

SAFEWASTE LIMITED

Registered number 2485860

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009



SAFEWASTE LIMITED

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SAFEWASTE LIMITED DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2009.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company was the operation of landfill sites, recycling and the provision of skip hire services until 2007. Operating losses for 2009 were £Nil (2008: £166,000 loss). The loss on ordinary activities before tax for 2009 was £13,000 (2008: £175,000 loss). The Directors do not recommend payment of a dividend in respect of 2009 (2008: £Nil). The loss transferred to the reserves for 2009 was £29,000 (2008: £223,000 loss).

FUTURE OUTLOOK

All operating activities have now been discontinued and the company now functions solely to meet its obligations for the aftercare and restoration of its closed landfill site.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business following the discontinuance of the Company's principal activity, 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 principally managed by Shanks Group plc for the group as a whole. The principal risks and uncertainties of Shanks Group plc are discussed in its annual report and accounts for the year ended 31 March 2009.

DIRECTORS

The directors who held office during the year, and up to the date of this report, were as follows:-

I Goodfellow (appointed 5 November 2009)
M I Saunders (appointed 5 November 2009)
R I Cartwright (resigned 5 November 2009)
C Surch (appointed 1 May 2009, resigned 5 November 2009)
F A N Welham (resigned 27 May 2009)

SAFEWASTE LIMITED
DIRECTORS' REPORT - continued

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 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 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, 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 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 234ZA(2) of the Companies Act 1985 the directors confirm:

(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 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.

SAFEWASTE LIMITED
DIRECTORS' REPORT - continued

By Order of the Board

A handwritten signature in black ink, appearing to be 'M Saunders', with a long horizontal flourish extending to the right.

M Saunders
Director
7 January 2010

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

SAFEWASTE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFEWASTE LIMITED

We have audited the financial statements of Safewaste Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the statement of recognised gains and losses 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 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 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.

Basis of audit opinion

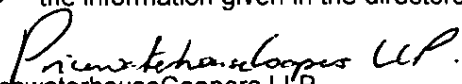
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 31 March 2009 and of its loss for the year then ended;
- 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.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
7 January 2010

SAFEWASTE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

	<u>Note</u>	<u>2009</u> £'000	<u>2008</u> £'000
TURNOVER on discontinued activities	2	-	-
Cost of sales		-	(166)
		<u>-</u>	<u>(166)</u>
GROSS LOSS		-	(166)
Administrative expenses		-	-
		<u>-</u>	<u>-</u>
OPERATING LOSS ON DISCONTINUED ACTIVITIES BEFORE FINANCE CHARGES AND TAX		-	(166)
Finance charges:			
Other finance costs - discount unwind	5	(13)	(9)
		<u>(13)</u>	<u>(9)</u>
LOSS ON DISCONTINUED ACTIVITIES BEFORE TAX	3	(13)	(175)
Tax	6	(16)	(48)
		<u>(16)</u>	<u>(48)</u>
LOSS ON DISCONTINUED ACTIVITIES AFTER TAX AND LOSS RETAINED FOR THE FINANCIAL YEAR	12	(29)	(223)
		<u>(29)</u>	<u>(223)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2009

The Company has no recognised gains or losses other than the loss for the year.

SAFEWASTE LIMITED
BALANCE SHEET
AS AT 31 MARCH 2009

	<u>Note</u>	<u>2009</u> £'000	<u>2008</u> £'000
FIXED ASSETS			
Tangible fixed assets	7	-	-
CURRENT ASSETS			
Debtors	8	1,353	1,410
NET CURRENT ASSETS		1,353	1,410
TOTAL ASSETS LESS CURRENT LIABILITIES		1,353	1,410
PROVISIONS FOR LIABILITIES AND CHARGES	9	(255)	(283)
TOTAL NET ASSETS		<u>1,098</u>	<u>1,127</u>
CAPITAL AND RESERVES			
Share capital	11	100	100
Profit and loss account	12	998	1,027
TOTAL EQUITY SHAREHOLDERS' FUNDS	13	<u>1,098</u>	<u>1,127</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 7 January 2010 and signed on its behalf by:



M Saunders
Director

SAFEWASTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, consistent with prior years, and comply with applicable law, the Companies Act 1985 and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

(b) Turnover

Turnover represents the invoiced value of waste streams processed and other services provided including landfill tax but excluding value added tax.

(c) Tangible Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, except for freehold land which is not depreciated, and less any write down for impairment.

Depreciation is provided on assets other than land to write-off their cost by equal annual instalments over their estimated useful economic lives. The expected lives are:-

Buildings	10 years
Plant and machinery	3 to 10 years

Landfill

Site development costs, including engineering works and the net present value (NPV) of final site restoration costs are capitalised. These costs are written off over the operational life of each site based on the amount of void space consumed.

(d) Aftercare

Provision is made for the NPV of unavoidable post closure costs at the Company's landfill sites based on the quantity of waste deposited in the year. Similar costs incurred during the operational life of the sites are written off directly to the profit and loss account and are not charged against the provision.

(e) Deferred tax

Deferred tax is provided in full in respect of timing differences arising between the treatments of certain items for tax and accounting purposes. Deferred tax assets in respect of trading tax losses are only recognised where the tax losses are expected to be recovered. Deferred tax provisions have not been discounted.

2 SEGMENTAL INFORMATION

The turnover and operating loss were wholly attributable to the company's business of waste management in the United Kingdom. All of the company's business, turnover and operating loss relate to discontinued operations.

SAFEWASTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009 - continued

3 LOSS ON DISCONTINUED ACTIVITIES BEFORE TAX

	<u>2009</u> £'000	<u>2008</u> £'000
The loss is stated after charging:		
Re-assessment of aftercare provision	-	166
	<u> </u>	<u> </u>

The auditors' remuneration for the year has been borne by a fellow group company.

4 DIRECTORS' EMOLUMENTS

The Directors were not remunerated for their services to the Company. The salaries of the Directors were paid by other Shanks Group undertakings. As in the prior year, none of this remuneration relates to their services to the Company as the services rendered were not significant.

5 FINANCE CHARGES – OTHER

Other finance costs comprise the unwinding of discount of £13,000 (2008: £9,000) on long term landfill liabilities (see note 9). It is treated as a finance charge in accordance with FRS12.

SAFEWASTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009 - continued

6 TAX

The tax credit/(charge) based on the loss for the year is made up as follows:

	<u>2009</u> £'000	<u>2008</u> £'000
Corporation tax at 28% (2008: 30%)		
- current year	4	54
- prior year	-	(122)
Deferred tax		
- current year	-	(2)
- prior year	(20)	22
	<u> </u>	<u> </u>
	(16)	(48)
	<u> </u>	<u> </u>

The corporation tax assessed for the year differs from the United Kingdom standard rate of corporation tax of 28% (2008: 30%). The differences are explained below:

	<u>2009</u> £'000	<u>2008</u> £'000
Loss on ordinary activities before tax	(13)	(175)
	<u> </u>	<u> </u>
Tax credit based on UK tax rate	4	53
Tax effect of the following items:		
Capital allowances	-	1
Other timing differences		
Adjustment to tax charge in respect of prior periods	-	(122)
	<u> </u>	<u> </u>
Corporation tax credit/(charge) for the period	4	(68)
	<u> </u>	<u> </u>

SAFEWASTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009 - continued

7 TANGIBLE ASSETS

	Landfill site £'000
Cost:	
At 1 April 2008 and at 31 March 2009	393
	<u> </u>
Accumulated Depreciation:	
At 1 April 2008 and at 31 March 2009	(393)
	<u> </u>
Net book value:	
At 31 March 2009	-
	<u> </u>
At 31 March 2008	-
	<u> </u>

8 DEBTORS

	<u>2009</u> £'000	<u>2008</u> £'000
Amounts owed by group undertakings	1,116	1,157
Corporation tax	237	233
Deferred tax asset (see note 10)	-	20
	<u> </u>	<u> </u>
	1,353	1,410
	<u> </u>	<u> </u>

The intercompany balances owed by group undertakings are repayable on demand.
All amounts are interest free.

SAFEWASTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009 - continued

9 PROVISIONS FOR LIABILITIES

	<u>Aftercare</u> £'000
At 1 April 2008	283
Provided in year	
- finance charges (see note 5)	13
Utilised	(41)
	<hr/>
At 31 March 2009	255
	<hr/> <hr/>

Aftercare

The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. These costs may be impacted by a number of factors including changes in legislation and improvements in technology. The dates of payment of these aftercare costs are uncertain but are anticipated to be over a period of approximately twenty five years from closure of the relevant landfill site in 2007.

10 DEFERRED TAX ASSET

	<u>Deferred</u> <u>tax</u> £'000
At 1 April 2008 (see note 8)	20
Profit and loss (see note 6)	(20)
	<hr/>
At 31 March 2009	-
	<hr/> <hr/>

The deferred tax asset is made up as follows:

	<u>2009</u> £'000	<u>2008</u> £'000
Capital allowances	-	20
	<hr/> <hr/>	<hr/> <hr/>

SAFEWASTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009 - continued

11 CALLED UP SHARE CAPITAL

	<u>2009</u> £'000	<u>2008</u> £'000
Authorised, allotted and fully paid 100,000 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

12 RESERVES

	<u>Profit and loss account</u> £'000
At 1 April 2008	1,027
Loss sustained for the financial year	(29)
	<u> </u>
At 31 March 2009	998
	<u> </u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2009</u> £'000	<u>2008</u> £'000
Loss for the financial year	(29)	(223)
	<u> </u>	<u> </u>
Net movement in equity shareholders' funds	(29)	(223)
Opening equity shareholders' funds	1,127	1,350
	<u> </u>	<u> </u>
Closing equity shareholders' funds	1,098	1,127
	<u> </u>	<u> </u>

14 NOTE OF THE HISTORICAL COST PROFITS AND LOSSES

For the year ended 31 March 2009 there is no material difference between the reported losses for the year and those that would be reported under the historic cost convention.

SAFEWASTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009 - continued

15 CONTINGENT LIABILITIES

The company is a member of a HMRC Group value added tax registration and as at 31 March 2009 had a contingent liability of £Nil (2008: £1,273,000) under this registration.

The company is also a member of a HMRC Group Payment arrangement for Corporation Tax and as at 31 March 2009 had a contingent liability of £Nil (2008: £Nil) under this arrangement.

The company, along with other fellow group undertakings, has in normal course of business given guarantees and performance bonds relating to the Group's contracts totalling £8,188,000 (2008: £8,849,000).

16 RELATED PARTY TRANSACTIONS

As permitted by FRS8 '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.

17 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.

18 IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate holding company during the year was Shanks Waste Management Limited which is registered in England. The ultimate parent company is Shanks Group plc, a company registered in Scotland. Copies of the group annual report and accounts may be obtained from the Company secretary, Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire MK1 1BU.