Anti-Waste Limited

Directors' report and financial statements
Registered number 1569257
31 December 2003

Contents

Statutory information

Directors
JR Meredith
LJD Cassells
SN Hardman

Company secretary

A Waterhouse

Registered office

3 Sidings Court
White Rose Way
Doncaster
DN4 5NU

Auditors

KPMG LLP
1 Puddle Dock
London
EC4V 3PD

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The principal activities of the company are the handling, recycling and disposal of waste materials.

Review of business and future developments

In the opinion of the directors the company's underlying trading performance has been satisfactory during the year.

On 29 July 2003, the ultimate parent company and controlling party changed as a result of the acquisition of the entire issued share capital of Waste Recycling Group Plc by Cholet Acquisitions Limited. The directors now consider that Terra Firma Capital Partners Holdings Limited is the company's ultimate controlling party and ultimate parent entity.

Results and dividends

The results of the company are set out on page 5.

The directors do not recommend payment of a dividend *(2002: £1,000,000)* and thus the retained deficit of £2,846,000 (*2002 restated: retained deficit £8,320,000*) has been withdrawn from reserves.

Directors and their interests

The directors who held office during the year and since the year end were as follows:

NDA Sandy	(resigned 31 July 2003)
HC Etheridge	(resigned 31 July 2003)
TC Walsh	(resigned 31 July 2003)
GP Knott	(resigned 31 July 2003)
E Bastow	(resigned 31 July 2003)
PW Burns	(appointed 31 July 2003, resigned 30 September 2003)
QR Stewart	(appointed 31 July 2003, resigned 30 September 2003)
R Prior	(appointed 8 September 2003, resigned 15 January 2004)
JR Meredith	(appointed 8 September 2003)
LJD Cassells	(appointed 15 January 2004)
SN Hardman	(appointed 16 August 2004)

Charitable and political donations

The company made no political or charitable donations in the year. The company contributed £965,000 (*2002: £1,724,000*) of its landfill tax liability to ENTRUST registered environmental bodies, as permitted by government regulations.

Creditor payment policy

The company's trade creditors are administered under a management agreement with Waste Recycling Limited and consequently the company has no trade creditors.

Auditors

The company's auditors Deloitte & Touche resigned during the year. KPMG LLP were appointed by the directors in their place to fill the casual vacancy.

By order of the board

A Waterhouse
Company Secretary

25 October 2004

Statement of 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 for that period. 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;
- state whether applicable 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

kpmg

KPMG LLP
1 Puddle Dock
London
EC4V 3PD
United Kingdom

Report of the independent auditors to the members of Anti-Waste Limited

We have audited the financial statements on pages 5 to 18.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP 26 October 2004
Chartered Accountants
Registered Auditor

Profit and loss account

year ended 31 December 2003

	Note	2003 £000	Restated 2002 £000
Turnover	*2*	**15,672**	20,623
Cost of sales (including exceptional charge of £2,342,000 (2002: £9,005,000) – see note 3)		**(16,577)**	(17,991)
Gross (loss)/profit		**(905)**	2,632
Administrative expenses		**(1,949)**	(1,682)
Exceptional items	*3*	**-**	(9,005)
Operating loss	*3*	**(2,854)**	(8,055)
Interest receivable and similar income	*5*	**30**	15
Interest payable and similar charges		**(219)**	(171)
Loss on ordinary activities before taxation		**(3,043)**	(8,211)
Tax on loss on ordinary activities		**197**	(109)
Retained deficit for the financial year		**(2,846)**	(8,320)

All results are derived from continuing operations.

Statement of total recognised gains and losses
year ended 31 December 2003

	2003 £000	Restated 2002 £000
Loss for the financial year	**(2,846)**	(8,320)
Prior year adjustment (note 20)	**(989)**	
Total losses recognised since last financial statements	**(3,835)**	

Reconciliation of movements in shareholders' funds
year ended 31 December 2003

	2003 £000	Restated 2002 £000
Loss for the financial year and net reduction to shareholders' funds	**(2,846)**	(8,320)
Opening shareholders' funds (2003: originally £5,281,000 before deducting prior year adjustment of £989,000)	**4,292**	12,612
Closing shareholders' funds	**1,446**	4,292

Note of historical cost profits and losses
year ended 31 December 2003

	2003 £000	Restated 2002 £000
Loss on ordinary activities before taxation	**(4,032)**	(8,211)
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amounts	**53**	53
Historical cost loss on ordinary activities before taxation	**(3,979)**	(8,158)
Historical cost loss for the year retained after taxation and dividends	**(3,782)**	(8,267)

