

Company Registration No. 2693394

OXFORDSHIRE WASTE LIMITED

Report and Financial Statements

31 December 2002



OXFORDSHIRE WASTE LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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OXFORDSHIRE WASTE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H C Etheridge
N D A Sandy

SECRETARY

A Waterhouse

REGISTERED OFFICE

3 Sidings Court
White Rose Way
Doncaster
DN4 5NU

AUDITORS

Deloitte & Touche
1 City Square
Leeds
LS1 2AL

OXFORDSHIRE WASTE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year continued to be the disposal of household waste and the management of waste recycling and reception centres on behalf of Oxfordshire County Council.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year-end financial position were satisfactory and the directors expect the level of activity to be sustained for the foreseeable future.

On 29 July 2003, the company's 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, a wholly owned subsidiary of Terra Firma Investments (GP) 2 Limited. The directors consider that Terra Firma Investments (GP) 2 Limited, a company incorporated in Guernsey, is the new ultimate parent company and controlling party.

DIVIDENDS AND TRANSFERS TO RESERVES

The company made neither a profit nor a loss in either the current or previous financial year. The directors do not propose the payment of a dividend (2001: £nil) and thus there is no movement of reserves (2001: £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and since the year-end were:

H C Etheridge
N D A Sandy

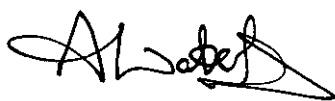
None of the directors held any interests in the share capital of the company at any time during the financial year.

At 31 December 2002 Mr N D A Sandy and Mr H C Etheridge were also directors of the company's ultimate parent company, Waste Recycling Group plc. Their interests in the share capital of Waste Recycling Group plc together with the details of their share options in that company are disclosed in that company's financial statements.

CHARITABLE AND POLITICAL DONATIONS

The company made no political or charitable donations in either the current or previous financial year.

Approved by the Board of Directors and signed on behalf of the Board



A Waterhouse
Company Secretary

30 July

2003

OXFORDSHIRE WASTE LIMITED


STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; and
- 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.

Approved by the Board of Directors
and signed on behalf of the Board



H C Etheridge
Director

30 July

2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXFORDSHIRE WASTE LIMITED

We have audited the financial statements of Oxfordshire Waste Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, and the related notes 1 to 10. 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 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 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 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 United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 the company's affairs as at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Leeds

31 JULY 2003

OXFORDSHIRE WASTE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2002

| | Note | 2002 £'000 | 2001 £'000 |
|---|------|----------------|----------------|
| TURNOVER | 2 | 3,358 | 3,169 |
| Cost of sales | | <u>(3,358)</u> | <u>(3,169)</u> |
| OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | - | - |
| Tax on profit on ordinary activities | 5 | <u>-</u> | <u>-</u> |
| PROFIT RETAINED FOR THE FINANCIAL YEAR | | - | - |
| Profit retained brought forward | | <u>-</u> | <u>-</u> |
| Profit retained carried forward | | <u>-</u> | <u>-</u> |

All results are derived from continuing operations.

There are no recognised gains and losses in either the current or previous financial year other than as stated in the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been presented.

There are no movements in shareholders' funds in either the current or previous financial year other than the retained profit shown above. Accordingly, no reconciliation of movements in shareholders' funds is presented.

OXFORDSHIRE WASTE LIMITED

BALANCE SHEET 31 December 2002

| | Note | 2002 £'000 | 2001 £'000 |
|-----------------------------------|------|---------------|---------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | 73 | 73 |
| NET ASSETS | | 73 | 73 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 7 | 73 | 73 |
| Profit and loss account | | - | - |
| EQUITY SHAREHOLDERS' FUNDS | | 73 | 73 |

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

30 July

2003.



H C Etheridge
Director

OXFORDSHIRE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

The company is a wholly owned subsidiary of Waste Recycling Group plc and its cash flows are included in the consolidated cash flow statement of that company. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from preparing a cash flow statement.

Turnover

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

2. TURNOVER

All turnover was generated in the United Kingdom principally from receiving, treating, recycling and disposing of waste materials which the directors consider to be a single business segment.

3. OPERATING PROFIT

Auditors' remuneration in respect of audit fees has been met by fellow subsidiary undertakings in both the current and previous financial year.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees and incurs no payroll costs (2001: £nil). None of the directors received any remuneration from the company in either the current or previous financial year.

5. TAXATION

There is no corporation tax charge for either the current or previous financial year. No provision for deferred tax was considered necessary and there is no unprovided deferred tax.

6. DEBTORS

| | 2002 £'000 | 2000 £'000 |
|------------------------------------|---------------|---------------|
| Amount due from parent undertaking | 73 | 73 |

7. CALLED UP SHARE CAPITAL

| | 2002 £'000 | 2000 £'000 |
|--|---------------|---------------|
| Authorised, called up, allotted and fully paid: 73,002 Ordinary shares of £1 each | 73 | 73 |

8. CONTINGENT LIABILITIES

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.

OXFORDSHIRE WASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

9. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the company has traded with Waste Recycling Group (Central) Limited, a fellow wholly owned subsidiary of Waste Recycling Group plc. The company is exempt from disclosing details of these transactions because copies of Waste Recycling Group plc group financial statements are publicly available.

10. ULTIMATE PARENT COMPANY

At 31 December 2002, the ultimate parent company and controlling party of Oxfordshire Waste Limited was Waste Recycling Group plc, a company registered in England and Wales. Copies of the group financial statements of Waste Recycling Group plc are available from 3 Sidings Court, White Rose Way, Doncaster, DN4 5NU.

On 29 July 2003, Cholet Acquisitions Limited, a wholly owned subsidiary of Terra Firma Investments (GP) 2 Limited, acquired the entire issued share capital of Waste Recycling Group plc. The directors consider therefore, that Terra Firma Investments (GP) 2 Limited, a company incorporated in Guernsey, is the ultimate parent company and controlling party.