Company number
3290431 (ENGLAND AND WALES)

BALLAST PHOENIX LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

MOORE STEPHENS
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS
RUTLAND HOUSE
MINERVA BUSINESS PARK
LYNCH WOOD
PETERBOROUGH
PE2 6PZ

BALLAST PHOENIX LIMITED

COMPANY INFORMATION

Company number·	3290431 (England and Wales)
Directors:	D M York A C G Van Beurden R Malizia
Secretary	P Peters
Registered office:	Victoria Stables South Road Bourne Lincolnshire PE10 9JZ
Statutory auditors·	Moore Stephens Chartered Accountants Statutory Auditors Rutland House Minerva Business Park Lynch Wood Peterborough PE2 6PZ
Bankers·	HSBC 3 North Street Bourne PE10 9AE
Solicitors·	Hegarty & Co 48 Broadway Peterborough PE1 1YW

BALLAST PHOENIX LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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BALLAST PHOENIX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company is the processing and marketing of incinerator bottom ash (IBA) to recover and produce aggregate thus avoiding land filling of IBA

There has not been any significant change in this activity during the year

Review of business

Business in 2010 was adversely affected by the continuing global financial crisis, a general election and by uncertainty about cuts in government spending

Metal markets have remained reasonable and Aggregate sales in terms of tonnage have not been dramatically affected, though the reduced volume of construction work as in 2009 weakened prices and our sales revenue per tonne was adversely affected

Elsewhere on sites, a major upgrade of the Castle Bromwich plant is underway and major work is planned at Edmonton to improve metal recovery

Our new site in Sheffield was commissioned during February 2010 IBA had been delivered to the site since September 2009 building a stockpile ready for when the process was operable The site has operated successfully since opening and sales of aggregate from the site in the first year were reasonable, with good prospects

The directors have to report turnover of £9,584,764

Future Developments

Contracts were signed in 2010 for the largest project to date Our customer will deliver 170k tpa to a new plant being constructed in Tilbury Docks This should be commissioned in March 2011 before a long term contract begins to run

Many other local authority waste contracts include plans for waste incineration Ballast Phoenix Limited has priced and continues to quote for processing and marketing the Incinerator Bottom Ash (IBA) associated with these projects

The development of a WRAP/Environment Agency Quality Protocol continues Its progress has been slow as internal review has highlighted potential weaknesses These are being addressed by academics and consultants and funding has been extended to facilitate the work This work is now scheduled for completion in Spring 2013

Results and Dividends

The results for the year are set out on page 7 Whilst the profit generated was pleasing, the directors have noted the need to keep pressure on the basics of good cost control and an aggressive, hungry sales effort

Nevertheless, as a result of the profits generated in 2010, the company paid all outstanding preference dividends and redeemed £1,129,189 redeemable preference shares Since the year end the company has redeemed all of the 4 5% cumulative redeemable preference shares to strengthen the balance sheet

Financial risk management objectives and policies

The company uses various financial instruments which include cash and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk The directors review and agree policies for managing each of these risks and they are summarised below

Liquidity risk

The company seeks to manage such risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

The company policy throughout the year has been to manage this risk through the day to day involvement of management in business decisions other than through setting maximum or minimum liquidity ratios

Interest rate risk

The company finances its operations through retained profits, finance lease agreements and preference shares

The balance sheet includes trade debtors and creditors which do not attract interest, except for the cumulative redeemable preference shares which have been classed as debt, and are therefore subject to fair value interest rate risk

The company policy throughout the year has been to manage this risk through the day to day involvement of management in business decisions

Credit risk

The company's principal financial assets are cash and trade debtors The credit risk associated with cash is limited Credit risk arising from trade debtors is also limited due to the nature of the company's trading and its customers

Donations

Political and charitable donations did not exceed £2,000 in the year

BALLAST PHOENIX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

Directors

The directors of the company during the year and their respective family interests in the share capital of the company as recorded in the register of directors' interests were as follows

	2010 No.	2009 of shares
D M York	22,688	22,688
A C G Van Beurden	-	-
R Malizia	-	-

Responsibilities of the directors

The directors are responsible for preparing the annual 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 law) 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,
- 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 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

In the case of each of the persons who are directors at the time when the directors report is approved

- so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

The auditors, Moore Stephens, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006

On behalf of the board

D M York
Director

7 March 2011

Victoria Stables
South Road
Bourne
Lincolnshire
PE10 9JZ

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALLAST PHOENIX LIMITED

We have audited the financial statements of Ballast Phoenix Limited for the year ended 31 December 2010 on pages 7 to 23 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 directors' responsibilities statement (set out in the directors' report), 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 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
An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on the 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 2010 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 matter 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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALLAST PHOENIX LIMITED

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 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

Andrew Hancock FCCA
(Senior statutory auditor)

For and on behalf of Moore Stephens
Chartered Accountants
Statutory Auditors
Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

Dated 11/3/2011

BALLAST PHOENIX LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Turnover	2	9,584,764	6,598,761
Cost of sales		(6,682,336)	(4,880,072)
Gross profit		2,902,428	1,718,689
Administrative expenses		(638,243)	(672,466)
Operating profit	3	2,264,185	1,046,223
Other interest receivable and similar income		1,107	255
Interest payable	6	(184,005)	(155,362)
Profit on ordinary activities before taxation		2,081,287	891,116
Tax on profit on ordinary activities	7	(768,984)	(271,798)
Profit for the year		1,312,303	619,318

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2010 therefore turnover and operating profit derive entirely from continued operations

The company has no recognised gains or losses other than the profit for the financial year

The annexed notes form part of these financial statements

BALLAST PHOENIX LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	8		3,460,177		2,962,635
Current assets					
Stocks	9	316,891		203,529	
Debtors	10	2,711,524		1,234,566	
Cash at bank and in hand		724,388		1,346,283	
		3,752,803		2,784,378	
Creditors					
Amounts falling due within one year	11	(3,684,568)		(1,879,346)	
Net current assets			68,235		905,032
Total assets less current liabilities			3,528,412		3,867,667
Creditors					
Amounts falling due after more than one year	12		(1,663,462)		(2,742,040)
Provisions for liabilities	13		(213,266)		-
Net assets			1,651,684		1,125,627
Capital and reserves					
Called up share capital	14		302,500		302,500
Capital redemption reserve	15		1,129,189		-
Profit and loss account	16		219,995		236,877
Shareholders' funds					
- equity interests			1,651,684		539,377
- non equity interests	14		-		586,250
Total shareholders' funds	17		1,651,684		1,125,627

Approved by the board of directors on 7 March 2011 and signed on its behalf

D M York
Director

The annexed notes form part of these financial statements

BALLAST PHOENIX LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	18	2,498,938	1,679,192
Returns on investments and servicing of finance	19	(182,898)	(631,591)
Taxation		(256,763)	(178,943)
Capital Expenditure	19	(1,008,005)	(1,610,586)
Equity dividends paid		(199,996)	-
		851,276	(741,928)
Financing	19	(1,473,171)	1,704,690
(Decrease)/Increase in cash		(621,895)	962,762

BALLAST PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

These financial statements have been prepared in accordance with applicable accounting standards

Turnover
Turnover represents income receivable from the processing and marketing of incinerator bottom ash in the period, exclusive of Value Added Tax and trade discounts

One of the company's income streams is the receipt of a tonnage fee from incinerator operators for taking IBA from them and thereby reducing their landfill burden Owing to the nature and location of each site, some contracts provide for this fee to be paid on collection or delivery of the IBA to our processing site, whereas others provide for payment when the processed material leaves the site The directors believe the most appropriate accounting policy is that revenue is recognised in accordance with the contractual position

Depreciation of fixed assets
Depreciation is charged in the year of acquisition of an asset but none in the year of disposal Depreciation has been computed to write off the cost of fixed assets over their expected useful lives on a monthly basis at the following rates -

Fixtures and fittings	33 33% per annum straight line
Plant and operating facilities	10% per annum straight line / remaining life of contract /25% per annum straight line

Stocks
Stocks and work in progress are valued consistently at the lower of cost (on a first in, first out basis) and net realisable value Cost, where appropriate, includes a proportion of directly attributable overheads

Pre contract costs
UITF 34 (Pre Contract Costs) requires pre contract costs to be expensed as incurred Costs, directly attributable to a specific contract, will be recognised as an asset where it is virtually certain that the contract is expected to result in future profits

Debtors
Debtors are shown after providing for any amounts which in the opinion of the directors may not be collected in full

Deferred taxation
Deferred tax assets and liabilities have arisen from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation

In accordance with applicable Accounting standards, deferred tax is provided in full according to the liability method to take account of the timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws

The company has not adopted a policy of discounting deferred tax assets and liabilities

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset

Research and development
Research expenditure is written off to the profit and loss account in the year in which it is incurred Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit, which is five years

Foreign exchange
Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction Monetary assets and liabilities in foreign currencies are retranslated into sterling at the rates of exchange ruling at the balance sheet date Exchange differences are taken into account in arriving at the operating profit

Leasing
Leasing rentals payable on agreements which transfer substantially all the risk and rewards associated with ownership of the lessee ("finance leases") are capitalised within fixed assets, and the obligation to pay future rentals included in creditors as a liability The interest charges implicit in such a lease are written off to the profit and loss account in proportion to the balance outstanding during the year

All other leasing rentals ("operating leases") are written off to the profit and loss account on a straight line basis over the lease term

Pension costs
The company operates a defined contribution pension scheme and pension contributions are charged to the profit and loss account as they fall due

Cumulative redeemable preference shares
The capital on preference shares that are due for redemption at the balance sheet date is recognised in full as a financial liability

In respect of preference shares that are not yet due for redemption, or are redeemable at the company's option, the capital is recognised partly as a financial liability and partly as equity in accordance with the substance of the terms of issue

2 Turnover

Turnover is attributable solely to continuing operations

The directors consider that all turnover arises from one geographical segment as defined by SSAP 25 The segment is the geographical area in which the company operates

	2010	2009
	£	£
The analysis of turnover by area is as follows		
United Kingdom and Eire	9,584,764	6,598,761
	9,584,764	6,598,761

3 Operating profit

	2010	2009
	£	£
This is stated after charging		
Directors' emoluments	106,087	92,675
Auditors' remuneration - audit	11,400	12,100
- other non-audit services	3,335	2,681
Depreciation of owned assets	510,463	373,824
Pension costs	31,381	26,053
Hire of plant and machinery - operating leases	631,173	503,734

4 Directors' emoluments

	2010	2009
	£	£
Directors' emoluments	106,087	92,675

5 Staff costs

The average number of persons employed by the company, including directors, during the year was as follows

	2010	2009
Management, including directors	13	12
Operational	31	26
Administration	6	6
	50	44

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	1,710,163	1,445,743
Social security	180,090	154,036
Other pension costs	31,381	26,053
	1,921,634	1,625,832

6 Interest payable

	2010 £	2009 £
Hire purchase interest	135,633	80,842
Dividend on cumulative redeemable preference shares	48,372	74,520
	184,005	155,362

BALLAST PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

7 Taxation on profit on ordinary activities

	2010 £	2009 £
Analysis of charge in period		
Current tax.		
UK corporation tax on profits of the period	602,630	270,000
Adjustments in respect of previous period - group loss relief	(59,901)	-
- other	(68,237)	182
Payment to group companies for group losses claimed	59,901	-
Total current tax	534,393	270,182
Deferred tax:		
Derecognition of asset on abolition of Industrial Building Allowances	159,216	-
Adjustments in respect of prior year	78,249	-
Origination and reversal of timing differences	(2,874)	1,616
Tax on profit on ordinary activities	768,984	271,798

Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	2,081,287	891,116
Standard UK corporation tax rate	28 00 %	28 00 %
Profit/(loss) on ordinary activities multiplied by standard UK corporation tax rate	582,760	249,512
Effects of		
Expenditure not allowed for tax purposes	16,996	22,104
Difference between depreciation and capital allowances	2,874	(1,616)
Adjustments in respect of previous period	(68,237)	182
Current tax charge for the year	534,393	270,182

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2010	5,017,931	85,955	5,103,886
Additions	989,851	18,154	1,008,005
At 31 December 2010	6,007,782	104,109	6,111,891
Depreciation			
At 1 January 2010	2,075,827	65,424	2,141,251
Charge for the year	497,368	13,095	510,463
At 31 December 2010	2,573,195	78,519	2,651,714
Net book value			
At 31 December 2010	3,434,587	25,590	3,460,177
At 31 December 2009	2,942,104	20,531	2,962,635

Included within plant and machinery are assets with a net book value of £1,973,093 (2009 £2,404,071) which are held under finance leases and hire purchase contracts

9 Stocks

	2010 £	2009 £
Finished goods	316,891	203,529

10 Debtors

	2010 £	2009 £
Due within one year		
Trade debtors	2,244,058	912,832
Taxation	-	376
Deferred taxation recoverable	-	21,325
Prepayments and accrued income	467,466	300,033
	2,711,524	1,234,566