Balance sheet
at 31 December 2003

	Note	2003 £000	Restated 2002 £000
Fixed assets			
Intangible assets	7	**3,400**	3,598
Tangible assets	8	**28,990**	32,221
Investments	9	**1**	1
		32,391	35,820
Current assets			
Debtors: amounts due within one year	10	**-**	706
Debtors: amounts due after more than one year	11	**1,654**	2,798
Cash at bank and in hand – Escrow deposits	12	**2,013**	1,742
Cash at bank and in hand		**24**	20
		3,691	5,266
Creditors: amounts falling due within one year	13	**(15,030)**	(19,089)
Net current liabilities		**(11,339)**	(13,823)
Total assets less current liabilities		**21,052**	21,997
Creditors: amounts falling due after more than one year	14	**(12,356)**	(12,356)
Provisions	15	**(7,250)**	(5,349)
Net assets		**1,446**	4,292
Capital and reserves			
Called up share capital	16	**8,062**	8,062
Share premium account	17	**83**	83
Revaluation reserve	17	**2,497**	2,550
Profit and loss account	17	**(9,196)**	(6,403)
Equity shareholders' funds		**1,446**	4,292

These financial statements were approved by the board of directors on 25 October 2004 and were signed on its behalf by:

LJD Cassells
Director

Notes
(forming part of the financial statements)

1 Accounting policies

These financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies applied consistently in relation to items which are considered material to the company's financial statements are described below. The company has followed the transitional arrangements of FRS17 'Retirement Benefits' in these financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties.

The company adopted the transitional provisions of Financial Reporting Standard Number 15 "Tangible Fixed Assets" in respect of the valuation of freehold and leasehold landfill sites. The valuation of previously revalued landfill sites will not be updated.

Cash flow statement

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1 (Revised) from presenting a cash flow statement as it is a wholly owned subsidiary of a group which has prepared a consolidated cash flow statement.

Consolidation

The company has claimed exemption from the preparation of consolidated financial statements under section 228 of the Companies Act 1985 as it is a subsidiary of a group which has prepared consolidated financial statements. Accordingly, these financial statements present information about the company and not the group.

Related party transactions

As the company is a wholly owned subsidiary of Cholet Holdings Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities that form part of the group. The consolidated financial statements of Cholet Holdings Limited, within which this company is included, can be obtained from the address given in note 25.

Turnover

Turnover represents invoiced sales of goods and services including landfill tax, but excluding value added tax.

Goodwill

Purchased goodwill, representing the excess of purchase price over the fair value of the assets acquired, is capitalised and is being written off on a straight-line basis over its estimated useful life up to a maximum of 20 years. The Directors regard 20 years as a reasonable maximum for the estimated useful life of goodwill.

Purchased goodwill arising in earlier years, totalling £3,395,000 (*2002: £3,395,000*) representing the excess of the purchase price over the fair value of the net assets acquired, was set off against reserves in the year in which is arose.

As a matter of accounting policy, goodwill arising on acquisitions prior to the implementation of FRS10 'Goodwill and Intangible Assets' has been eliminated against reserves. Amounts will be charged or credited to the profit and loss account on subsequent disposal of the business to which it relates.

Tangible fixed assets

Freehold and leasehold properties and licence agreements are stated at original costs or subsequent valuation. Other tangible fixed assets are shown at cost. Depreciation is provided on tangible fixed assets in use at rates calculated to write off the cost, or revalued amount, less residual value of each asset as follows:

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets (continued)

Freehold buildings	- over 25 to 50 years
Landfill sites	- based on the void used in the period as a proportion of total void
Leasehold properties and licence agreements	- over the expected life
Plant and equipment	- over 3 to 20 years
Motor vehicles	- over 4 years

No depreciation is provided for on freehold land.

Expenditure on freehold landfill sites and leasehold properties includes engineering costs. Elements of these costs are classified according to their expected economic life and depreciated accordingly in proportion to the rate that waste is deposited. All other assets are depreciated on a straight-line basis.

Investments

Investments are stated at cost less provision for any impairment.

Stocks

Stocks have been stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised with discounting in respect of all timing differences between the treatment of certain items of taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Finance leases

In respect of each finance lease the cost of the asset is capitalised and the cost, less residual value of the asset, is depreciated over the term of the lease. Rentals payable are apportioned between finance charge and leasing commitment. The total finance charge is allocated to accounting periods over the term of the lease at a constant periodic rate of charge on the remaining leasing commitment for each accounting period.

