

PREMIER WASTE (UK) HOLDINGS PLC
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



PREMIER WASTE (UK) HOLDINGS PLC

COMPANY INFORMATION

Directors	P Courtney D Courtney
Secretary	D Courtney
Company number	02232586
Registered office	2 Water Court Water Street Birmingham West Midlands B3 1HP
Auditor	Michael Kay & Company Limited 2 Water Court Water Street Birmingham West Midlands B3 1HP
Business address	209-211 Walsall Road Perry Barr Birmingham B42 1BS
Bankers	Lloyds Bank P O Box 46 The Bridge Walsall West Midlands WS1 1LU

PREMIER WASTE (UK) HOLDINGS PLC

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PREMIER WASTE (UK) HOLDINGS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The principal activity of the group has not changed in the year.

We consider that our key financial performance indicators are those that communicate the financial performance and the strength of the group as a whole, these being turnover, gross margin and return on capital employed.

Turnover has increased by 43% in the period.

Overall operating profit was £176,420 (3.57%) (2016 £117,122 (1.77%)) and profit before tax was £156,155 (2016 £88,142). After taxation a profit of £144,399 (2016 £66,602) has been added to reserves.

Return on capital employed is 16.5% (2016 4.4%). Return on capital employed is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities, less cash.

Principal risks and uncertainties

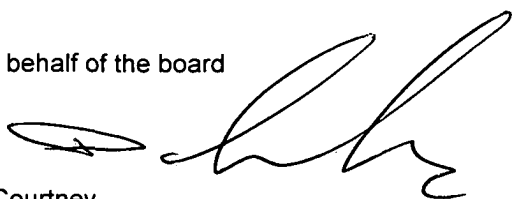
As for many businesses of our size, the business environment in which we operate continues to be challenging. The market in the UK is highly competitive and margins continue to be tight. We continue to face strong competition. We are also subject to consumer spending patterns and consumers overall level of disposable income within our economy.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Development and performance

We consider that the financial position of the group at the year end is strong with adequate reserves in place.

On behalf of the board



D Courtney

Director

17 May 2018

PREMIER WASTE (UK) HOLDINGS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the group continued to be that of waste disposal and waste management services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Courtney
D Courtney

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Supplier payment policy

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the group's contractual and other legal obligations.

Financial instruments

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

In accordance with the company's articles, a resolution proposing that Michael Kay & Company Limited be reappointed as auditor of the group will be put at a General Meeting.

PREMIER WASTE (UK) HOLDINGS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of directors' responsibilities

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). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

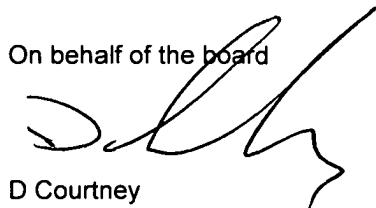
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



D Courtney

Director

17 May 2018

PREMIER WASTE (UK) HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PREMIER WASTE (UK) HOLDINGS PLC

Opinion

We have audited the financial statements of Premier Waste (UK) Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PREMIER WASTE (UK) HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PREMIER WASTE (UK) HOLDINGS PLC

Opinions on other matters prescribed by the Companies Act 2006

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

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

PREMIER WASTE (UK) HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PREMIER WASTE (UK) HOLDINGS PLC

Marcus Daly (Senior Statutory Auditor)
for and on behalf of Michael Kay & Company Limited

17 May 2018

Chartered Accountants
Statutory Auditor

2 Water Court
Water Street
Birmingham
West Midlands
B3 1HP

PREMIER WASTE (UK) HOLDINGS PLC

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	9,492,495	6,626,099
Cost of sales		(6,203,231)	(4,340,067)
Gross profit		3,289,264	2,286,032
Administrative expenses		(3,245,471)	(2,373,649)
Other operating income		132,627	204,739
Operating profit	4	176,420	117,122
Other interest receivable and similar income	8	2	2
Other interest payable and similar expenses	9	(20,267)	(28,982)
Profit before taxation		156,155	88,142
Tax on profit	10	(11,756)	(21,540)
Profit for the financial year	25	144,399	66,602
Retained earnings brought forward		4,134,182	4,087,580
Dividends		-	(20,000)
Retained earnings carried forward		4,278,581	4,134,182

