

**Registered number: 2200487**

**Ryton Waste Disposal Limited**

**Directors' report and financial statements  
For the year ended 31 December 2004**



# **Ryton Waste Disposal Limited**

## **Company information**

<b>Directors</b>	P-A Hjort IA Sexton
<b>Secretary</b>	J Knight
<b>Company number</b>	2200487
<b>Registered office</b>	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
<b>Auditors</b>	Ernst & Young LLP Wessex House 19 Threefield Lane Southampton SO14 3QB

# **Ryton Waste Disposal Limited**

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## **Ryton Waste Disposal Limited**

### **Directors' report**

**For the year ended 31 December 2004**

The directors present their report and the financial statements for the year ended 31 December 2004.

#### **Principal activities and review of business**

The company owns the Crawcrook landfill site, but does not intend to operate this site for the foreseeable future. The company continues to carry out environmental monitoring of the site.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £355,000 (2003 - Loss as restated £71,000) .

The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who served during the year were:

P-A Hjort

IA Sexton

The directors have no beneficial interests in the shares of group companies required to be disclosed under the Companies Act 1985.

#### **Land and buildings**

In the opinion of the directors there is no material difference between the book and current open market value of interests in land and buildings.

#### **Events since the end of the year**

There have been no significant events requiring disclosure since the balance sheet date.

#### **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 of the company 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 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.

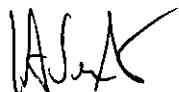
#### **Auditors**

The auditors, Ernst & Young LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 7 July 2003.

**Ryton Waste Disposal Limited**

**Directors' report  
For the year ended 31 December 2004**

This report was approved by the board on 27 October 2005 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'IA Sexton', with a stylized flourish at the end.

**IA Sexton**  
Director

## **Ryton Waste Disposal Limited**

### **Independent auditors' report to the shareholders of Ryton Waste Disposal Limited**

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

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

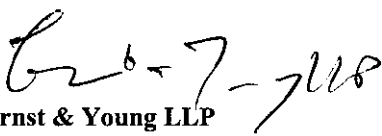
#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Ernst & Young LLP**  
Registered Auditor  
Southampton

27 October 2005

**Ryton Waste Disposal Limited**

**Profit and loss account  
For the year ended 31 December 2004**

	<b>Note</b>	<b>2004 £000</b>	<b>2003 £000</b>
<b>Turnover</b>	1, 2	<b>3</b>	<b>13</b>
Cost of sales		<u>(253)</u>	<u>(194)</u>
<b>Gross loss</b>		<b>(250)</b>	<b>(181)</b>
Increase in landfill restoration and aftercare costs		<u>(62)</u>	<u>(47)</u>
<b>Operating loss</b>	3	<b>(312)</b>	<b>(228)</b>
Exceptional items			
Net profit on sale of tangible fixed assets		<u>-</u>	<u>195</u>
<b>Loss on ordinary activities before interest</b>		<b>(312)</b>	<b>(33)</b>
Interest receivable	5	<b>150</b>	-
Interest payable	6	<u>(193)</u>	<u>(24)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(355)</b>	<b>(57)</b>
<b>Tax on loss on ordinary activities</b>	7	<u>-</u>	<u>(14)</u>
<b>Loss on ordinary activities after taxation</b>		<u><b>(355)</b></u>	<u><b>(71)</b></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2004 or 2003 other than those included in the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements.

**Ryton Waste Disposal Limited**

**Balance sheet**  
**As at 31 December 2004**

	Note	£000	2004 £000	£000	2003 £000
<b>Fixed assets</b>					
Tangible fixed assets	8		510		462
<b>Current assets</b>					
Debtors	9	3,305		3,182	
Creditors: amounts falling due within one year	10	(3,759)		(3,316)	
<b>Net current liabilities</b>			(454)		(134)
<b>Total assets less current liabilities</b>			56		328
<b>Provisions for liabilities and charges</b>					
Other provisions	11		(1,249)		(1,166)
<b>Net liabilities</b>			(1,193)		(838)
<b>Capital and reserves</b>					
Called up share capital	12		-		-
Profit and loss account	13		(1,193)		(838)
<b>Shareholders' funds - all equity</b>	14		(1,193)		(838)

The financial statements were approved by the board on 27 October 2005 and signed on its behalf.



**IA Sexton**  
Director

The notes on pages 6 to 10 form part of these financial statements.



## Ryton Waste Disposal Limited

### Notes to the financial statements For the year ended 31 December 2004

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention

At 31 December 2004 the company had net liabilities of £1,193,000 (*31 December 2003 - £838,000*). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as a fellow group undertaking has confirmed its intention and ability to provide such financial support as may be necessary to enable the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements. The company's parent company has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full.

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1.

##### 1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts, but inclusive of Landfill Tax.

##### 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	On the basis of airspace used
Plant & machinery	-	3 - 10 years straight line

##### 1.5 Provisions for environmental and landfill costs and landfill gas revenues

Provisions for environmental and landfill costs include provisions associated with the closure and post-closure of landfill sites. The company estimates its total future requirements for closure costs and for post-closure monitoring and maintenance of the site after the anticipated closure. The provisions include final capping of the site, site inspection, ground water monitoring, leachate management, methane gas control and recovery, and the operation and maintenance costs to be confirmed during the period after the site closes. Certain of these costs, principally capping costs, are incurred during the operating life of the site. The company provides for closure and post-closure costs as the permitted airspace is used, however in accordance with Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets", full provision has been made for the company's minimum unavoidable costs.

