

Company Registration No. 3188850

FINSTOP LIMITED

Report and Financial Statements

31 December 2002



FINSTOP LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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FINSTOP LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

B J Howarth
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

FINSTOP LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The company's principal activity is to act as the holding company for a subsidiary engaged in the business of stone quarrying, landfill management and electricity generation. The directors regard these activities as a single class of business.

REVIEW OF DEVELOPMENTS

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 profit for the financial year amounted to £3,000,000 (2001: £1,000,000). The directors recommend a dividend of £3,000,000 (2001: £1,000,000) and thus £Nil (2001: £Nil) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

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

H C Etheridge
B J Howarth
NDA Sandy

None of the directors held any 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.

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



A Waterhouse
Company Secretary

30 July

2003

FINSTOP 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 FINSTOP LIMITED

We have audited the financial statements of Finstop 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 7. 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

FINSTOP LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2002**

	Note	2002 £'000	2001 £'000
Income from shares in group companies		<u>3,000</u>	<u>1,000</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>3,000</u>	<u>1,000</u>
Dividends	2	<u>(3,000)</u>	<u>(1,000)</u>
PROFIT RETAINED FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>
Retained profit brought forward		<u>-</u>	<u>-</u>
Retained profit carried forward		<u><u>-</u></u>	<u><u>-</u></u>

All results derive from the company's continuing activity as an investment holding company.

The company has no recognised gains and losses other than the profits above for either the current or preceding financial years. Consequently, 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.

FINSTOP LIMITED

BALANCE SHEET 31 December 2002

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Investments	3	<u>16,696</u>	<u>16,696</u>
CREDITORS: amounts falling due within one year	4	<u>(1,431)</u>	<u>(1,431)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,265</u>	<u>15,265</u>
CAPITAL AND RESERVES			
Called up share capital	5	<u>15,265</u>	<u>15,265</u>
TOTAL SHAREHOLDERS' FUNDS		<u>15,265</u>	<u>15,265</u>
Analysis of shareholders' funds			
Equity		<u>15,152</u>	<u>15,152</u>
Non-equity		<u>113</u>	<u>113</u>
TOTAL SHAREHOLDERS' FUNDS		<u>15,265</u>	<u>15,265</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

FINSTOP 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.

Cashflow exemption

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

Group accounts

The company has claimed exemption from the preparation of consolidated financial statements under section 228 of the Companies Act 1985 as it is a subsidiary of a group which has prepared consolidated financial statements. Accordingly, these financial statements present information about the company and not the group.

Investments

Investments are stated at cost less provision for any impairment.

2. DIVIDENDS

	2002 £'000	2001 £'000
Equity		
Final paid of £0.198 (2001: £0.0660) per ordinary share of £1 each	2,970	990
Final paid of £0.002 (2001: £0.0007) per ordinary share of £0.01 each	30	10
	<u>3,000</u>	<u>1,000</u>

3. FIXED ASSET INVESTMENT

	2002 £'000	2001 £'000
Shares in subsidiary undertakings		
Cost and net book value	<u>16,696</u>	<u>16,696</u>

The company holds 100% of the issued share capital of Darrington Quarries Limited, a company which is registered in England and Wales. Its principal activities are that of quarrying, landfill management and electricity generation.

4. CREDITORS: amounts falling due within one year

	2002 £'000	2001 £'000
Amounts owed to subsidiary undertaking	<u>1,431</u>	<u>1,431</u>

FINSTOP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2002

5. CALLED UP SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised, allotted, called up and fully paid		
15,002,269 Ordinary shares of £1 each	15,002	15,002
15,000,000 Ordinary shares of £0.01 each	150	150
75,000 Deferred shares of £1 each	75	75
3,750,000 Deferred shares of £0.01 each	38	38
	<u>15,265</u>	<u>15,265</u>
Analysis of non-equity shares		
75,000 Deferred shares of £1 each	75	75
3,750,000 Deferred shares of £0.01 each	38	38
	<u>113</u>	<u>113</u>

The deferred shares do not carry any rights to receive payment of dividends or any right to receive notice of, or to attend and vote at any general meeting of the company. On a return of assets on winding up, the deferred shares are entitled solely to repayment of amounts fully paid.

6. 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.

7. ULTIMATE PARENT COMPANY

At 31 December 2002, the ultimate parent company and controlling party of Finstop 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.