

Company Registration No. 1992756 (England and Wales)

**VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS
LONDON RECYCLING LIMITED)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

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VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS

COMPANY INFORMATION

Directors	M Hellings	appointed 5 June 2009
	D B Robertson	appointed 5 June 2009
	B S Hurley	appointed 5 June 2009
	T C Colbert	resigned 5 June 2009
	M Colbert	resigned 5 June 2009
	K Colbert	resigned 5 June 2009
	M Bennett	resigned 5 June 2009

Secretary M L Heeley

Company number 1992756

Registered office Peninsula House
Rydon Lane
Exeter
EX2 7HR

Auditors Fox Associate LLP
Britanic House
17 Highfield Road
London
NW11 9LS

Business address Great Western House
Station Approach
Taunton
TA1 1QW

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 19

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2009

The directors present their report and financial statements for the year ended 31 August 2009

Principal activities and review of the business

The Company's principal activities in the year were the collection and recycling of paper, card and plastics. On 5 June 2009, the Company's entire issued share capital was acquired by Viridor Waste Management Limited.

On 30 November 2009 the trade, contracts and net assets of the Company were transferred at net book value to Viridor Waste Management Limited, and the Company ceased trading at this date.

Financial Results

Revenue for the year rose by £156,494 to £8,354,450 (2008 £8,197,956), with operating profit increasing to £1,051,585 (2008 £733,105).

Net finance cost was £121,673 (2008 £92,971), arising from change in average cash balances and lower interest rates.

Investment in property, plant and equipment

Capital expenditure during the year was £142,534 with significant expenditure on Recycling plant.

Financing

At 31 August 2009 the Company has £219,370 of short term loans, including overdraft, (2008 £458,910) and £177,198 of long term borrowings (2008 £1,231,441).

Description of Principal Risks and Uncertainties

As the Company has ceased trading since the year end its principal risks arise only from unforeseen claims.

Financial Risk Management

The Directors have adopted a range of policies to minimise the risks arising from transactions in the ordinary course of business. These policies are further discussed under "Accounting policies" at note 1.

Key Performance Indicators ("KPIs")

The Directors perform regular reviews of Viridor as a whole, which includes the Company, to assess the overall position of the business throughout the year. The full business review can be found in the consolidated accounts of Viridor Limited.

The business was acquired by Viridor Waste Management Limited on 5 June 2009 for strategic purposes in development of that Company's recycling operations. The trade, assets and liabilities of the Company were transferred to Viridor Waste Management Limited on 30 November 2009. Therefore the management of the business using a system of KPIs is not relevant.

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

DIRECTORS' REPORT (CONTINUED)

Results and dividends

The results for the year are set out on page 6

Dividends of £300,000 have been paid during the year (2008 £130,000)

The Directors do not recommend the payment of a final dividend for the year £636,160 was transferred to reserves, increasing the balance to £2,924,180 (2008 £2,588,020)

Market value of land and buildings

In the opinion of the Directors the market value of land and buildings exceeds the current net book value

Directors

The following Directors have held office since 1 September 2008

M Colbert	(Resigned 5 June 2009)
M Bennett	(Resigned 5 June 2009)
T C Colbert	(Resigned 5 June 2009)
K Colbert	(Resigned 5 June 2009)
M Hellings	(Appointed 5 June 2009)
B S Hurley	(Appointed 5 June 2009)
D B Robertson	(Appointed 5 June 2009)

The Company was under the effective control of Messrs T C Colbert, M Colbert, K Colbert and M Bennett until 5 June 2009

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 financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the 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,
- state that the financial statements comply with United Kingdom Accounting Standards and Principles (UK GAAP), and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

DIRECTORS' REPORT (CONTINUED)

Statement of disclosure to auditors

In the case of each person who was a Director at the time this report was approved

- a) So far as each of the Directors was aware, there was no relevant audit information of which the Company's auditors were unaware, and
- b) Each of the Directors had taken all the steps they ought to have taken individually as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors were aware of that information

Independent Auditors

Following the acquisition of the Company by Viridor Waste Management Limited, on 5 June 2009 Fox and Co resigned as auditors of the Company and confirmed, in accordance with Section 519 of the Companies Act 2006, that there were no circumstances connected with their resignation which they considered should be brought to the attention of the members or creditors of the Company