Post-closure provisions have been shown at net present value. The current cost estimated has been inflated at 2% and discounted by 6%. The discount element is shown in the financial statements as a financial item.

Future revenues from the generation of electricity from landfill gas, where contracts are in place for its sale, are capitalised as a fixed asset and discounted in line with the post-closure provision.

#### 2. Turnover

The whole of the turnover is attributable to the one principal activity of the company being the provision of waste disposal facilities.

All turnover arose within the United Kingdom.

# Ryton Waste Disposal Limited

## Notes to the financial statements For the year ended 31 December 2004

### 3. Operating loss

The operating loss is stated after charging:

	2004 £000	2003 £000
Depreciation of tangible fixed assets:		
- owned by the company	1	-
Auditors' remuneration	2	-
	<u>3</u>	<u>-</u>

During the year, no director received any remuneration in respect of his services as director of the company (2003 - £nil).

The audit fee for the prior year was borne by SITA Holdings UK Limited.

### 4. Staff costs

The company does not directly employ any staff.

### 5. Interest receivable

	2004 £000	2003 £000
Interest receivable from group companies	150	-
	<u>150</u>	<u>-</u>

### 6. Interest payable

	2004 £000	2003 £000
On loans from group undertakings	170	-
Discount on provisions	23	24
	<u>193</u>	<u>24</u>

### 7. Taxation

	2004 £000	2003 £000
UK corporation tax	-	14
	<u>-</u>	<u>14</u>

# Ryton Waste Disposal Limited

## Notes to the financial statements For the year ended 31 December 2004

### 7. Taxation (continued)

#### b) Factors affecting current tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £000	2003 £000
Loss on ordinary activities before tax	(355)	(57)
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2003 - 30%)	(107)	(17)
<b>Effects of:</b>		
Capital allowances for period in excess of depreciation	-	7
Timing differences on environmental and landfill costs	107	24
<b>Current tax charge for year (see note above)</b>	<b>-</b>	<b>14</b>

#### Factors that may affect future tax charges

The company has an unrecognised deferred tax asset of £387,000 (2003 - £281,000) in respect of other timing differences. The deferred tax asset has not been recognised as the company is not currently carrying out its normal trade, and the date of recommencement of trading is currently uncertain.

### 8. Tangible fixed assets

	Freehold property - landfill £000	Plant & machinery £000	Total £000
<b>Cost</b>			
At 1 January 2004	462	-	462
Additions	46	-	46
Transfers from group undertakings	-	7	7
At 31 December 2004	508	7	515
<b>Depreciation</b>			
Charge for the year	-	1	1
Transfers from group undertakings	-	4	4
At 31 December 2004	-	5	5
<b>Net book value</b>			
At 31 December 2004	508	2	510
At 31 December 2003	462	-	462

# Ryton Waste Disposal Limited

## Notes to the financial statements For the year ended 31 December 2004

### 9. Debtors

	2004 £000	2003 £000
<b>Due within one year</b>		
Amounts owed by group undertakings	3,303	3,153
Prepayments and accrued income	2	29
	<u>3,305</u>	<u>3,182</u>

### 10. Creditors: Amounts falling due within one year

	2004 £000	2003 £000
Amounts owed to group undertakings	3,759	3,302
Corporation tax	-	14
	<u>3,759</u>	<u>3,316</u>

### 11. Provisions

	Environmental and landfill costs £000
At 1 January 2004	1,166
Additions	124
Amounts used	(64)
Discounted adjustments	23
	<u>1,249</u>
At 31 December 2004	

#### Environmental and landfill costs

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 1.

### 12. Share capital

	2004 £	2003 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
300 ordinary shares of £1 each	300	300
	<u>300</u>	<u>300</u>

## Ryton Waste Disposal Limited

### Notes to the financial statements For the year ended 31 December 2004

#### 13. Reserves

<b>Profit and loss account</b>	<b>£000</b>
At 1 January 2004	(838)
Loss retained for the year	(355)
	<hr/>
At 31 December 2004	<b>(1,193)</b>
	<hr/>

#### 14. Reconciliation of movement in shareholders' funds

	<b>2004</b>	<i>2003</i>
	<b>£000</b>	<i>£000</i>
Loss for the year	(355)	(71)
	<hr/>	<hr/>
	<b>(355)</b>	<i>(71)</i>
Opening shareholders' funds	(838)	(767)
	<hr/>	<hr/>
Closing shareholders' funds	<b>(1,193)</b>	<i>(838)</i>
	<hr/>	<hr/>

#### 15. Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public.

#### 16. Post balance sheet events

There have been no significant events requiring disclosure since the balance sheet date.

#### 17. Ultimate parent undertaking and Controlling party

The ultimate parent undertaking is Suez SA, a company incorporated in France.

The largest group of which Ryton Waste Disposal Limited is a member and for which group financial statements are drawn up is that headed by Suez SA, whose consolidated financial statements are available from 16 Rue de la Ville L'Eveque, Paris, France. The smallest such group is that headed by SITA Holdings UK Limited, a company registered in England & Wales. The consolidated financial statements of the SITA Holdings UK Limited Group may be obtained from SITA House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.

In the opinion of the directors, SITA Holdings UK Limited controls the company as a result of controlling 100% of the issued share capital of Ryton Waste Disposal Limited. Suez SA is the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited.