

City Special Waste Limited

Directors' report and financial
statements

Registered number 02801677

Year ended 31 December 2008

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activities and business review

The principal activity of the company was that of hazardous waste removal contractors. The company did not trade in the current or prior year after closure of the business in 2006.

Results

The loss for the year is disclosed in the profit and loss account on page 5.

The directors do not recommend a dividend payment (2007: £Nil).

Directors

The directors who held office during the year were as follows:

Carillion Management Limited	(resigned 2 September 2008)
LJ Mills	(appointed 2 September 2008)
TF George	(appointed 2 September 2008)


Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

By order of the board


Signed on behalf of
Carillion Secretariat Limited
Secretary

24 Birch Street
Wolverhampton
WV1 4HY

30 April 2009

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these 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; 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 that 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Independent auditors' report to the members of City Special Waste Limited

We have audited the financial statements of City Special Waste Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

Independent auditors' report to the members of City Special Waste Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 April 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Note</i>	2008 £	2007 £
Turnover		-	-
Operating costs		-	-
		<hr/>	<hr/>
Operating profit	2	-	-
Net interest payable	4	(331,653)	(463,942)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(331,653)	(463,942)
Taxation on loss on ordinary activities	5	64,521	320,751
		<hr/>	<hr/>
Loss for the financial year	11	(267,132)	(143,191)
		<hr/>	<hr/>


There is no difference between the loss on ordinary activities before taxation and the retained loss for the financial year and their historical cost equivalents.

Reserve movements are given in note 11.

Balance sheet
at 31 December 2008

	Note	2008 £	2007 £
Current assets			
Debtors	7	80,273	274,625
Creditors: amounts falling due within one year	8	<u>(709,839)</u>	<u>(411,937)</u>
Net current liabilities		<u>(629,566)</u>	<u>(137,312)</u>
Total assets less current liabilities		<u>(629,566)</u>	<u>(137,312)</u>
Creditors: amounts falling due after more than one year	9	<u>(5,610,246)</u>	<u>(5,835,368)</u>
Net liabilities		<u>(6,239,812)</u>	<u>(5,972,680)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	<u>(6,239,912)</u>	<u>(5,972,780)</u>
Equity shareholders' deficit	12	<u>(6,239,812)</u>	<u>(5,972,680)</u>

These financial statements were approved by the board of directors on 30 April 2009 and were signed on its behalf by:


TF George
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

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

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £6,239,812, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Carillion plc, the company's ultimate parent undertaking. Carillion plc has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Cash flow statement

Under FRS 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carillion plc, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation. Deferred tax assets or liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Liabilities are calculated on a non-discounted full provision basis. Assets are calculated on the same basis, but are recognised only to the extent that it is probable that they will be recovered.

2 Operating result

The audit fee for the year ended 31 December 2008 amounting to £2,000 (2007: £3,000) was borne by Carillion Construction Limited, a fellow group subsidiary.

Fees paid to the company's auditor, KPMG Audit Plc, and its associates for other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the company's parent, Carillion plc, are required to disclose non-audit fees on a consolidated basis.

3 Remuneration of directors

The two directors of the company are employed by a fellow group subsidiary and are remunerated by those companies in respect of their services to the group as a whole. They receive no emoluments from this company.

Notes (continued)

4 Net interest payable

	2008 £	2007 £
Payable to ultimate parent company	331,653	463,942

5 Taxation on loss on ordinary activities

Analysis of credit for the year

	2008 £	2007 £
<i>UK corporation tax</i>		
Current tax	(94,521)	(191,393)
Adjustments in respect of prior periods	30,000	(83,232)
	(64,521)	(274,625)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	(46,126)
	(64,521)	(320,751)

Factors affecting tax credit for the year

The tax assessed differs from the application of the standard rate of corporation tax in the UK of 28.5% (2007: 30%) to the company's loss before taxation for the following reasons:

	2008 £	2007 £
<i>UK corporation tax</i>		
Loss on ordinary activities before tax	(331,653)	(463,942)
Current tax at 28.5% (2007: 30%)	(94,521)	(139,183)
<i>Effects:</i>		
Capital allowances in excess of depreciation	-	(22,210)
Other timing differences	-	(30,000)
Adjustments in respect of previous periods	30,000	(83,232)
Total current tax credit	(64,521)	(274,625)

Factors that may affect future current and total tax charges

The UK corporation tax rate changed from 30% to 28% with effect from 1 April 2008.

Notes (continued)

6 Deferred taxation

	2008 £	2007 £
At beginning of year	-	(46,126)
Capital allowances in excess of depreciation	-	(16,874)
Other timing differences	-	63,000
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>

7 Debtors

	2008 £	2007 £
Corporation tax	80,273	274,625
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	-	33,751
Amounts due to other Group Companies	689,198	357,545
Other creditors	20,641	20,641
	<hr/>	<hr/>
	709,839	411,937
	<hr/>	<hr/>

9 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Amounts owing to holding company	5,610,246	5,835,368
	<hr/>	<hr/>

10 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

Notes *(continued)*

11 Reserves

	Profit and loss account £
Deficit at beginning of year	(5,972,780)
Loss for the year	(267,132)
	<hr/>
Deficit at end of year	(6,239,912)
	<hr/>

12 Reconciliation of movements in equity shareholders' deficit

	2008 £	2007 £
Loss for the financial year	(267,132)	(143,191)
Opening equity shareholders' deficit	(5,972,680)	(5,829,489)
	<hr/>	<hr/>
Closing equity shareholders' deficit	(6,239,812)	(5,972,680)
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13 Related party transactions

As a subsidiary of Carillion plc, the company is exempt from the requirements of FRS 8, 'Related Party Transactions', to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.

14 Ultimate holding company

The company's ultimate controlling company is Carillion plc which is incorporated in Great Britain.

Copies of the group financial statements of Carillion plc are available from 24 Birch Street, Wolverhampton WV1 4HY.