	1 - 2
Directors' Report	3 - 5
Statement of Directors' Responsibilities	6
Independent Auditors' Report	7 - 8
Income and Expenditure Account	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Financial Statements	12 – 15

WASTE SOLUTIONS SK LIMITED

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Chairman Mr David Teale

Councillor Hazel Lees
Councillor Martin Candler
Mr Nicholas Cox
Mr Gerard Lucas
Mr Andrew Webb
Mr Jeremy Wright

All Directors served throughout the year

SECRETARY

Mr Jeremy Wright

The company secretary served throughout the year

REGISTERED OFFICE

Enterprise House
Oakhurst Drive
Off Bird Hall Lane
Cheadle Heath
Stockport
SK3 0XS

BANKERS

The Co-Operative Bank Ltd
Stockport Branch
1 St Peter's Square
Stockport
Cheshire
SK1 1NX

AUDITORS

PKF (UK) LLP
5 Temple Square
Temple Street
Liverpool
L2 5RH

WASTE SOLUTIONS SK LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

OFFICERS AND PROFESSIONAL ADVISERS

EXECUTIVE OFFICERS

Steve Jones	-	Operations Director
Kerry Clark	-	Director of Business Support & Development
Barry Brockbank	-	Head of Environmental Services

The executive officers act within the authority delegated to them under the Company's Scheme of Delegation approved by the Board. The detailed scrutiny of performance, the development of policy and procedures, and the approvals of expenditure within budget are carried out by the executive officers who meet as a Management Team every two weeks.

WASTE SOLUTIONS SK LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

DIRECTORS' REPORT

The Director's present their annual report and the audited financial statements for the year ended 31 March 2010

DATE OF INCORPORATION

The company was incorporated on the 8th December 2006

PRINCIPAL ACTIVITIES

The company provides waste collection and recycling services to the commercial and public sectors in and around Stockport

REVIEW OF DEVELOPMENTS

The income & expenditure account for the year is set out on page 9 The company returned a profit of £101k (2009 £34k) before taxation for the year and the Board is satisfied with the performance of the Company

FUTURE PROSPECTS

The Directors consider the company's performance to be satisfactory

PRINCIPAL RISKS AND UNCERTAINTIES

The current situation with regard to the filling up of landfill poses challenges for the company as we try to increase commercial recycling and continually seek more competitive disposal outlets

APPOINTMENT OF AUDITORS

PKF (UK) LLP have expressed their willingness to act as auditors to Waste Solutions SK Limited The Directors will table a resolution to ratify the appointment at the Annual General Meeting

So far as each of the directors is aware at the time the report is approved

- (a) That they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information
- (b) There is no relevant audit information of which the company's auditors are unaware

CORPORATE GOVERNANCE

The Board of Waste Solutions SK Ltd consists of 7 Directors (1 Independent Non Executive Chairman, 2 elected Councillors of Stockport Metropolitan Borough Council, 2 appointed officers of Stockport Metropolitan Borough Council and 2 executive Directors) The make up of the Board is determined by Waste Solutions SK Ltd's parent company Solutions SK Ltd

The Board is responsible for the strategic direction and tasks of Waste Solutions SK Ltd and Board members are registered as the Company Directors with Companies House They have been selected to, collectively provide the skills and competencies to successfully steer the Company in accordance with its Mission and Aims

WASTE SOLUTIONS SK LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

DIRECTORS' REPORT

The Board has three committees who are empowered to represent the Board on matters detailed below and whose minutes are published to the Board for discussion on a regular basis. The committees and their roles are as follows:

Audit Committee

Terms of reference To ensure that the company's published figures represent a true and fair reflection of its financial performance that its accounting systems and controls are sufficient to provide accurate information and that external audits are conducted thoroughly.

Main duties To agree the appointment of the Auditors and tax advisors and their fees and to agree the work schedule of the Internal Auditors and their fees. To ensure that the external and internal Auditors liaise with each other to the benefit of the company and to receive the reports and recommendations arising from the above audit work. To review and monitor the company management's response to the above findings and recommendations.

Service Improvement Committee

Terms of reference To ensure Waste Solutions SK Ltd continues to demonstrate improvements in service delivery.

Main duties To consider reports and recommendations made by senior management, employees and trade unions with regards to service improvements and new ways of working. To review methods of capturing, measuring and monitoring customer satisfaction. To determine and implement a strategy to secure employee engagement in service improvements and to develop and implement a corporate approach within Waste Solutions SK that recognises individual and team achievements.