In accordance with Sections 485(3) and 526 of the Companies Act 2006, PricewaterhouseCoopers LLP were appointed auditors by the Directors to fulfil this casual vacancy PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors

Annual General Meeting

Pursuant to the changes introduced in the Companies Act 2006, the Company does not intend to hold an Annual General Meeting


Parent Company

The Company is wholly owned subsidiary of Viridor Waste Management Limited, a Company registered in England The ultimate parent undertaking is Pennon Group Plc a Company registered in England

Post balance sheet event

On 30 November 2009 the trade, contracts and net assets of the Company were transferred at net book value to Viridor Waste Management Limited, and the Company ceased trading at this date

By order of the Board


M L Heeley
Secretary
24/05/10

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

We have audited the financial statements of Viridor London Recycling Limited (Formerly known as London Recycling Limited) for the year ended 31 August 2009 set out on pages 6 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the 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) and for being satisfied that the financial statements give a true and fair view 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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

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

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 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note to the financial statements.

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

Opinion

In our opinion

The financial statements give a true and fair view, in accordance with United Kingdom Accounting Standards, of the state of the Company's affairs as at 31 August 2009 and of its profit and cash flows for the period then ended


- the financial statements have been prepared in accordance with the Companies Act 2006,

- the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2009 and of its profit for the year then ended, and

- the information given in the directors' report is consistent with the financial statements

H Fox (Senior Statutory Auditor)
for and on behalf of Fox Associate LLP

Chartered Accountants
Statutory Auditor



24/05/10

Britanic House
17 Highfield Road
London
NW11 9LS

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	2009 £	2008 £
Revenue	2	8,354,450	8,197,956
Raw materials		(5,187,468)	(5,364,797)
Distribution costs		(104,622)	(124,104)
Administrative expenses		(2,010,775)	(1,975,950)
Operating profit	3	1,051,585	733,105
Finance income	4	2,545	7,503
Finance costs	5	(124,218)	(100,474)
Profit before tax		929,912	640,134
Tax on profit on ordinary activities	6	(293,752)	(179,079)
Profit for the year	16	636,160	461,055
Profit for the year attributable to equity shareholders		636,160	461,055

There are no recognised gains and losses other than those passing through the profit and loss account

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

BALANCE SHEET

AS AT 31 AUGUST 2009

	Notes	2009		2008	
		£	£	£	£
Non-current assets					
Property, plant and equipment	8		3,190,002		3,318,667
Current assets					
Stocks	9	65,958		64,063	
Trade and other receivables	10	1,603,872		1,744,556	
Cash at bank and in hand		630,589		280,256	
		<u>2,300,419</u>		<u>2,088,875</u>	
Current liabilities	11	(2,337,317)		(1,530,688)	
Net current (liabilities)/assets			<u>(36,898)</u>		<u>558,187</u>
Total assets less current liabilities			3,153,104		3,876,854
Non-current liabilities	12		(177,198)		(1,231,441)
Provisions for liabilities and charges	13		(50,726)		(56,393)
			<u>2,925,180</u>		<u>2,589,020</u>
Shareholders equity					
Called up share capital	15		1,000		1,000
Retained earnings	16		2,924,180		2,588,020
Total Shareholders' equity	17		<u>2,925,180</u>		<u>2,589,020</u>

Approved by the Board and authorised for issue on

24/05/10



D B Robertson
Director

Registered number 1992756

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2009

	£	2009 £	£	2008 £
Net cash inflow from operating activities		2,390,204		747,934
Returns on investments and servicing of finance				
Interest received	2,545		7,503	
Interest paid	(124,218)		(100,474)	
Net cash outflow for returns on investments and servicing of finance		(121,673)		(92,971)
Taxation		(182,936)		(90,999)
Capital expenditure				
Payments to acquire intangible assets	(142,534)		(615,719)	
Receipts from sales of tangible assets	1,055		-	
Net cash outflow for capital expenditure		(141,479)		(615,719)
Equity dividends paid		(300,000)		(130,000)
Net cash inflow/(outflow) before management of liquid resources and financing		1,644,116		(181,755)
Management of liquid resources				
Bank deposits	(28,786)		(857)	
		(28,786)		(857)
Financing				
Repayment of long term bank loan	(890,633)		(122,229)	
Repayment of other short term loans	(156,851)		(116,679)	
Capital element of hire purchase contracts	(148,384)		292,780	
Net cash (outflow)/inflow from financing		(1,195,868)		53,872
Increase/(decrease) in cash in the year		419,462		(128,740)

