

Cory Environmental (Central) Limited

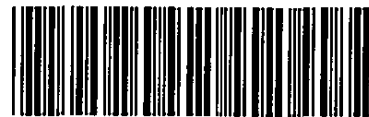
Report and Financial Statements

Year Ended

31 December 2012

Company Number 2773558

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Cory Environmental (Central) Limited

**Report and financial statements
for the year ended 31 December 2012**

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Directors

R L Milnes-James
P A Gerstrom
A M Holl

Secretary and registered office

S Kahveci, 2 Coldbath Square, London, EC1R 5HL

Company number

2773558

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Cory Environmental (Central) Limited

Report of the directors for the year ended 31 December 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

The company did not pay an interim dividend during the year (2011 - £Nil) The directors do not propose payment of a final dividend (2011 - £Nil)

Principal activity

The principal activity of the company is that of the provision of environmental services. Principal activities include the management and operation of landfills. The company also seeks to enhance earnings through maximising methane gas power generation at all of its landfill sites.

In the opinion of the directors the financial statements give a fair view of the development of the business during the period and of its position at the end of the year. There have been no significant events outside the normal course of business since the balance sheet date.

A comprehensive review of the state of affairs of the group, together with key performance indicators and risks and uncertainties, is contained in the report and financial statements of Viking Consortium Holdings Limited, the ultimate parent undertaking.

Going concern

After making enquiries and having undertaken a detailed forward projection the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Review of the business

A summary of the results and key performance indicators are shown in the table below.

	2012	2011
Tonnage to landfill (thousand tonnes)	763.7	1,042.3
Consented Void capacity (thousand m ³)	9,980	10,341
Average monthly number of employees	49	43

Inputs to landfill in the year totalled 0.8Mt compared with 1.0Mt in 2011. The decline in landfill volume is primarily due to a reduction in contaminated soils due to the relative availability of these materials, which is dictated by local construction activities. Underlying municipal and commercial & industrial waste volumes were in line with 2011.

The weighted average landfill gate fees were consistent with 2011.

Landfill gas production in the year was marginally lower than in 2011. Landfill gas revenues in 2013 will be bolstered by the purchase of additional landfill gas assets at the company's landfill sites as well as the Berwick Farm landfill site, which is operated by SITA UK.

Cory Environmental (Central) Limited

Report of the directors for the year ended 31 December 2012 (*continued*)

Future developments

The directors aim to pursue policies conducive to the well-being of the company, its employees and shareholders. Opportunities to expand existing businesses and to branch out into new areas are kept under constant review, evaluated and implemented if financially and operationally feasible.

Risk management

The company's operations expose it to a variety of risks that include competitive and market risks, legislative and planning risks, and financial risks such as credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects of these risks. These risks and the policies in place to mitigate them are discussed in more detail in the financial statements of the ultimate parent company Viking Consortium Holdings Limited.

Directors

The directors of the company during the year were

R L Milnes-James
P A Gerstrom
A M Holl

Appropriate directors' and officers' liability insurance cover is in place in respect of all the company's directors.

Post balance sheet events

In the opinion of the directors there have been no material post balance sheet events.

Policy on the payment of creditors

The company agrees terms with its creditors on an individual basis through negotiation and will pay invoices as they fall due.

Cory Environmental (Central) Limited

Report of the directors for the year ended 31 December 2012 (*continued*)

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 elected to prepare 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

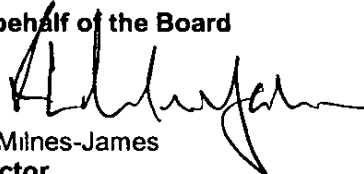
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Ernst & Young LLP resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board



R L Milnes-James
Director

19 April 2013

Cory Environmental (Central) Limited

Independent auditor's report

TO THE MEMBERS OF CORY ENVIRONMENTAL (CENTRAL) LIMITED

We have audited the financial statements of Cory Environmental (Central) Limited for the year ended 31 December 2012 which comprise the profit and loss account, 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 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 explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2012 and of its profit for the year then ended,
- 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.

Opinion on other matters 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.

Cory Environmental (Central) Limited

Independent auditor's report (*continued*)

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



*Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

22 April 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Cory Environmental (Central) Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Turnover	2	36,802	35,944
Cost of sales		(30,745)	(31,244)
Gross profit		6,057	4,700
Administrative expenses		(3,948)	(1,397)
Other operating income	3	195	479
Other operating charges	4	-	(56)
Operating profit	7	2,304	3,726
Profit on sale of tangible fixed assets		52	184
Interest payable and similar charges	8	(613)	(538)
Profit on ordinary activities before taxation		1,743	3,372
Taxation on profit from ordinary activities	9	349	(1,285)
Profit for the financial year		2,092	2,087

All amounts relate to continuing activities

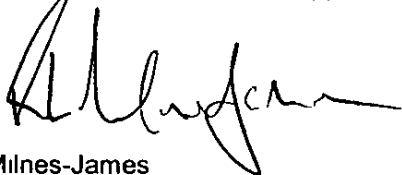
The notes on pages 8 to 21 form part of these financial statements

Cory Environmental (Central) Limited

Balance sheet at 31 December 2012

Company number 2773558	Note	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Intangible assets	10		278		-
Tangible assets	11		30,129		26,353
			<hr/>		<hr/>
			30,407		26,353
Current assets					
Stocks	13	22		21	
Debtors	14	17,731		13,675	
Cash at bank and in hand		1,591		4,852	
		<hr/>		<hr/>	
		19,344		18,548	
Creditors, amounts falling due within one year	15	(24,783)		(23,583)	
		<hr/>		<hr/>	
Net current liabilities			(5,439)		(5,035)
Total assets less current liabilities			<hr/>		<hr/>
			24,968		21,318
Creditors falling due after more than one year	16		(700)		(700)
Provisions for liabilities	17		(13,359)		(11,801)
			<hr/>		<hr/>
Net assets			<hr/>		<hr/>
			10,909		8,817
Capital and reserves					
Called up share capital	18		100		100
Profit and loss account	19		10,809		8,717
			<hr/>		<hr/>
Shareholders' funds	20		<hr/>		<hr/>
			10,909		8,817

The financial statements were approved by the Board of Directors and authorised for issue on 19 April 2013



R L Milnes-James
Director

The notes on pages 8 to 21 form part of these financial statements

Cory Environmental (Central) Limited

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Exemption from preparing consolidated financial statements

The financial statements contain information about Cory Environmental (Central) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, Viking Consortium Holdings Limited, a company registered in England & Wales

Going concern

After making enquiries and having undertaken a detailed forward projection the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Cash flow statement exemption

The company has taken advantage of the exemption granted by FRS 1 (revised) whereby it is not required to publish its own statement of cash flows on the grounds that the ultimate parent undertaking produces publicly available group financial statements

Revenue recognition

Revenue is recognised when full performance of the service is rendered to the customer, this is considered to be when waste is delivered to one of the company's landfill sites and deposited by the customer. It represents the income receivable (including landfill tax and excluding value added tax and trade discounts) in the ordinary course of business for services provided

Intangible assets - Goodwill

Goodwill is the difference between the fair value of the consideration paid and the fair value of the asset and liabilities acquired

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a maximum of 15 years. It is reviewed for impairment at the end of the first full financial period following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Cory Environmental (Central) Limited

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies (continued)

Tangible assets

Fixed assets are initially recorded at cost. The landfill void is filled in sections or "cells". Site costs incurred during the year in preparing a cell are capitalised and depreciated over the life of that cell once usage of it commences. The provision for the company's minimum unavoidable costs in relation to the final landfill site restoration is capitalised as a fixed asset.

Depreciation is not normally charged in respect of freehold land except in the case of landfill sites where depreciation is charged over the operational life of the site.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	-	Over the life of the associated site
Long leasehold property	-	Over the life of the respective contract
Plant and machinery	-	3 to 40 years
Landfill site restoration	-	Over life of cell(s)
Cell preparation costs	-	Over of cell(s)

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stock, principally raw materials and consumables, is stated at the lower of cost and net realisable value. Cost includes, where appropriate, relevant overheads.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating leases

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

Interest-bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Cory Environmental (Central) Limited

**Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)**

1 Accounting policies (*continued*)

Pensions

The company operates the following defined contribution pension schemes

The Cory Environmental Voyager Replacement Pension,
The Cory Environmental Odyssey Replacement Pension,
The Cory Environmental Nestor Replacement Pension, and
The Cory Environmental Pension Scheme

These are run on behalf of the employees and operated by Cory Environmental Management Limited in the United Kingdom. Contributions to the schemes are charged to the profit and loss account when payable.

Aftercare provision

A provision is maintained against commitments in respect of the future maintenance of landfill sites, which will crystallise over a period estimated to be in the order of 30 years following closure, based on discounted forecast cash flows. An assessment of these future costs is made periodically, and the rate of provision adjusted to reflect current estimates regarding remaining site lives and annual post-closure costs. Provision for all such costs is charged to the profit and loss account on the basis of usage of void space. The unwinding of the discount is charged to the profit and loss account as a finance charge.

Landfill restoration

Full provision is made for future value of the group's minimum unavoidable costs in relation to restoration liabilities at its landfill sites for each cell as usage commences for that cell. This is capitalised as a fixed asset and depreciated over the life time of the cell(s).

Insurance provisions

The company maintains insurance policies with significant excesses, below which claims are borne by the company. Full provision is made for the estimated costs of claims or losses arising from past events falling outside the limits of these policies.

Liabilities and damages

Full provision is made for onerous contracts. If in the opinion of the directors, there is a likelihood of claims arising from third parties, these are provided for in the accounts.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the legal form.

2 Turnover

Turnover, which is stated net of value added tax, relates to the company's principal continuing activity, which the directors consider constitutes a single class of business. The geographical origin and destination of turnover was the United Kingdom.

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

3 Other operating income

	2012 £'000	2011 £'000
Rental income	21	24
Clay aggregate sales	1	199
Planning site extension	2	-
Other contract income	171	-
Release of landfill tax provision	-	256
	<u>195</u>	<u>479</u>

4 Other operating charges

	2012 £'000	2011 £'000
Planning cost site extension	-	56
	<u>-</u>	<u>56</u>

5 Employees

	2012 £'000	2011 £'000
Staff costs consist of		
Wages and salaries	1,392	1,395
Social security costs	154	160
Other pension costs	78	48
	<u>1,624</u>	<u>1,603</u>

The average monthly number of employees during the year was as follows

	Number	Number
Operations	22	20
Administration	27	23
	<u>49</u>	<u>43</u>

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

6 Directors' remuneration

	2012 £'000	2011 £'000
Aggregate remuneration in respect of qualifying services	187	156
Aggregate contributions to money purchase pension schemes	12	12
	<u>199</u>	<u>168</u>
	Number	Number
Number of directors accruing benefits under money purchase scheme	<u>1</u>	<u>1</u>

In 2012, one director received remuneration from the company for his services to the company during the year (2011 - one director). The remuneration of the remaining directors for services to the group are paid by a parent company and are disclosed in that company's financial statements. The remuneration disclosed in these financial statements are in respect of one director only.

7 Operating profit

	2012 £'000	2011 £'000
This has been arrived at after charging		
Operating lease rentals		
- vehicles, plant and equipment	58	62
- land and buildings	68	64
Amortisation (note 10)	2	-
Depreciation (note 11)	619	2,306
Auditors' remuneration*	(9)	29
	<u>619</u>	<u>2,306</u>

The current year auditors remuneration is shown net of a release of prior year over accrual.

8 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable to fellow group undertakings	389	325
Unwinding of discount on aftercare provision (note 17)	224	213
	<u>613</u>	<u>538</u>

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

9 Taxation on profit from ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012 £'000	2011 £'000
<i>Current tax</i>		
UK corporation tax on profit of the year	628	1,394
Adjustments in respect of prior years	3	4
	<hr/>	<hr/>
UK corporation tax (note 9(b))	631	1,398
Deferred tax credit (note 9(c))	(980)	(113)
	<hr/>	<hr/>
Tax on profit on ordinary activities	(349)	1,285
	<hr/>	<hr/>

(b) Factors affecting current tax charge

The tax assessed for the year is lower (2011 - higher) than the standard rate of corporation tax in the UK
The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	1,743	3,372
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	427	893
	<hr/>	<hr/>
Effects of		
Expenses not deductible for tax purposes	346	198
Depreciation in advance of capital allowances	(344)	95
Other timing differences	199	208
Adjustments in respect of prior years	3	4
	<hr/>	<hr/>
Current tax charge for year (note 9(a))	631	1,398
	<hr/>	<hr/>

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

9 Taxation on profit from ordinary activities (continued)

(c) Deferred tax

Deferred taxation recognised in the financial statements is as follows

	2012 £'000	2011 £'000
Decelerated capital allowances	310	610
Other timing differences	3,753	2,473
	<hr/>	<hr/>
Deferred tax asset (note 14)	4,063	3,083
	<hr/>	<hr/>
Deferred tax asset at beginning of year	3,083	2,970
Credit to the profit and loss account	11	61
Adjustments in respect of prior years	-	52
Deferred tax asset not previously recognised	969	-
	<hr/>	<hr/>
Deferred tax asset at end of year	4,063	3,083
	<hr/>	<hr/>

(d) Corporate tax rate change

The main UK corporation tax rate from 1 April 2011 of 26% was reduced to 24% from 1 April 2012, resulting in an effective corporation tax rate of 24.5% for this accounting period. A number of changes to the UK corporation tax system were announced in the March 2012 Budget Statement. The Finance Act 2012 which was substantially enacted on 6 July 2012 includes legislation reducing the main rate of corporation tax from 26% to 24% from 1 April 2012 and further reducing the main rate of corporation tax from 24% to 23% from 1 April 2013.