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

PREMIER WASTE (UK) HOLDINGS PLC

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	13		2,800,752		2,878,470
Current assets					
Debtors	16	2,295,658		1,887,559	
Cash at bank and in hand		3,942,550		2,306,770	
		<u>6,238,208</u>		<u>4,194,329</u>	
Creditors: amounts falling due within one year	17	<u>(4,025,491)</u>		<u>(2,101,315)</u>	
Net current assets			<u>2,212,717</u>		<u>2,093,014</u>
Total assets less current liabilities			5,013,469		4,971,484
Creditors: amounts falling due after more than one year	18		(449,953)		(543,615)
Provisions for liabilities	21		(134,935)		(143,687)
Net assets			<u>4,428,581</u>		<u>4,284,182</u>
Capital and reserves					
Called up share capital	24		150,000		150,000
Profit and loss reserves	25		4,278,581		4,134,182
Total equity			<u>4,428,581</u>		<u>4,284,182</u>

The financial statements were approved by the board of directors and authorised for issue on 17 May 2018 and are signed on its behalf by:

D Courtney
Director



PREMIER WASTE (UK) HOLDINGS PLC

COMPANY BALANCE SHEET

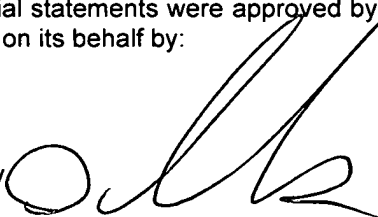
AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	13	1,228,081		1,246,717	
Investments	14	80,399		80,399	
		<u>1,308,480</u>		<u>1,327,116</u>	
Current assets					
Debtors	16	2,081,618		1,083,956	
Cash at bank and in hand		25,772		62,510	
		<u>2,107,390</u>		<u>1,146,466</u>	
Creditors: amounts falling due within one year	17	<u>(1,366,834)</u>		<u>(427,764)</u>	
Net current assets			740,556		718,702
Total assets less current liabilities			<u>2,049,036</u>		<u>2,045,818</u>
Capital and reserves					
Called up share capital	24	150,000		150,000	
Profit and loss reserves	25	1,899,036		1,895,818	
Total equity			<u>2,049,036</u>		<u>2,045,818</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £3,218 (2016 - £206,306 profit).

The financial statements were approved by the board of directors and authorised for issue on 17 May 2018 and are signed on its behalf by:

D Courtney
Director



Company Registration No. 02232586

PREMIER WASTE (UK) HOLDINGS PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	30	2,101,894		462,744	
Interest paid		(20,267)		(28,982)	
Income taxes refunded/(paid)		9,278		(63,242)	
Net cash inflow from operating activities		2,090,905		370,520	
Investing activities					
Purchase of tangible fixed assets		(170,401)		(105,667)	
Proceeds on disposal of tangible fixed assets		40,685		41,190	
Proceeds from other investments and loans		-		315,918	
Interest received		2		2	
Net cash (used in)/generated from investing activities		(129,714)		251,443	
Financing activities					
Payment of finance leases obligations		(325,411)		(392,400)	
Dividends paid to equity shareholders		-		(20,000)	
Net cash used in financing activities		(325,411)		(412,400)	
Net increase in cash and cash equivalents		1,635,780		209,563	
Cash and cash equivalents at beginning of year		2,306,770		2,097,207	
Cash and cash equivalents at end of year		3,942,550		2,306,770	

PREMIER WASTE (UK) HOLDINGS PLC

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	31		17,294		(39,014)
Income taxes paid			(56,111)		(11,703)
Net cash outflow from operating activities			(38,817)		(50,717)
Investing activities					
Proceeds from other investments and loans		2,079		89,330	
Net cash generated from investing activities			2,079		89,330
Financing activities					
Dividends paid to equity shareholders		-		(20,000)	
Net cash used in financing activities			-		(20,000)
Net (decrease)/increase in cash and cash equivalents			(36,738)		18,613
Cash and cash equivalents at beginning of year			62,510		43,897
Cash and cash equivalents at end of year			25,772		62,510

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Premier Waste (UK) Holdings PLC ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 2 Water Court, Water Street, Birmingham, B3 1HP.

The group consists of Premier Waste (UK) Holdings PLC and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Premier Waste (UK) Holdings PLC and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Over 40 years
Land and buildings Leasehold	Over 4 years
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

The group lets part of its premises to third parties (see note 3 for details of rental income). The directors consider that it is not practical, cost effective or material to these accounts to reclassify the property assets that are let to third parties as investment properties and so they are included instead within property, plant and machinery.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 group after deducting all of its liabilities.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Government grants relating to property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Fixed asset valuation

Fixed assets are valued at depreciated historical cost. Calculation of depreciation provisions require judgements to be made, which include assessing the expected useful life of the asset, and any residual value that may arise at the end of its useful life.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Waste disposal and recycling services	9,514,862	6,626,099

	2017 £	2016 £
Other significant revenue		
Interest income	2	2
Grants received	66,551	88,763
Property rental income	66,076	115,976

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(66,551)	(88,763)
Depreciation of owned tangible fixed assets	253,455	242,210
Depreciation of tangible fixed assets held under finance leases	193,939	266,289
Profit on disposal of tangible fixed assets	(8,961)	(20,626)
Operating lease charges	183,002	182,499

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,600	1,600
Audit of the financial statements of the company's subsidiaries	9,000	9,000
	<u>10,600</u>	<u>10,600</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Administration	5	5	3	3
Waste management	46	33	-	-
	<u>51</u>	<u>38</u>	<u>3</u>	<u>3</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	1,689,523	1,220,253	52,755	51,678
Social security costs	128,801	93,730	6,561	7,103
Pension costs	8,448	1,932	302	-
	<u>1,826,772</u>	<u>1,315,915</u>	<u>59,618</u>	<u>58,781</u>

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>19,125</u>	<u>24,146</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	2	2
	<u>2</u>	<u>2</u>
Disclosed on the profit and loss account as follows:		
Other interest receivable and similar income	2	2
	<u>2</u>	<u>2</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	2	2
	<u>2</u>	<u>2</u>

9 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	20,267	28,982
	<u>20,267</u>	<u>28,982</u>
Disclosed on the profit and loss account as follows:		
Other interest payable and similar expenses	20,267	28,982
	<u>20,267</u>	<u>28,982</u>

10 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	20,590	29,686
	<u>20,590</u>	<u>29,686</u>
Deferred tax		
Origination and reversal of timing differences	(8,834)	(8,146)
	<u>(8,834)</u>	<u>(8,146)</u>
Total tax charge for the year	<u>11,756</u>	<u>21,540</u>

On 1 April 2017 the corporation tax rate was reduced from 20% to 19%, resulting in an effective tax rate in the year to 31 December 2017 of £19.25%.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	156,155	88,140
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	30,060	17,628
Tax effect of expenses that are not deductible in determining taxable profit	1,884	396
Tax effect of income not taxable in determining taxable profit	(12,809)	(17,752)
Tax effect of utilisation of tax losses not previously recognised	(17,497)	-
Depreciation on assets not qualifying for tax allowances	18,952	29,414
Deferred tax re timing differences	(8,834)	(8,146)
Taxation charge for the year	11,756	21,540

11 Dividends

	2017 £	2016 £
Interim paid	-	20,000

12 Intangible fixed assets

Group and company	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	250,000
Amortisation and impairment	
At 1 January 2017 and 31 December 2017	250,000
Carrying amount	
At 31 December 2017	-
At 31 December 2016	-