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2009

1		Reconciliation of operating profit to net cash inflow from operating activities		2009	2008	
				£	£	
				1,051,585	733,105	
				268,277	308,581	
				1,867	3,022	
				(1,895)	(10,263)	
				140,684	(444,003)	
				929,686	157,492	
				2,390,204	747,934	
2		Analysis of net funds/(debt)	1 September 2008	Cash flow	Other non-cash changes	31 August 2009
			£	£	£	£

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Short Leasehold - Over the life of the lease
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

3	Operating profit	2009	2008
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	268,277	308,581
	Loss on disposal of tangible assets	1,867	3,022
	Operating lease rentals	71,134	84,341
	Auditors' remuneration (including expenses and benefits in kind)	6,500	6,784
		<hr/>	<hr/>
4	Investment income	2009	2008
		£	£
	Bank interest	2,545	7,503
		<hr/>	<hr/>
		2,545	7,503
		<hr/>	<hr/>
5	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	102,825	86,832
	Hire purchase interest	21,393	13,642
		<hr/>	<hr/>
		124,218	100,474
		<hr/>	<hr/>

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

6	Taxation	2009	2008
		£	£
	Domestic current year tax		
	U K corporation tax	280,164	163,681
	Adjustment for prior years	19,255	(12)
		<hr/>	<hr/>
	Current tax charge	299,419	163,669
	Deferred tax		
	Deferred tax charge/credit current year	(5,667)	15,410
		<hr/>	<hr/>
		293,752	179,079
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	929,912	640,134
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 26.00%)	260,375	166,435
		<hr/>	<hr/>
	Effects of		
	Non deductible expenses	4,858	6,635
	Depreciation add back	75,640	70,510
	Capital allowances	(60,709)	(79,899)
	Adjustments to previous periods	19,255	(12)
		<hr/>	<hr/>
		39,044	(2,766)
		<hr/>	<hr/>
	Current tax charge	299,419	163,669
		<hr/>	<hr/>
7	Dividends	2009	2008
		£	£
	Ordinary interim paid	50,000	130,000
	Ordinary final paid	250,000	-
		<hr/>	<hr/>

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

8 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2008	2,685,456	1,279,722	143,665	906,778	5,015,621
Additions	-	107,460	20,124	14,950	142,534
Disposals	-	-	-	(4,950)	(4,950)
At 31 August 2009	2,685,456	1,387,182	163,789	916,778	5,153,205
Depreciation					
At 1 September 2008	315,447	888,628	100,893	391,986	1,696,954
On disposals	-	-	-	(2,028)	(2,028)
Charge for the year	47,400	74,783	15,687	130,407	268,277
At 31 August 2009	362,847	963,411	116,580	520,365	1,963,203
Net book value					
At 31 August 2009	2,322,609	423,771	47,209	396,413	3,190,002
At 31 August 2008	2,370,009	391,094	42,772	514,792	3,318,667

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 31 August 2009	333,242
At 31 August 2008	396,842
Depreciation charge for the year	
At 31 August 2009	111,081
At 31 August 2008	132,280

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

9 Stocks	2009	2008
	£	£
Finished goods and goods for resale	65,958	64,063
	<u>65,958</u>	<u>64,063</u>
10 Debtors	2009	2008
	£	£
Trade debtors	1,434,623	1,627,204
Other debtors	-	4,600
Prepayments and accrued income	169,249	112,752
	<u>1,603,872</u>	<u>1,744,556</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value

11 Creditors: amounts falling due within one year	2009	2008
	£	£
Bank loans and overdrafts	135,830	390,596
Net obligations under hire purchase contracts	83,540	68,314
Trade creditors	624,757	692,738
Amounts owed to parent and fellow subsidiary undertakings	985,518	-
Corporation tax	280,164	163,681
Other taxes and social security costs	218,669	128,999
Accruals and deferred income	8,839	86,360
	<u>2,337,317</u>	<u>1,530,688</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

12 Creditors, amounts falling due after more than one year	2009 £	2008 £
Bank loans	-	890,633
Net obligations under hire purchase contracts	177,198	340,808
	<u>177,198</u>	<u>1,231,441</u>
Analysis of loans		
Not wholly repayable within five years by instalments		
15 Year loan payable by 01/10/2020	-	531,712
15 Year loan payable by 01/08/2020	-	227,117
10 Year loan payable by 01/03/2017	-	131,804
Wholly repayable within five years	-	156,851
	<u>-</u>	<u>1,047,484</u>
Included in current liabilities	-	(156,851)
	<u>-</u>	<u>890,633</u>
Instalments not due within five years	-	-
	<u>-</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	-	156,851
In more than five years	-	890,633
	<u>-</u>	<u>890,633</u>
Net obligations under hire purchase contracts		
Repayable within one year	83,540	68,314
Repayable between one and five years	177,198	340,808
	<u>260,738</u>	<u>409,122</u>
Included in liabilities falling due within one year	(83,540)	(68,314)
	<u>177,198</u>	<u>340,808</u>

All external borrowings not related to specific purchases of property, plant and equipment were repaid on 5 June 2009, following the acquisition of the Company by Viridor Waste Management Limited

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 September 2008	56,393
Profit and loss account	(5,667)
	<u>50,726</u>
Balance at 31 August 2009	<u><u>50,726</u></u>

The deferred tax liability is made up as follows

	2009 £	2008 £
Accelerated capital allowances	<u>50,726</u>	<u>56,393</u>

14 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2009 £	2008 £
Contributions payable by the company for the year	<u>45,344</u>	<u>46,610</u>

15 Share capital

	2009 £	2008 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

16 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 September 2008	2,588,020
Profit for the year	636,160
Dividends paid	(300,000)
	<u>2,924,180</u>
Balance at 31 August 2009	<u>2,924,180</u>

17 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	636,160	461,055
Dividends	(300,000)	(130,000)
	<u>336,160</u>	<u>331,055</u>
Net addition to shareholders' funds	2,589,020	2,257,965
Opening shareholders' funds	<u>2,925,180</u>	<u>2,589,020</u>
Closing shareholders' funds	<u>2,925,180</u>	<u>2,589,020</u>

18 Financial commitments

At 31 August 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2010

	Land and buildings
	2009
	£
Operating leases which expire	
Within one year	80,000
	<u>-</u>

VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

19 Directors' emoluments	2009 £	2008 £
Emoluments for qualifying services	210,375	197,667
Company pension contributions to money purchase schemes	36,704	34,336
	<u>247,079</u>	<u>232,003</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

2009 £	2008 £
<u>176,000</u>	<u>232,003</u>

20 Employees

Number of employees

The average number of employees during the year was 86 (2008 87)

There were no employees during the year apart from the directors

Employment costs	2009 £	2008 £
Wages and salaries	2,356,492	2,395,710
Social security costs	222,844	202,420
Other pension costs	45,344	46,610
	<u>2,624,680</u>	<u>2,644,740</u>



VIRIDOR LONDON RECYCLING LIMITED (FORMERLY KNOWN AS LONDON RECYCLING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

21 Control

The Company is a wholly owned subsidiary of Viridor Waste Management Limited, a company registered in England

The parent company of the smallest group into which the Company's results arising after it's acquisition on 5 June 2009 are consolidated is Viridor Limited, which is registered in England Group financial statements are included in the Annual Report of Viridor Limited which is available from Peninsula House, Rydon Lane, Exeter, EX2 7HR

The ultimate parent company and controlling party is Pennon Group Plc which is registered in England, this is the largest group into which the Company's results are consolidated Group financial statements are included in the Annual Report of Pennon Group Plc which is available from Peninsula House, Rydon Lane, Exeter, EX2 7HR