

LOTHIAN LIMITED

Registered Number 02470362

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012



LOTHIAN LIMITED

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LOTHIAN LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2012

BUSINESS REVIEW, PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The Company is the non-trading holding company of Shanks Chemical Services (Scotland) Limited

The Company did not trade during the current or prior financial year. Accordingly, no profit and loss account has been presented. The Directors recommend that no dividend be paid in respect of the year ended 31 March 2012 (2011: £nil). The profit transferred to retained profit for the year was £nil (2011: £nil).

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a wholly-owned subsidiary of Shanks Group plc. Risks are managed at a local level in accordance with the risk management framework of Shanks Group plc. The principal risks and uncertainties of Shanks Group plc are discussed in its Annual Report and Accounts for the year ended 31 March 2012.

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

R I Cartwright

C Surch

M I Saunders (resigned 31 July 2011)

J J C Simpson (appointed 1 August 2011)

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

LOTHIAN LIMITED

DIRECTORS' REPORT - continued

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' 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 Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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

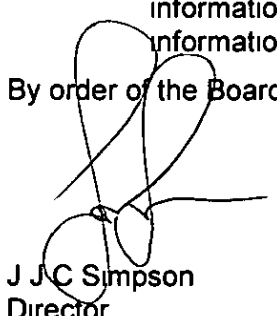
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 418 of the Companies Act 2006, the Directors' confirm that

- (a) so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board


J J C Simpson
Director
26 July 2012

Registered office
Dunedin House
Auckland Park
Mount Farm
Milton Keynes
Buckinghamshire
MK1 1BU

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOTHIAN LIMITED

We have audited the financial statements of Lothian Limited for the year ended 31 March 2012 which comprise the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOTHIAN LIMITED -
continued**

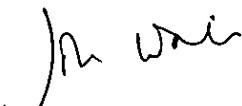
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 July 2012

BALANCE SHEET
As at 31 March 2012

	<u>Note</u>	2012 £'000	2011 £'000
Fixed assets			
Investments	3	650	650
		<hr/>	<hr/>
Current assets			
Debtors	4	2,944	2,944
Creditors: amounts falling due within one year	5	(2,262)	(2,262)
		<hr/>	<hr/>
Net current assets		682	682
		<hr/>	<hr/>
Net assets		1,332	1,332
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	6	660	660
Share premium account	7	35	35
Capital redemption reserve	7	636	636
Profit and loss account	7	1	1
		<hr/>	<hr/>
Total shareholder's funds	8	1,332	1,332
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 5 to 8 were approved by the Board of Directors on 26 July 2012 and signed on its behalf by


J J C Simpson
Director

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012

The Company has no recognised gains or losses in either year

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except where noted

Basis of Preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention and comply with applicable law, the Companies Act 2006 and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice)

The Company has not traded during the year and accordingly it has made neither a profit nor a loss. No profit and loss account has therefore been prepared

As the Company is a wholly owned subsidiary of Shanks Group plc, group financial statements have not been prepared as permitted by Section 400 of the Companies Act 2006 and the financial statements contain information about the Company as an individual undertaking

Investments

Investments are held at the lower of cost and net realisable value

2 COMPANY STATUS

Audit costs have been borne by a fellow group undertaking. There were no employees of the Company in the year. The Directors were not remunerated for their services to the Company, neither did the Directors accrue any retirement benefits in respect of service to the Company. None of the emoluments paid to the Directors by the other group companies related to the services to this Company.

3 INVESTMENTS

	£'000
Shares held in subsidiary undertakings at cost	
At 1 April 2011 and 31 March 2012	650

At 31 March 2012, the following Company was a subsidiary undertaking of the Company

<u>Name</u>	<u>Country of incorporation</u>	<u>Type of shares held</u>	<u>Type of business</u>	<u>Proportion of shares held</u>
Shanks Chemical Services (Scotland) Limited	Scotland	Ordinary	Waste management	100%

The Directors are of the opinion that the value of investments in subsidiary undertakings is not less than the aggregate amounts at which they are recorded in the balance sheet

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012 - continued

4 DEBTORS

	2012 £'000	2011 £'000
Amounts owed by subsidiary undertakings	2,944	2,944

The amounts owed by subsidiary undertakings are repayable on demand, unsecured and interest free

5 CREDITORS: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to immediate holding company	2,262	2,262

The amount owed to the immediate holding company is repayable on demand, unsecured and interest free

6 CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Authorised 700,000 ordinary shares of £1 each	700	700
Allotted, called up and fully paid 660,000 ordinary shares of £1 each	660	660

7 RESERVES

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
As at 31 March 2011 and 31 March 2012	35	636	1

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012 - continued

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £'000	2011 £'000
At beginning and end of the year	1,332	1,332

9 CONTINGENT LIABILITIES

The Company is a member of a HMRC Group VAT registration and as at 31 March 2012 had a contingent liability of £237,173 (2011 £249,062) under this registration

The Company is also a member of a HMRC Group Payment arrangement for Corporation Tax and as at 31 March 2012 had a contingent liability of £nil (2011 £nil) under this arrangement

10 RELATED PARTY TRANSACTIONS

As permitted by FRS 8 'Related party transactions', the Company, being a wholly owned subsidiary of another company which prepares a statement of related party transactions including that of this company, has not prepared such a statement itself

11 CASH FLOW STATEMENT

The Company is a wholly-owned subsidiary of Shanks Group plc and is included in the consolidated financial statements of Shanks Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1

12 IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate holding company is Shanks Chemical Services Limited. The ultimate parent company and controlling party is Shanks Group plc, which is registered in Scotland, and is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Shanks Group plc can be obtained from the Company Secretary, Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire MK1 1BU