All other leases are operating leases and the relevant annual rental are charged to the profit and loss account on a straight line basis over the lease term.

Post Retirement Benefits

The company participates in two pension schemes providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Restoration and after-care costs

Full provision has been made for the net present value (NPV) of the company's minimum unavoidable costs, in respect of restoration liabilities at the company's landfill sites, which has been capitalised in fixed assets. The company continues to provide for all aftercare costs over the life of its landfill sites, based on the volumes of waste deposited in the year, since liabilities in relation to these costs increase as waste is deposited.

Notes *(continued)*

1 Accounting policies *(continued)*

Restoration and after-care costs (continued)

All long term provisions for restoration and aftercare costs are calculated based on the NPV of estimated future costs. Current cost estimates are inflated at 2.5 per cent and discounted at 5 per cent to calculate the NPV. The effects of the unwinding of the discount element on existing provisions are reflected as a financial item.

2 Turnover

All turnover was generated in the United Kingdom principally from receiving, treating, recycling and disposing of waste materials.

3 Operating profit

	2003	2002
	£000	£000
Operating profit is after charging exceptional items:		
Included in cost of sales		
- Increase in restoration and aftercare provisions on revision of estimation basis (note a)	**1,500**	-
- Impairment of tangible fixed assets (note b)	**842**	-
- Depreciation – inconsistencies in relation to prior years	-	56
- Landfill site impairment	-	4,225
- Other assets impairments and related costs	-	2,950
- Provision against prior year receivables	-	1,081
- Provision against planning costs	-	693
	2,342	9,005
Operating profit is after charging:		
Depreciation – owned assets	**2,622**	3,579
Depreciation - assets held under finance leases	-	65
Impairment of tangible fixed assets	**842**	-
Amortisation of goodwill	**198**	198
Operating lease rentals – land and buildings	**133**	376
Operating lease rentals – plant and machinery	**737**	504

(a) reassessment (following the acquisition of the company by Cholet Acquisitions Limited) of the company's obligation for restoration and after-care costs in respect of landfill and quarry sites and the recognition of other specific liabilities

(b) adjustment to certain asset values to reflect their continuing value to the business

Auditors' remuneration in respect of audit fees has been met by the company's parent undertaking.

4 Information regarding directors and employees

None of the directors received any remuneration or benefits from the company during the year. They are remunerated as directors or employees of the company's parent company, Waste Recycling Group Limited.

Notes *(continued)*

4 Information regarding directors and employees *(continued)*

	2003 £000	2002 £000
Wages and salaries	**1,222**	1,744
Social security costs	**109**	148
Other pension costs	**24**	34
	1,355	1,926

	No.	No.
The average weekly number of employees (including directors) in the year:		
Operational	**65**	68
Administration	**-**	20
	65	88

None of the directors received remuneration or other benefits through Anti-Waste Limited during the year. They are remunerated as directors or employees of the ultimate parent company.

5 Interest payable and similar charges

	2003 £000	2002 £000
Unwinding of discount (note 15)	**219**	171
	219	171

6 Taxation

	2003 £000	2002 £000
UK Corporation tax		
United Kingdom corporation tax at 30% *(2002: 30%)* based on profits for the year	**-**	-
Total current tax (credit)/charge	**-**	-
Deferred tax (note 15)		
Timing differences, origination and reversal	**(197)**	109
Tax on profit on ordinary activities	**(197)**	109

Notes *(continued)*

6 Taxation *(continued)*

The total current tax credit for the current year is less than *(2002: less than)* the standard rate of 30% for the reasons set out in the following reconciliation:

	2003 **£000**	Restated 2002 £000
Loss on ordinary activities before tax	**(3,043)**	(8,211)
Tax on loss on ordinary activities at standard rate	**(913)**	(2,463)
Factors affecting charge:		
Expenses not deductible for tax purposes	**852**	2,754
Losses surrendered to fellow group companies	**-**	477
Capital allowances in excess of depreciation	**287**	(12)
Utilisation of general provisions	**(28)**	(364)
Amortisation of goodwill	**59**	60
Unrelieved tax losses	**103**	-
Site preparation relief	**(360)**	(452)
	-	-

7 Intangible fixed assets

	Goodwill **£'000**
Cost or valuation	
At 1 January 2003 and 31 December 2003	3,979
Amortisation	
At 1 January 2003	381
Charge for the year	198
At 31 December 2003	579
Net book value	
At 31 December 2003	**3,400**
At 31 December 2002	3,598

Notes (continued)

8 Tangible fixed assets

	Landfill sites £000	Other properties £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2003	34,868	11,140	7,939	1,059	55,006
Additions	1,776	246	163	50	2,235
Disposals	(396)	-	(549)	(415)	(1,360)
Transfers between group companies/reclassifications	(9,804)	4,314	(3,593)	287	(8,796)
At 31 December 2003	26,444	15,700	3,960	981	47,085
Depreciation					
At 1 January 2003	11,769	3,258	6,928	830	22,785
Charge for the year	1,881	232	622	104	2,839
Impairment losses	-	842	-	-	842
On disposals	-	-	(285)	(319)	(604)
Transfers between group companies/reclassifications	(1,801)	(1,964)	(4,255)	253	(7,767)
At 31 December 2003	11,849	2,368	3,010	868	18,095
Net book value					
At 31 December 2003	**14,595**	**13,332**	**950**	**113**	**28,990**
At 31 December 2002	23,099	7,882	1,011	229	32,221

Included in the net book value of plant and equipment and motor vehicles is £nil (*2002: £39,000*) in respect of assets held under finance leases.

	2003 £000	2002 £000
Freehold properties are stated at:		
Open market value at 31 December 1993	**4,100**	4,100
Cost	**22,344**	30,768
At 31 December 2003	**26,444**	34,868

Comparable amounts determined according to the historical cost convention for freehold properties:

	2003 £000	2002 £000
Cost	**33,243**	31,617
Accumulated depreciation based on historical cost	**(14,195)**	(11,293)
Historical cost net book value	**19,048**	20,324

All other assets are stated at historical cost.

Notes *(continued)*

9 Fixed asset investments

	2003 £000	2002 £000
Cost and net book value		
At 1 January 2003 and 31 December 2003	1	1

Investment comprise the following:

Name	Country of registration	Proportion of ordinary capital held	Nature of business
Anti-Rubbish Limited	England	100%	Dormant
Anti-Waste (Restoration) Limited	England	100%	Restoration and monitoring services

10 Debtors: amounts due within one year

	2003 £000	2002 £000
Amounts owed by group undertakings	-	706

11 Debtors: amounts due after more than one year

	2003 £000	2002 £000
Prepayments and accrued income	1,654	2,798

12 Cash at bank and in hand – Escrow deposits

Escrow deposits represent amounts held in bank accounts in the name of Anti-Waste Limited and various county councils. The company is contracted to deposit further sums in respect of site restoration and post-closure monitoring costs based on the tonnage of waste disposal. Because these funds have restricted use they are disclosed separately as Escrow deposits in the balance sheet.

13 Creditors: amounts falling due within one year

	2003 £000	2002 £000
Bank overdrafts	-	8,423
Amounts owed to parent undertaking	-	1,588
Amounts owed to other group undertakings	15,030	8,959
Accruals and deferred income	-	119
	15,030	19,089

Notes *(continued)*

14 Creditors: amounts falling due after more than one year

	2003	2002
	£000	£000
Amounts owed to parent undertaking	**12,356**	12,356

The amounts owed to the group company in 2002 were not subject to agreed repayment terms. The group company confirmed that it would not be called for repayment within 12 months of the balance sheet date. Accordingly, it was disclosed as due after more than one year.

15 Provisions for liabilities and charges

	Deferred taxation £000	**Other provisions £000**	**Landfill restoration £000**	**Landfill aftercare £000**	**Total £000**
At 1 January 2003 (as previously stated)	329	-	2,866	1,165	4,360
Prior year adjustment	-	989	-	-	989
At 1 January 2003 (as restated)	329	989	2,866	1,165	5,349
(Credited)/charged to profit and loss account	(197)	219	-	174	196
(Credited)/charged to profit and loss account following a revision of estimation basis	-	-	(816)	2,316	1,500
Provided in year	-	667	-	-	667
Unwinding of discount (note 5)	-	-	103	112	215
Expended in year	-	(171)	(498)	(8)	(677)
At 31 December 2003	**132**	**1,704**	**1,655**	**3,759**	**7,250**

The company provides for the estimated cost of restoring its landfill sites at the end of their operational life and for their subsequent after-care. The after-care period is generally expected to be 30 years. All provisions are discounted from the date on which the expenditure is expected to occur.

Other provisions include the estimated cost of discharging environmental liabilities, including current capping of open landfill areas and the disposal of leachate, which arise during the operational phase of its landfill sites.

Deferred taxation

	Provided		**Unprovided**	
	2003	2002	**2003**	2002
	£000	£000	**£000**	£000
Accelerated capital allowances	**307**	(43)	**-**	-
Other short term timing differences	**(175)**	372	**(108)**	(137)
At 31 December 2003	**132**	329	**(108)**	(137)

The company has unprovided deferred tax assets as there is insufficient certainty as to whether events will materialise to crystallise the deferred tax.

Notes *(continued)*

16 Called up share capital

	2003 £'000	2002 £'000
Authorised		
8,100,000 ordinary shares of £1 each	**8,100**	8,100
Called up, allotted and fully paid		
8,061,500 ordinary shares of £1 each	**8,062**	8,062

17 Movement in reserves

	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total £000
At 1 January 2003 (as previously stated)	83	2,550	(5,414)	(2,781)
Prior year adjustment (note 20)	-	-	(989)	(989)
At 1 January 2003 (as restated)	83	2,550	(6,403)	(3,770)
Deficit retained for the financial year	-	-	(2,846)	(2,846)
Transfer from revaluation reserve	-	(53)	53	-
At 31 December 2003	**83**	**2,497**	**(9,196)**	**(6,616)**

18 Contingent liabilities

a) The company has entered into unlimited cross-guarantees with its bankers relating to the borrowings of other group companies.

b) The company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group.

19 Capital commitments

	2003 £000	2002 £000
Contracted at 31 December	-	29

20 Prior year adjustment

Provisions for liabilities and charges (note 15) and the profit and loss account (note 17) have been restated to reflect a change in accounting policy in respect of the company's environmental liabilities relating to leachate disposal. As a consequence

Notes *(continued)*

21 Pension contributions

The company participates in the defined contribution schemes operated by Waste Recycling Group Plc on behalf of its eligible employees. The assets of these schemes are held separately from those of the company in independently administered funds.

Certain employees of the company are members of the LAWDC's Pension Scheme in which Waste Recycling Group plc is a participating employer. This is a defined benefit multi-employer scheme, the assets of which are held independently of the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme. Further details regarding the scheme are provided in the financial statements of Waste Recycling Group Limited.

Contributions to the scheme for the period are stated below and the agreed contribution rate commencing from 1 January 2003 is 16%.

An actuarial valuation of the scheme at 31 March 2000 indicated that the scheme was 106% funded based upon the minimum funding requirement basis. At 31 December 2003 the deficit on the group section of the scheme, calculated on an FRS 17 basis, was £4,946,000 *(2002: £3,813,000)*. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The contributions made by the company under the different schemes during the year were as follows:

	2003 **£000**	2002 £000
Defined contribution schemes	**23**	26
LAWDC pension scheme	**1**	8
	24	34

22 Operating lease commitments

At 31 December 2003, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		**Plant and machinery**	
	2003 **£000**	2002 £000	**2003** **£000**	2002 £000
Which expire:				
Within one year	**-**	-	**43**	30
In two to five years	**45**	11	**46**	410
In over five years	**27**	60	**43**	-
	72	71	**132**	440

Notes *(continued)*

23 Environmental commitments

As explained in note 12, the company is contracted to make deposits into escrow accounts to guarantee the successful site restoration and provide for post-closure monitoring costs in respect of four of its sites. A total of £5,611,000 is contracted to be deposited over the useful life of the sites which is expected to be in excess of twenty years and subject to certain conditions. Costs in respect of these procedures will be met from these funds and on satisfactory monitoring of each of the sites for the relevant period, the balance will be returned to the company. Provision is made in respect of the sums deposited to the extent that the costs of restoration are foreseeable and expected to materialise. Provision is not made in respect of contingent costs or remote events.

24 Related party transactions

In the ordinary course of business, the company has also traded with fellow subsidiaries of Cholet Holdings Limited. The company has taken advantage of the exemption conferred by FRS8 from disclosing details of these transactions.

25 Ultimate parent company

The company's immediate parent company is Waste Recycling Group Limited, a company which is registered in England and Wales.

The directors regard Terra Firma Capital Partners Holdings Limited, a company registered in Guernsey, as the ultimate controlling party and the ultimate parent entity.

Cholet Holdings Limited is the parent company of the largest group of which the company is a member and for which group accounts are drawn up. Copies of Cholet Holdings Limited financial statements are available from 3 Sidings Court, White Rose Way, Doncaster DN4 5NU.