A further reduction to the main rate of corporation tax was proposed in the Chancellor's Autumn Statement, released on 5 December 2012. This proposes a further 1% cut in the main rate of corporation tax from 1 April 2014 in addition to the 1% already proposed such that the rate would become 21% from this date. This further change had not been substantively enacted at the balance sheet date and therefore has not been reflected in these financial statements. The change is not expected to materially impact the financial statements.

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

10 Intangible assets

	Goodwill £'000	Total £'000
<i>Cost</i>		
At 1 January 2012	-	-
Additions	280	280
	<hr/>	<hr/>
At 31 December 2012	280	280
	<hr/>	<hr/>
<i>Amortisation</i>		
At 1 January 2012	-	-
Charge for the year	2	2
	<hr/>	<hr/>
At 31 December 2012	2	2
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2012	278	278
	<hr/>	<hr/>
At 31 December 2011	-	-
	<hr/>	<hr/>

Goodwill is being amortised over the directors' estimate of its useful economic life of 15 years on a straight line basis

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

11 Tangible assets

	Freehold land and buildings £'000	Long leasehold £'000	Plant and machinery £'000	Total £'000
<i>Cost</i>				
At 1 January 2012	35,998	18,604	6,231	60,833
Additions	301	339	4,622	5,262
Transfers*	-	-	331	331
Disposals	(792)	-	(940)	(1,732)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	35,507	18,943	10,244	64,694
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2012	20,118	11,457	2,905	34,480
Charge for the year	(498)	194	923	619
Transfers*	-	-	284	284
Disposals	-	-	(818)	(818)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	19,620	11,651	3,294	34,565
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2012	15,887	7,292	6,950	30,129
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	15,880	7,147	3,326	26,353
	<hr/>	<hr/>	<hr/>	<hr/>

*These transfers were made to companies within the Cory Environmental Management Limited group of companies

12 Investments

The company has an investment of £1 00 in Parkhill Waste Management Limited. This is a dormant company.

13 Stocks

	2012 £'000	2011 £'000
Raw materials	22	21
	<hr/>	<hr/>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

14 Debtors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade debtors	8,703	6,789
Amounts owed by group undertakings	3,335	2,965
Other debtors	-	20
Social security and other taxes	2	5
Deferred tax asset (note 9(c))	4,063	3,083
Prepayments and accrued income	1,628	813
	<u>17,731</u>	<u>13,675</u>

Amounts owed by group undertakings are unsecured with no fixed date of repayment. Interest is charged on outstanding balances at rates in the range of 2.9% to 3.3% (2011 - 2.7% to 3.3%) during the year.

15 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	258	564
Amounts owed to fellow group undertakings	13,731	13,146
Corporation tax	631	1,398
Social security and other taxes	8,440	5,651
Other creditors	915	1,614
Accruals and deferred income	808	1,210
	<u>24,783</u>	<u>23,583</u>

Amounts owed by group undertakings are unsecured with no fixed date of repayment. Interest is charged on outstanding balances at rates in the range of 2.9% to 3.3% (2011 - 2.7% to 3.3%) during the year.

16 Creditors: amounts falling due after one year

	2012 £'000	2011 £'000
Preference share capital - redeemable after more than one year	<u>700</u>	<u>700</u>

The preference shares are due in more than one year, and are repayable otherwise than by instalments.

The preference share capital as shown in the balance sheet comprises 700,000 10% non-cumulative redeemable (at no fixed date) preference shares of £1 each, currently redeemable at par. All the preference shares have been allotted, called up and fully paid. There were no allotments during the year.

The interest charge on the preference shares has been waived. Holders of redeemable preference shares are entitled to one vote for each share held at any general meeting.

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

17 Provisions for liabilities

	Landfill restoration £'000	Aftercare £'000	Other £'000	Insurance £'000	Total £'000
At 1 January 2012	4,307	7,106	375	13	11,801
Charged for the year	-	1,427	924	2	2,353
Unwinding of discount (note 8)	-	224	-	-	224
Capitalised	(626)	-	246	-	(380)
Utilised	(481)	(162)	17	-	(626)
Released	-	-	-	(13)	(13)
At 31 December 2012	3,200	8,595	1,562	2	13,359

Landfill restoration provision is the future value of the minimum incremental costs to restore land after a specific cell's capacity is fully utilised and the cell is sealed. Full provision is made when the cell is brought into use.

