

Hafod Quarries Limited

Report and Financial Statements

Year Ended

30 September 2007



BDO Stoy Hayward
Chartered Accountants

WEDNESDAY



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HAFOD QUARRIES LIMITED

Annual report and financial statements for the year ended 30 September 2007

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Directors

R L Allan

Secretary

P A Hewitt

Registered office

2nd Floor
Port of Liverpool Buildings
Pierhead
Liverpool L3 1BY

Registered number

00284151

Auditors

BDO Stoy Hayward LLP
Commercial Buildings
11-15 Cross Street
Manchester M2 1WE

HAFOD QUARRIES LIMITED

Report of the directors for the year ended 30 September 2007

The directors present their report together with the audited financial statements for the year ended 30 September 2007

Principal activities

The company does not trade and accordingly no profit and loss account is presented. During the year under review, the clay quarry previously owned by the company was transferred to the immediate holding company, MWH Associates Limited at book value resulting in no gain or loss.

Directors

The directors of the company during the year were

R L Allan
M L Griffiths (resigned 8 June 2007)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

HAFOD QUARRIES LIMITED

Report of the directors for the year ended 30 September 2007 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

P. A. Hewitt (Mrs)

**P A Hewitt
Secretary**

24 July 2008

HAFOD QUARRIES LIMITED

Report of the independent auditors

To the shareholders of Hafod Quarries Limited

We have audited the financial statements of Hafod Quarries Limited for the year ended 30 September 2007 which comprise the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

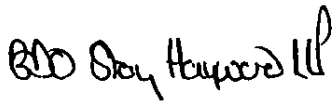
HAFOD QUARRIES LIMITED

Report of the independent auditors (*continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its result for the year,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



BDO STOY HAYWARD LLP
Chartered Accountants and Registered Auditors
Manchester

29 July 2008

HAFOD QUARRIES LIMITED**Balance sheet at 30 September 2007**

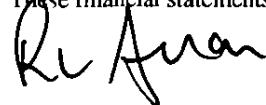
	Note	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	3		-		5,475,461
Current assets					
Debtors – due after one year	5	3,427,314		-	
Creditors: amounts falling due within one year	6		-	2,048,147	
Net current assets/(liabilities)			3,427,314		(2,048,147)
Total assets less current liabilities			<u>3,427,314</u>		<u>3,427,314</u>
Capital and reserves					
Called up share capital	7		320,906		320,906
Share premium account	8		321,679		321,679
Revaluation reserve	8		-		4,249,109
Capital redemption reserve	8		750,000		750,000
Profit and loss account	8		2,034,729		(2,214,380)
Shareholders' funds			<u>3,427,314</u>		<u>3,427,314</u>

Profit and loss account

The company did not trade during the current and preceding year end and accordingly a profit or loss account has not been presented. There were no recognised gains or losses in either period.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board of directors and authorised for issue on 24 July 2008.



R L Allan
Director

The notes on pages 6 to 8 form part of these financial statements.

HAFOD QUARRIES LIMITED

Notes forming part of the financial statements for the year ended 30 September 2007

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain freehold land in accordance with applicable accounting standards

The following principal accounting policies have been applied

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985

Land and buildings

The company has taken advantage of the arrangements under FRS 15 which allow the carrying value of those assets acquired prior to 31 December 1999, which had been revalued to be retained. All additions to fixed assets since this date are stated at cost. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss account.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated using the following annual rates:

Freehold property – mineral and landfill	-	On the basis of airspace used and minerals extracted
Freehold property – buildings	-	5 years, straight line basis
Plant and machinery	-	5 years, straight line basis
Landfill and quarry engineering	-	On the basis of airspace used and minerals extracted

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

HAFOD QUARRIES LIMITED

Notes forming part of the financial statements for the year ended 30 September 2007 (*Continued*)

3 Tangible assets

Company	Land and buildings £	Landfill and quarry engineering £	Total £
<i>Cost</i>			
At 1 October 2006	4,752,963	749,176	5,502,139
Additions	-	-	-
Disposals	(4,752,963)	(749,176)	(5,502,139)
At 30 September 2007	-	-	-
<i>Depreciation</i>			
At 1 October 2006	1,580	25,098	26,678
Charge for year	-	-	-
On disposals	(1,580)	(25,098)	(26,678)
At 30 September 2007	-	-	-
<i>Net book value</i>			
At 30 September 2007	-	-	-
At 30 September 2006	4,751,383	724,078	5,475,461

4 Fixed asset investments

As at 7 June 2007, the trade and assets of the company were hived up to MWH Associates Limited

The analysis of the book and fair values on disposal are set out below

	Book and fair values £
Tangible fixed assets	5,475,461
Creditors	(2,048,147)
Net assets acquired	3,427,314
Total consideration	3,427,314

HAFOD QUARRIES LIMITED

Notes forming part of the financial statements for the year ended 30 September 2007 (*Continued*)

5 Debtors

	2007	2006
Amounts owed by group undertakings	3,427,314	-
All amounts shown under debtors fall due for payment after one year		

6 Creditors: amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	-	2,008,000
Other creditors	-	40,147
	-	2,048,147

7 Share capital

	2007 £	2006 £
<i>Authorised</i>		
1,400,000 ordinary shares of 25p each	350,000	350,000
750,000 10% cumulative redeemable preference shares of £1 each	750,000	750,000
	2007 £	2006 £
<i>Allotted, called up and fully paid</i>		
1,283,625 ordinary shares of 25p each	320,906	320,906

8 Reserves

	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At October 2006	321,679	4,249,109	750,000	(2,214,380)
Transfer on disposal of assets	-	(4,249,109)	-	4,249,109
At 30 September 2007	321,679	-	750,000	2,034,729

9 Related party transactions

Controlling parties

The immediate parent undertaking is MWH Associates Limited, the owner of 100% of the share capital

The ultimate parent undertaking is Mersey Waste Holdings Limited