Nominations and Remuneration Committee

Terms of reference To decide on new appointments and succession to senior positions in the company and to act as a means of ensuring that decisions on the pay and emoluments of Executive Directors are made by independent Directors who do not stand to benefit personally from their own recommendations.

Main duties To lead the process for Board appointments and make recommendations to the Board. To agree the emoluments packages of the Executive Directors with the Executive Directors and to agree the emoluments package of any other Director employed by the company with that Director.

Going Concern

At its meeting on 3rd September 2010, the Board of Waste Solutions SK Ltd approved the statement that in their opinion, Waste Solutions SK Ltd has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

The company has adequate insurance cover including public and product liability and professional indemnity which have been in place throughout the year covered by these statements.

WASTE SOLUTIONS SK LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

DIRECTORS' REPORT

Statement of the Board on Internal Financial Controls

The Board accept their ultimate responsibility for ensuring the company has in place controls that are appropriate to the environment in which it operates. These controls are designed to give reasonable assurance with regard to

- The reliability of financial information used within the company or for publication
- The maintenance of proper accounting records
- The safeguarding of assets against unauthorised use or disposition

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Key elements include

- Adoption of appropriate financial regulations setting out formal policies and procedures and delegated authorities
- Appointment of experienced and suitably qualified staff to take responsibility for important business functions. Appropriate procedures are in place to maintain standards of performance
- An internal audit service is provided through a service level agreement with Stockport Metropolitan Borough Council. All reports and resulting action plans are presented to the Audit committee for scrutiny and monitoring
- Budget monitoring procedures are in place, which allow the Board and management to monitor progress against financial targets

Employee Involvement

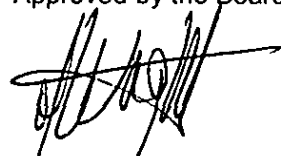
Waste Solutions SK Ltd firmly believes that there is a strong link between the provision of quality services and a harmonious working environment, and that this is best achieved where effective communications are established with management and employees.

In order to achieve this objective, systems have been set up to consult with recognised trade unions through joint consultative arrangements and employees are communicated and consulted on an individual/collective basis where appropriate.

Equal Opportunities policy

The Directors of Waste Solutions SK Ltd believe that everyone has the right to be treated equally. The Board will promote equality and diversity in the provision of our services and employment and will not tolerate discrimination. Waste Solutions SK Ltd will make sure that no person applying for employment will be treated less favourably than any other person because of their individual characteristics. These characteristics include, but are not limited to, disability, ethnicity, colour, race, religion, gender, sexual orientation and age.

Approved by the Board of Directors and signed on behalf of the Board



Jeremy Wright
Secretary

WASTE SOLUTIONS SK LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

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 year. 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,
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

WASTE SOLUTIONS SK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WASTE SOLUTIONS SK LIMITED

We have audited the financial statements of Waste Solutions SK Limited for the year ended 31 March 2010 which comprise the income and expenditure 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).

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 auditors' 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 auditors

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 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

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.

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 2010 and of its result for the year then ended, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WASTE SOLUTIONS SK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WASTE SOLUTIONS SK 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

PKF (UK) LLP

Brian G Ricketts
(Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors

Liverpool

3 September 2010

WASTE SOLUTIONS SK LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Turnover	2	1,263	1,398
Cost of Sales		(1,035)	(1,212)
Gross profit		228	186
Administrative Costs		(127)	(152)
Operating profit	4	101	34
Profit on ordinary activities before taxation		101	34
Tax on profit on ordinary activities	5	(33)	(6)
Profit on ordinary activities after taxation	10	68	28

There are no recognised gains or losses for the year other than the profit and loss

All amounts relate to continuing activities

RECONCILIATION OF MOVEMENT IN SHAREHOLDER FUNDS

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Opening total funds as at 1 April	61	33
Reported profit for period	68	28
Closing funds as at 31 March	129	61

WASTE SOLUTIONS SK LIMITED

COMPANY No 6023503

BALANCE SHEET
AS AT 31 MARCH 2010

	Notes	2010 £000	2009 £000
Fixed Assets	6	<u>182</u>	<u>135</u>
Current assets			
Stocks		-	-
Debtors	7	<u>503</u>	<u>450</u>
		503	450
Creditors amounts falling due within one year	8	<u>(556)</u>	<u>(524)</u>
Net current liabilities		(53)	(74)
Total Assets, Less Current Liabilities		<u>129</u>	<u>61</u>
Reserves			
Revenue Reserve	10	<u>129</u>	<u>61</u>
Total funds		<u>129</u>	<u>61</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 3rd September 2010