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2017	1,458,882	39,513	4,527,835	154,051	705,362	6,885,642
Additions	-	-	361,639	7,909	31,850	401,398
Disposals	-	-	(147,250)	-	(16,000)	(163,250)
At 31 December 2017	1,458,882	39,513	4,742,224	161,960	721,212	7,123,791
Depreciation and impairment						
At 1 January 2017	216,392	28,506	3,289,036	129,143	344,094	4,007,172
Depreciation charged in the year	17,578	1,651	328,056	7,081	93,028	447,394
Eliminated in respect of disposals	-	-	(117,819)	-	(13,707)	(131,526)
At 31 December 2017	233,970	30,157	3,499,273	136,224	423,415	4,323,039
Carrying amount						
At 31 December 2017	1,224,912	9,356	1,242,951	25,736	297,797	2,800,752
At 31 December 2016	1,242,490	11,007	1,238,798	24,907	361,268	2,878,470

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Company	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2017 and 31 December 2017	1,458,882	296,597	862	1,756,341
Depreciation and impairment				
At 1 January 2017	216,392	292,371	862	509,625
Depreciation charged in the year	17,578	1,057	-	18,635
At 31 December 2017	233,970	293,428	862	528,260
Carrying amount				
At 31 December 2017	1,224,912	3,169	-	1,228,081
At 31 December 2016	1,242,490	4,227	-	1,246,717

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2017 £	2016 £	Company 2017 £	2016 £
Plant and machinery	661,837	692,228	-	-
Motor vehicles	176,646	235,528	-	-
	838,483	927,756	-	-
Depreciation charge for the year in respect of leased assets	193,939	266,289	-	-

14 Fixed asset investments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiary undertakings	-	-	80,399	80,399

Fixed asset investments not carried at market value

Investments in subsidiary undertakings are stated at cost less any impairment.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,231,197	1,814,856	2,080,754	1,083,174
Equity instruments measured at cost less impairment	-	-	80,399	80,399
Carrying amount of financial liabilities				
Measured at amortised cost	3,776,454	2,013,910	1,302,161	316,107

16 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	1,799,293	1,275,644	6,859	6,225
Amounts owed by group undertakings	-	-	2,073,895	1,074,870
Other debtors	431,904	539,212	-	2,079
Prepayments and accrued income	63,597	71,921	-	-
	2,294,794	1,886,777	2,080,754	1,083,174
Deferred tax asset (note 21)	7	-	7	-
	2,294,801	1,886,777	2,080,761	1,083,174
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	857	782	857	782
Total debtors	2,295,658	1,887,559	2,081,618	1,083,956

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

17 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Obligations under finance leases	19	256,250	313,552	-	-
Trade creditors		1,820,176	952,354	-	-
Corporation tax payable		20,590	29,686	5,033	56,111
Other taxation and social security		315,152	171,062	38,101	43,777
Government grants	22	29,997	39,995	-	-
Other creditors		1,419,818	430,685	1,302,161	316,107
Accruals and deferred income		163,508	163,981	21,539	11,769
		<u>4,025,491</u>	<u>2,101,315</u>	<u>1,366,834</u>	<u>427,764</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Obligations under finance leases	19	280,210	317,319	-	-
Government grants	22	169,743	226,296	-	-
		<u>449,953</u>	<u>543,615</u>	<u>-</u>	<u>-</u>

19 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases:				
Within one year	256,250	313,552	-	-
In two to five years	280,210	317,319	-	-
	<u>536,460</u>	<u>630,871</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 to 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

20 Provisions for liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Deferred tax liabilities	21	134,935	143,687	-	-

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Accelerated capital allowances	134,935	143,687	864	782

Company	Liabilities 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Accelerated capital allowances	-	-	864	782

	Group 2017 £	Company 2017 £
Movements in the year:		
Liability/(Asset) at 1 January 2017	142,905	(782)
Credit to profit and loss	(8,834)	(82)
Liability/(Asset) at 31 December 2017	134,071	(864)

The deferred tax liability is expected to reverse by approximately £4,000 in the next period as a result of reductions in the timing differences in the treatment of depreciation of fixed assets for accounts and taxation purposes.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

22 Government grants

	Group 2017 £	2016 £	Company 2017 £	2016 £
Arising from government grants	199,740	266,291	-	-
	<u>199,740</u>	<u>266,291</u>	<u>-</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