The aftercare provision is the estimated cost of future maintenance of landfill sites following closure. The costs are estimated for a period of thirty years following closure. The aftercare provision is based on a number of assumptions, including a forecast of costs based on current legislative requirements, an inflation rate and a rate of discount to calculate a net present value of the provision. Any changes to these assumptions as a result of factors such as a change in the regulatory environment or economic developments, will impact the level of provision required. Consequently, the provision is kept under review and adjustments made when necessary.

Other provisions include other landfill related provision as well potential claims made against the company and associated legal costs.

The insurance provision is in respect of the costs of claims which are not insured externally, and fall below the excess threshold of the group's insurance policies. Claims can take several years to be settled.

18 Share capital

	2012 Number	Allotted, called up and fully paid 2011 Number	2012 £'000	2011 £'000
Ordinary shares of £1 each	100,000	100,000	100	100

The authorised share capital in 2012 and 2011 is 100,000 shares of £1 each. Ordinary shares entitle the holders to one vote for each share held at any general meeting.

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

19 Reserves

	Profit and loss account £'000
At 1 January 2012	8,717
Profit for the year	2,092
	<hr/>
At 31 December 2012	10,809
	<hr/>

20 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit for the year	2,092	2,087
	<hr/>	<hr/>
Net addition to shareholders' funds	2,092	2,087
Opening shareholders' funds	8,817	6,730
	<hr/>	<hr/>
Closing shareholders' funds	10,909	8,817
	<hr/>	<hr/>

21 Contingent liabilities

	2012 £'000	2011 £'000
Letters of credit held in favour of the Environment Agency	14,091	12,707
Bonds held in favour of local borough council	827	827
	<hr/>	<hr/>

The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. No such current proceedings are expected to have a material effect on the company.

One of the conditions to obtaining a landfill permit is to satisfy the Environment Agency that adequate financial provision is made to satisfy the potential aftercare cost once a site has closed. In order to satisfy this condition the company commits to a letter of credit or similar financial instrument.

The company, as a subsidiary of Viking Consortium Holdings Limited, is a member guarantor in respect of the obligations contained within the finance documents of Viking Consortium Acquisition Limited and cross guarantees the performance and obligations of other companies within the group.

Cory Environmental (Central) Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (continued)

21 Contingent liabilities (continued)

The company cross guarantees certain other obligations to other group companies including

	2012 £'000	2011 £'000
Parent company acquisition bank debt	276,239	284,985
Letters of credit held in favour of the Environmental Agency and local authorities	25,260	23,580
Letters of credit for Riverside	17,500	17,500
Other letters of credit	1,967	1,967
Parent company guarantees	63,474	63,053
Performance guarantees/bonds held in favour of local authorities	21,165	17,412

22 Pensions

The company participates in the following defined contribution pension schemes

The Cory Environmental Voyager Replacement Pension,
The Cory Environmental Odyssey Replacement Pension,
The Cory Environmental Nestor Replacement Pension, and
The Cory Environmental Pension Scheme

These are run on behalf of the employees and operated by Cory Environmental Management Limited in the United Kingdom

The assets of the schemes are held separately from those of the company in independently administered funds

The total pension cost charge includes contributions payable by the company to the funds and amounted to £77,969 (2011 - £47,602)

23 Commitments under operating leases

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £'000	Plant and equipment 2012 £'000	Land and buildings 2011 £'000	Plant and equipment 2011 £'000
Operating leases which expire				
Within one year	-	14	-	8
In two to five years	-	24	-	28
Over five years	57	-	57	-
	<u>57</u>	<u>38</u>	<u>57</u>	<u>36</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals

Cory Environmental (Central) Limited

**Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)**

24 Related party transactions

The company has taken advantage of the exemption available under FRS 8 from disclosing related party transactions with members of the group headed by Viking Consortium Holdings Limited on the grounds that 100% of the voting rights are controlled within that group and the company is included in consolidated financial statements

25 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Cory Environmental (Central Holdings) Limited. Cory Environmental Management Limited is the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared. The company's ultimate parent undertaking and controlling party is Viking Consortium Holdings Limited, which is the parent undertaking of the largest group of which the company is a member for which group financial statements are prepared.

Copies of the financial statements of Cory Environmental Management Limited and Viking Consortium Holdings Limited can be obtained from 2 Coldbath Square, London, EC1R 5HL.

26 Post balance sheet events

In the opinion of the directors there have been no material post balance sheet events.