



## ANSA Environmental Services Limited

# Draft Summary Financial Statements 2015-16

### Summary

Ansa Environmental Services Limited (Ansa) commenced trading on 1 April 2014, following the transfer of Environmental Services functions from Cheshire East Borough Council (CEBC). Ansa has continued to perform strongly in its second year of trading, recording a £269,000 profit from its operations, prior to contractual profit share adjustments. Waste contract management and fleet efficiencies, additional work for CEBC and overhead savings have contributed to this favourable outturn position.

The reported profit for the year, after the effects of contract profit sharing arrangements is £98,000, an increase of £65,000 on the performance in 2014/15.

The contracted profit sharing arrangement is such that, 25% of core contract profit is retained by the Company, 50% is retained in a ring-fenced reserve (held by the ultimate Parent CEBC) and 25% is retained by the Parent. This profit sharing adjustment is effected through a management fee adjustment. The ring-fenced reserve, retained by the Parent is held for future use by the Company in line with provisions in the contract.

### Pensions costs

CEBC has altered its pension arrangements with its owned and controlled companies in respect of employee benefits resulting from membership of the Local Government Pension Scheme (LGPS), by moving to a 'pass through' agreement, effective from 1 April 2015. This new agreement replaces the original arrangement whereby Ansa was allocated a share of pension assets sufficient to cover pension liabilities as determined by the Actuary on the date of its formation. Ansa then reflected the latest value of these assets and liabilities in its financial statements. The new 'pass through' agreement transfers all pensions assets and liabilities back to the CEBC, from 1 April 2015, CEBC has reflected the amounts and related accounting entries in their financial statements.

The 'pass through' agreement between CEBC and Ansa will specify a fixed rate of employer contribution payable by the company to the Cheshire Pension Fund and as a consequence, Ansa has disclosed these contributions to the scheme in its Profit and Loss account, consistent with the accounting treatment of a defined contribution scheme. The effect of the 'pass through' arrangement in the 2015/16 Financial Statements equates to the removal of the net pension liability previously shown in the Statement of Financial Position effected through an actuarial adjustment through the Statement of Other Comprehensive Income.

# Statement of Comprehensive Income (Unaudited)

For the year ended 31 March 2016

	2016 £'000	2015 £'000
Turnover	28,257	28,055
Cost of sales	(24,262)	(23,482)
<b>Gross profit</b>	<b>3,995</b>	<b>4,573</b>
Administrative Expenses	(3,656)	(4,092)
<b>Operating profit</b>	<b>339</b>	<b>481</b>
<b>Total operating profit</b>	<b>339</b>	<b>481</b>
<b>Profit on ordinary activities before interest</b>	<b>339</b>	<b>481</b>
Interest payable and similar charges	(225)	(448)
<b>Profit on ordinary activities before taxation</b>	<b>114</b>	<b>33</b>
Taxation	(16)	-
<b>Profit for the financial year/period</b>	<b>98</b>	<b>33</b>
Other comprehensive income for the year/period		
Opening pension scheme deficit	-	(4,867)
Movement on pension scheme in year	8,285	(3,418)
Other comprehensive period for the year/period	8,285	(8,285)
<b>Total comprehensive income for the year/period</b>	<b>8,383</b>	<b>(8,252)</b>

# Statement of Financial Position (Unaudited)

Registered Number: 08714767

At 31 March 2016

	2016 £'000	2015 £'000
<b>Fixed assets</b>		
Tangible assets	2,974	3,729
<b>Total Fixed Assets</b>	<b>2,974</b>	<b>3,729</b>
<b>Current assets</b>		
Stocks	143	105
Debtors	1,978	2,168
Cash at bank and in hand	2,946	2,881
<b>Total Current Assets</b>	<b>5,067</b>	<b>5,154</b>
<b>Creditors: amounts falling due within one year</b>		
Trade creditors	(4,686)	(4,186)
Obligations under finance leases and hire purchase contracts	(909)	(929)
<b>Total Creditors: amounts falling due within one year</b>	<b>(5,595)</b>	<b>(5,115)</b>
<b>Net current assets</b>	<b>(528)</b>	<b>39</b>
<b>Total Assets less current liabilities</b>	<b>2,446</b>	<b>3,768</b>
<b>Creditors: amounts falling due after more than one year</b>		
Obligations under finance leases and hire purchase contracts	(2,315)	(3,043)
<b>Total Creditors: amounts falling due after more than one year</b>	<b>(2,315)</b>	<b>(3,043)</b>
Defined benefit pension plan deficit	-	(8,977)
<b>Net Assets</b>	<b>131</b>	<b>(8,252)</b>
<b>Capital and Reserves</b>		
Share capital	-	-
Share premium	-	-
Revaluation reserve	-	-
Retained Earnings	131	(8,252)
<b>Total Equity</b>	<b>131</b>	<b>(8,252)</b>

The financial statements of ANSA Environmental Services Limited (the "Company") for the year ended 31 March 2016 will be issued to the Board for authorisation in September 2016 following the external audit of the company accounts.

As a wholly owned company within the Cheshire East Borough Council Group, ANSA Environmental Services Limited's results are included in the consolidated financial statements of CEBC which are available from:

[http://www.cheshireeast.gov.uk/council\\_and\\_democracy/your\\_council/council\\_finance\\_and\\_governance/statement\\_of\\_accounts/statement\\_of\\_accounts.aspx](http://www.cheshireeast.gov.uk/council_and_democracy/your_council/council_finance_and_governance/statement_of_accounts/statement_of_accounts.aspx).