Current liabilities	29,997	39,995	-	-
Non-current liabilities	169,743	226,296	-	-
	<u>199,740</u>	<u>266,291</u>	<u>-</u>	<u>-</u>

23 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit or loss in respect of defined contribution schemes	8,448	1,932

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company 2017 £	2016 £
Ordinary share capital Issued and fully paid 150,000 Ordinary shares of £1 each	150,000	150,000

25 Profit and loss reserves

	Group 2017 £	2016 £	Company 2017 £	2016 £
At the beginning of the year	4,134,182	4,087,580	1,895,818	1,709,512
Profit for the year	144,399	66,602	3,218	206,306
Dividends	-	(20,000)	-	(20,000)
At the end of the year	<u>4,278,581</u>	<u>4,134,182</u>	<u>1,899,036</u>	<u>1,895,818</u>

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors of companies in the group, is as follows.

	2017 £	2016 £
Aggregate compensation	120,351	104,248

Transactions with related parties

During the year the group entered into the following transactions with related parties under normal commercial arrangements:

	Sales		Purchase of goods	
	2017 £	2016 £	2017 £	2016 £
Group				
Other related parties	-	-	16,907	-

Company

Entities over which the company has control, joint control or significant influence

	463,936	463,936	-	-
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Property rentals payable

	2017 £	2016 £
Group		
Other related parties	158,002	158,002

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2017 £	2016 £
Group		
Key management personnel	1,299,940	312,886
Other related parties	70,000	108,101
Company		
Key management personnel	1,298,940	312,886

The amounts outstanding are unsecured and will be settled in cash.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

26 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties	2017 Balance £	2016 Balance £
Group		
Other related parties	545,692	540,292
Company		
Entities over which the company has control, joint control or significant influence	2,073,895	1,074,870

The amounts outstanding are unsecured and will be settled in cash.

27 Operating lease commitments

Lessee

Operating lease payments mainly represent rentals payable by the group for certain of its properties. Lease commitments are normally cancellable or re-negotiable after 12 months notice.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	223,000	223,000	-	-
	223,000	223,000	-	-

28 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office ref	Nature of business	Class of shares held	% Held Direct Indirect
Premier Waste (UK) Plc	1	Waste disposal services	Ordinary	100.00
Premier Waste Management Services (UK) Plc	1	Waste management services	Ordinary	100.00

The investments in subsidiaries are all stated at cost.

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

28 Subsidiaries

(Continued)

1 Registered Office address details:-

2 Water Court
Water Street
Birmingham
B3 1HP

29 Remuneration trust

The group made a contribution in the accounting period to a Remuneration Trust in the amount of £1,750,000 (2016 £900,000). The terms of the trust are set out in a trust deed executed by the group and the original trustees.

The company made a contribution in the accounting period to a Remuneration Trust in the amount of £450,000 (2016 £250,000). The terms of the trust are set out in a trust deed executed by the company and the original trustees.

30 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	144,399	66,600
Adjustments for:		
Taxation charged	11,756	21,540
Finance costs	20,267	28,982
Investment income	(2)	(2)
Gain on disposal of tangible fixed assets	(8,961)	(20,626)
Depreciation and impairment of tangible fixed assets	447,394	508,499
Movements in working capital:		
(Increase)/decrease in debtors	(408,016)	277,479
Increase/(decrease) in creditors	1,961,608	(330,965)
(Decrease) in deferred income	(66,551)	(88,763)
Cash generated from operations	2,101,894	462,744

PREMIER WASTE (UK) HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

30 Cash generated from operations - company

	2017 £	2016 £
Profit for the year after tax	3,218	206,306
Adjustments for:		
Taxation charged	4,951	55,971
Depreciation and impairment of tangible fixed assets	18,635	18,986
Movements in working capital:		
(Increase) in debtors	(999,658)	(636,373)
Increase in creditors	990,148	316,096
Cash generated from/(absorbed by) operations	<u>17,294</u>	<u>(39,014)</u>