Director

WASTE SOLUTIONS SK LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2010

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	68	28
Add back depreciation	61	32
Increase in debtors	(41)	(161)
Increase in creditors	20	183
Net cash inflow from operating activities	108	82
Cash flow statement		
Net cash inflow from operating activities	108	82
Return on investments and servicing of finance	-	-
Capital expenditure	(108)	(82)
Taxation	-	-
Movement in cash	-	-
Reconciliation of net cash flow to movement in net debt		
Net debt at 31 March 2009	-	-
Net funds at 31 March 2010	-	-

WASTE SOLUTIONS SK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention and take account of all applicable Accounting Standards in the United Kingdom

Turnover

Waste Solutions SK Limited's principal source of income is providing commercial waste and skip collection services to third party external customers as well as Stockport Metropolitan Borough Council. Income is recognised in the accounts when the service has been completed. Where the work is incomplete at the year income has been recognised to the value of the expense incurred at the time of cut off. The company had no long term contracts at the year end.

Going concern

The financial statements have been prepared on a going concern basis. The directors have considered a period of at least 12 months from the balance sheet date in reaching this conclusion.

Operating leases

Operating lease rentals are charged to profit and loss on a straight line basis over the lease term.

Taxation

The tax charge has been calculated on the basis that mutual status is achieved as expected.

The company is holding discussions with HMRC with a view to agreeing that the trade between the company and the Council be declared as mutual for taxation purposes. Deferred tax has been provided on timing differences where applicable.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off fixed assets, less their estimated residual value.

Fixtures & Fittings	-	25%	Straight Line
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2 Turnover

All turnover arose within the United Kingdom.

WASTE SOLUTIONS SK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2010

3 Information regarding directors and employees

The executive directors and employees are employed by the parent company Solutions SK Ltd and receive their benefits including membership of the Greater Manchester Pension Fund from that company which are recharged where appropriate to Waste Solutions SK Ltd

Staff costs during the year (including directors)	2010 £000	2009 £000
Wages and salaries	236	251
Social security costs	10	9
Pension costs	12	8
	<u>258</u>	<u>268</u>

4 Operating profit	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
The operating profit is after charging		
Rentals under operating leases	58	35
Auditors' remuneration - audit	6	4
- non-audit services	-	1
Depreciation	<u>61</u>	<u>32</u>

5 Tax on profit on ordinary activities	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
United Kingdom corporation tax at 28%	21	6
Deferred tax posted to profit and loss account	12	-
TAX CHARGE FOR THE YEAR	<u>33</u>	<u>6</u>

Factors affecting the tax charge for the year

Profit on ordinary activities before tax	<u>101</u>	<u>34</u>
Profit on ordinary activities before tax multiplied by 28%	28	7
Other Adjustments	(7)	(1)
CURRENT TAX CHARGE FOR THE YEAR	<u>21</u>	<u>6</u>

WASTE SOLUTIONS SK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2010

6 Fixed Assets

Cost	Year ended 31 March 2010 £000
Cost as at 31 March 2009	179
Purchases in Year	108
Disposals	-
Cost as at 31 March 2010	<u>287</u>
Depreciation	
Depreciation as at 31 March 2009	44
Charge in Year	61
Disposals	-
Depreciation as at 31 March 2010	<u>105</u>
NBV	
At 31st March 2010	<u>182</u>
At 31st March 2009	<u>135</u>

7 Debtors

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Trade debtors	465	380
Other debtors	-	-
Prepayments	16	-
Intra group debtors	22	70
	<u>503</u>	<u>450</u>

8 Creditors amounts falling due within one year

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Trade creditors	30	34
Inter group creditors	37	5
Corporation tax	33	6
Accruals and deferred income	456	479
	<u>556</u>	<u>524</u>

WASTE SOLUTIONS SK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2010

9 Share Capital

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Authorised, allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

10 Revenue Reserve

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Balance at 1 April	61	33
Profit for the year	68	28
Balance at 31 March 2010	129	61

11 Commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

There are no commitments in respect of Land or Buildings

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Leases which expire.		
Within one year	-	-
Within two to five years	58	-
Over five years	-	35
Total	58	35

12 Parent Undertaking

The company is a subsidiary of Solutions SK Ltd and is incorporated in the United Kingdom. Solutions SK parent and ultimate controlling party is Stockport Council company

13 Related Party Transactions

The company has taken advantage of the exemptions under FRS8 not to disclose group transactions