

Company Registration No. 2993753

ANTI-WASTE (RESTORATION) LIMITED

Report and Financial Statements

31 December 2002



ANTI-WASTE (RESTORATION) LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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ANTI-WASTE (RESTORATION) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N D A Sandy
H C Etheridge
T C Walsh

SECRETARY

A Waterhouse

REGISTERED OFFICE

3 Sidings Court
White Rose Way
Doncaster
DN4 5NU

AUDITORS

Deloitte & Touche
1 City Square
Leeds
LS1 2AL

ANTI-WASTE (RESTORATION) LIMITED

DIRECTORS' REPORT

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

ACTIVITIES

The principal activity of the company is that of the provision of landfill site monitoring and restoration services.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The result for the year was in line with directors' expectations and trading at current levels is anticipated 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.

RESULTS AND DIVIDENDS

The result for the year is set out on page 5. The directors do not recommend the payment of a dividend (2001: £nil and thus £9,000 (2001: £2,000) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

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

N D A Sandy
H C Etheridge
T C Walsh

None of the directors held an interest in the share capital of the company during the 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.

The interests of Mr T C Walsh in the share capital of the parent company are disclosed in note 4.

CHARITABLE AND POLITICAL DONATIONS

The company did not make any 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

ANTI-WASTE (RESTORATION) 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;
- 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 ANTI-WASTE (RESTORATION) LIMITED

We have audited the financial statements of Anti-Waste (Restoration) 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 12. 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 profit 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

ANTI-WASTE (RESTORATION) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2002

	Note	2002 £'000	2001 £'000
TURNOVER	2	99	150
Cost of sales		(77)	(137)
GROSS PROFIT		22	13
Administrative expenses		(9)	(10)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	13	3
Tax on profit on ordinary activities	5	(4)	(1)
PROFIT FOR THE FINANCIAL YEAR		9	2
Retained profit brought forward		2	-
Retained profit carried forward		11	2

All results derive 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 above. Accordingly no statement of total recognised gains and losses has been presented.

There are no movements in shareholders' funds during the current financial year or the preceding financial year except the movement on the profit and loss account shown above. Consequently a reconciliation of movements in shareholders' funds has not been presented.

ANTI-WASTE (RESTORATION) LIMITED

BALANCE SHEET 31 December 2002

	Note	2002 £'000	2001 £'000
CURRENT ASSETS			
Debtors	6	47,543	20,947
Cash at bank and in hand		78	803
		<u>47,621</u>	<u>21,750</u>
CREDITORS: amounts falling due within one year	7	<u>(1,342)</u>	<u>(46)</u>
NET CURRENT ASSETS		46,279	21,704
CREDITORS: amounts falling due after more than one year	8	<u>(46,268)</u>	<u>(21,702)</u>
		<u>11</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account		11	2
EQUITY SHAREHOLDERS' FUNDS		<u>11</u>	<u>2</u>

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

ANTI-WASTE (RESTORATION) 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 exemption

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1 (Revised), from presenting a cash flow statement as it is a wholly owned subsidiary of a group which prepares a consolidated cash flow statement.

Turnover

Turnover represents invoiced sales of goods and services provided excluding value added tax.

Restoration costs

Income from charges made to other group companies in respect of the anticipated cost of final site restoration and monitoring costs is deferred and will be credited to the profit and loss account in the periods in which the associated costs arise.

2. TURNOVER

Turnover is wholly attributable to the principal activity of the company and is carried on within the United Kingdom.

3. OPERATING PROFIT

Fees in respect of auditors' remuneration are met by the parent company.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Wages and salaries of directors and administrative activities are met by the company's immediate and ultimate parent companies.

Director's interests

The following non-group director had interests in the share capital of Waste Recycling Group plc at the beginning and end of the financial year by virtue of his holdings of share options in that company.

	At 31 December 2002 No	At 1 January 2002 No
T C Walsh	30,000	30,000

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
Corporation tax		
United Kingdom corporation tax at 30% (2001: 30%) based on profits for the year	4	1
Tax on profit on ordinary activities	4	1

The tax charge for both the current and previous financial year is in line with expectation and therefore no reconciliation between the actual and expected tax charge has been presented.

ANTI-WASTE (RESTORATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2002

6. DEBTORS

	2002 £'000	2001 £'000
Trade debtors	-	15
Amounts due from ultimate parent undertaking	41,692	-
Amounts due from fellow group undertakings	5,851	20,928
Other taxation and social security	-	4
	<u>47,543</u>	<u>20,947</u>

7. CREDITORS: amounts falling due within one year

	2002 £'000	2001 £'000
Trade creditors	-	40
Amounts due to fellow group undertakings	1,338	5
Corporation tax	4	1
	<u>1,342</u>	<u>46</u>

8. CREDITORS: amounts falling due after more than one year

	2002 £'000	2001 £'000
Deferred income	<u>46,268</u>	<u>21,702</u>

Deferred income is in respect of sums charged to fellow group undertakings in respect of landfill site restoration costs, to be released to the profit and loss account and matched against the relevant costs when they arise.

9. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised:		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. 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.

11. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the company has traded with its ultimate parent company Waste Recycling Group plc together with its subsidiaries. The company is exempt from disclosing details of these transactions because copies of Waste Recycling Group plc group financial statements are publicly available.

ANTI-WASTE (RESTORATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

12. ULTIMATE PARENT COMPANY

The company's immediate parent company is Anti-Waste Limited, a company registered in England and Wales.

At 31 December 2002, the ultimate parent company and controlling party of Anti-Waste (Restoration) 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.