In the opinion of the directors, the deferred taxation recoverable in 2009 was due to fall after more than one year All other amounts are due within one year

11 Creditors - amounts falling due within one year

	2010 £	2009 £
Trade creditors	1,932,142	772,721
Amounts owed to group undertakings	59,901	11,850
Redemption of cumulative redeemable preference shares (see note 14)	360,811	150,000
Corporation tax	467,630	190,000
Other taxes and social security	173,607	45,166
Obligations under finance leases and hire purchase contracts	331,504	350,658
Accruals and deferred income	358,973	358,951
	3,684,568	1,879,346

Finance lease and hire purchase creditors are secured on the assets concerned

Of the creditors falling due within one year £331,504 (2009 £350,658) is secured

BALLAST PHOENIX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

12 Creditors - amounts falling due after more than one year

	2010 £	2009 £
Obligations under finance leases and hire purchase contracts	1,663,462	1,988,290
4 5% cumulative preference shares	-	753,750
	1,663,462	2,742,040

The finance lease and hire purchase creditors fall due as follows -

	2010 £	2009 £
Repayable within one year	331,504	350,658
Repayable between one and two years	351,743	341,902
Repayable between two and five years	1,115,060	1,265,246
After more than five years	196,659	381,142
	1,994,966	2,338,948

Of the above creditors, the following amounts are repayable wholly or in part more than five years after the balance sheet date

	£	£
Obligations under finance leases and hire purchase contracts	196,659	381,142

Finance lease and hire purchase creditors are secured on the assets concerned

Of the creditors falling due after more than one year £1,663,462 (2009 £1,988,290) is secured

13 Provisions for liabilities

	Deferred taxation
	£
Balance at 1 January 2010	(21,325)
Utilised for the year in profit and loss account	234,591
Balance at 31 December 2010	213,266

The deferred tax provision arises as follows

	Provided		Maximum potential liability / (asset)	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	213,266	(21,325)	213,266	(21,325)
	213,266	(21,325)	213,266	(21,325)

14 Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	302,500	302,500
15% cumulative redeemable preference shares of £1 each	-	150,000
4 5% cumulative redeemable preference shares of £1 each	360,811	1,340,000
	663,311	1,792,500
Recognised as financial liability (Notes 11 and 12)	360,811	903,750
Included in Shareholders' Funds	302,500	888,750

During the year the 15% cumulative redeemable preference shares of £1 each and 979,189 of the 4 5% cumulative redeemable preference shares of £1 each were redeemed at their par values of £1

The 15% cumulative preference shares were redeemable on 1 January 2001 or as soon as thereafter as the company shall be able to comply with the statutory provisions for the time being affecting such redemption

They are non-voting, non-participating and carry the right to a fixed cumulative preferential dividend at the rate of 15% gross per annum on the amounts paid up

On a winding up they entitle the holders to have the available assets of the company realised, in preference to other shareholders, to repay them the capital paid on the shares together with any arrears of the fixed cumulative dividend

The 4 5% cumulative redeemable preference shares rank pari passu with the 15% cumulative redeemable preference shares of £1 each, in all respects except that they are redeemable at the company's option on or after 11 December 2008, and that the preferential dividend shall be at the rate of 4 5% per annum They are non voting shares These shares are recognised partly as a financial liability and partly as equity in accordance with the substance of the terms of issue The remaining cumulative redeemable preference shares at 31 December 2010 have been fully redeemed since the year end and are therefore shown as a liability

15 Capital redemption reserve

	2010
	£
Redemption of cumulative preference shares	1,129,189
Balance at 31 December 2010	1,129,189

16 Profit and loss account

	2010
	£
Balance at 1 January 2010	236,877
Profit retained for the year	1,312,303
Dividends	(199,996)
Redemption of cumulative preference shares	(1,129,189)
Balance at 31 December 2010	219,995

17 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	1,312,303	619,318
Dividends	(199,996)	-
Cumulative redeemable preference shares redeemed	(586,250)	-
Net addition to shareholders' funds	526,057	619,318
Shareholders' funds at 1 January 2010	1,125,627	506,309
Total shareholders' funds at 31 December 2010	1,651,684	1,125,627

18 Reconciliation of operating profit to net cash inflow from operating activities

	2010	2009
	£	£
Operating profit	2,264,185	1,046,223
Depreciation charges	510,463	373,824
Profit on sale of tangible fixed assets	-	(498)
Increase in stocks	(113,362)	(60,325)
(Increase)/Decrease in debtors	(1,498,283)	528,889
Increase/(Decrease) in creditors	1,335,935	(208,921)
Net cash flow from operating activities	2,498,938	1,679,192

19 Gross cash flows

	2010 £	2010 £	2009 £
Returns on investments and servicing of finance			
Interest received	1,107		255
Interest element of finance lease payments	(135,633)		(80,842)
Preference dividend paid	(48,372)		(551,004)
		(182,898)	(631,591)
Capital expenditure			
Payments to acquire tangible fixed assets	(1,008,005)		(1,619,286)
Receipts from fixed assets disposals	-		8,700
		(1,008,005)	(1,610,586)
Financing			
Repayment of loans from group companies	-		637,182
Capital element of finance lease rental repayments	(343,982)		(125,717)
Increase in debt and lease financing	-		1,193,225
Redemption of redeemable preference shares	(1,129,189)		-
		(1,473,171)	1,704,690

20 Reconciliation of net cash flow to movement in net debt

	2010 £	2010 £	2009 £
(Decrease)/Increase in cash in the year	(621,895)		962,762
Cash inflow/(outflow) from decrease/(increase) In debt and lease financing	343,982		(1,067,508)
Change in net debt resulting from cash flows		(277,913)	(104,746)
Movement in net debt in the year		(277,913)	(104,746)
Net debt at 1 January 2010		(992,665)	(887,919)
Net debt at 31 December 2010		(1,270,578)	(992,665)

21 Analysis of net debt

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Net cash.				
Cash at bank	1,346,283	(621,895)	-	724,388
	1,346,283	(621,895)	-	724,388
Debts due within one year:				
Finance leases	(350,658)	343,982	(324,828)	(331,504)
Debts due after one year·				
Finance leases	(1,998,290)	-	324,828	(1,663,462)
Net debt	(992,665)	(277,913)	-	(1,270,578)

22 Leasing commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as detailed below

	Land and buildings 2010 £	Other 2010 £	Land and buildings 2009 £	Other 2009 £
Operating leases which expire				
Within one year	19,500	18,440	18,000	9,447
Between one and five years	-	40,334	-	30,296
After five years	160,106	-	149,600	-
	179,606	58,774	167,600	39,743

23 Pension costs

The company operates a defined contribution pension scheme in respect of employees (not directors) The scheme and its assets are held by independent managers The pension charge represents contributions due from the company and amounted to £31,381 (2009 £26,053)

24 Ultimate and immediate holding companies

The immediate parent undertaking is Recycling Maatschappij "Feniks" BV, trading as Feniks Recycling Feniks Recycling own 92 5% of the allotted ordinary share capital of the company along with the remaining allotted 4 5% cumulative redeemable preference shares of £1 each

The ultimate parent undertaking is Ballast Nedam NV, a company registered in the Netherlands Group accounts can be obtained from www ballast-nedam nl

25 Related party transactions

During the year the company conducted transactions, in the ordinary course of business, with Recycling Maatschappij "Feniks" BV, trading as Feniks Recycling This company is a fellow subsidiary of Ballast Nedam NV These transactions amounted to the purchase of goods and services amounting to £273,251 (2009 £90,036), management charges payable to Feniks Recycling amounting to £44,000 (2009 £44,000) and sales to Feniks of goods and services of £2,556 (2009 £nil) At the year end an amount of £nil (2009 £11,850) was due to Feniks Recycling

At the year end amounts were owed to fellow subsidiary companies, £20,202 (2009 £nil) was owed to Ballast Nedam UK Limited and £39,699 (2009 £nil) was owed to Ballast Nedam Environmental Engineering Limited

Feniks Recycling have also given a guarantee in respect of the company's finance lease obligations

26 Transactions with directors and officers

During the year the company purchased services from an entity in which D M York had a controlling interest

	2010 £	2009 £
Construction Management Services - Consultancy charge	nil	2,356

The premises from which the head office operates are owned by D M York

The rent paid to the director in the year was £19,730 (2009 £9,476) There was no balance outstanding at the year end The annual lease commitment is £19,500 (2009 £18,000)

27 Post balance sheet events

Since the year end the 360,811 4 5% cumulative redeemable preference shares of £1 each have been redeemed