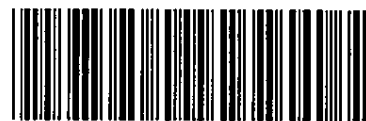


TERBERG MATEC UK LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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TERBERG MATEC UK LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2008**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

TERBERG MATEC UK LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2008

DIRECTORS:

T Conlon
W Marzano
G Terberg

SECRETARY:

H Geerts

REGISTERED OFFICE:

Leacroft Road
Birchwood
Warrington
Cheshire
WA3 6PJ

REGISTERED NUMBER:

03404297 (England and Wales)

AUDITORS:

Fairhurst
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB

TERBERG MATEC UK LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 December 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of binlifts and recycling vehicles together with after sales servicing and parts.

REVIEW OF BUSINESS

New equipment sales have grown due to both volume and an expansion of the product range to offer innovative vehicle and lifting solutions. The after-sales operation has also grown in response to customer needs to maintain efficient and well maintained fleets.

Continued investment in R&D and Engineering has revealed new sales opportunities and product improvements.

Maintaining service levels to a larger customer base and general price inflation has created an upward pressure on administrative expenses, but these have been offset by the introduction of new technology.

The second half of 2008 saw credit markets contracting, but this did not have a significant effect on our business as most customers were able to continue trading at normal levels. However, looking forward to 2009, access to capital is expected to become tighter and therefore uncertainty exists as to volume trends for new equipment sales as customers find it more difficult to source finance for updating and expanding their fleets.

We remain committed to innovation, product development and customer service. Our products, systems and staff place us in the best possible position to trade successfully in 2009 and beyond.

DIVIDENDS

The following dividends were paid in the year:

Ordinary £1 shares	£660,000
Ordinary B £1 shares	£40,000

The total distribution of dividends for the year ended 31 December 2008 will be £700,000.

FIXED ASSETS

The movement in tangible fixed assets is shown in note 7.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

T Conlon
W Marzano
G Terberg

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). 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.

TERBERG MATEC UK LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 December 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

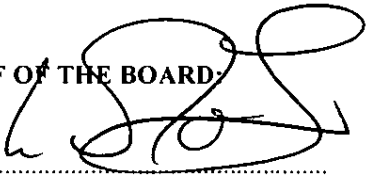
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he 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, Fairhurst, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Director

Date: 5 May 2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
TERBERG MATEC UK LIMITED**

We have audited the financial statements of Terberg Matec UK Limited for the year ended 31 December 2008 on pages five to thirteen. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages two and three.

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 Report of the Directors 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 Report of the Directors 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit 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 Report of the Directors is consistent with the financial statements.

Fairhurst

Fairhurst
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB

Date: 20 May 2009

TERBERG MATEC UK LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2008

	Notes	2008 £	2007 £
TURNOVER		27,841,472	21,062,425
Cost of sales		<u>24,470,734</u>	<u>18,057,943</u>
GROSS PROFIT		3,370,738	3,004,482
Administrative expenses		<u>2,487,176</u>	<u>2,030,878</u>
		883,562	973,604
Other operating income		<u>58,632</u>	<u>58,632</u>
OPERATING PROFIT	3	942,194	1,032,236
Interest receivable and similar income		<u>8,451</u>	<u>3,908</u>
		950,645	1,036,144
Interest payable and similar charges	4	<u>94,494</u>	<u>77,560</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		856,151	958,584
Tax on profit on ordinary activities	5	<u>270,335</u>	<u>285,863</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>585,816</u>	<u>672,721</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

TERBERG MATEC UK LIMITED

BALANCE SHEET
31 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	2,390,353	2,621,482
CURRENT ASSETS			
Stocks	8	4,338,530	3,506,353
Debtors	9	<u>5,000,315</u>	<u>3,599,962</u>
		9,338,845	7,106,315
CREDITORS			
Amounts falling due within one year	10	<u>6,691,921</u>	<u>4,491,656</u>
NET CURRENT ASSETS		<u>2,646,924</u>	<u>2,614,659</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,037,277	5,236,141
PROVISIONS FOR LIABILITIES	14	(594,161)	(662,269)
ACCRUALS AND DEFERRED INCOME	15	<u>(445,880)</u>	<u>(462,452)</u>
NET ASSETS		<u><u>3,997,236</u></u>	<u><u>4,111,420</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Profit and loss account	17	<u>3,897,236</u>	<u>4,011,420</u>
SHAREHOLDERS' FUNDS	20	<u><u>3,997,236</u></u>	<u><u>4,111,420</u></u>

The financial statements were approved by the Board of Directors on 5 May 2009 and were signed on its behalf by:

Director

Director

The notes form part of these financial statements

TERBERG MATEC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the net value of goods and services sold, excluding the sale of chassis which are provided under an agency agreement. Sales of extended warranties are recognised over the period of the warranty in line with FRS 5 "Reporting the substance of transactions", as amended by Application Note G.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 10% to 25% on cost
Motor vehicles	- 20% - 25% on cost
Computer equipment	- 25% to 50% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Cashflow exemption

The company is exempt from preparing a cashflow statement under FRS 1 "Cashflow Statements" as it is a wholly owned subsidiary of a group. The results of the company are consolidated into the group results and these are publicly available.

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

Leasing commitments

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

TERBERG MATEC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008**

2. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	4,832,692	3,885,327
Social security costs	493,940	405,531
Other pension costs	<u>119,154</u>	<u>107,273</u>
	<u>5,445,786</u>	<u>4,398,131</u>

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

	2008	2007
Sales and administration	50	47
Production	<u>128</u>	<u>106</u>
	<u>178</u>	<u>153</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	445,484	472,796
Auditors' remuneration	12,500	11,840
Auditors' remuneration for non audit work	<u>5,846</u>	<u>1,775</u>
Directors' emoluments	<u>237,274</u>	<u>187,134</u>

Information regarding the highest paid director for the year ended 31 December 2008 is as follows:

	2008
	£
Emoluments etc	<u>124,059</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Bank & other interest	<u>94,494</u>	<u>77,560</u>

TERBERG MATEC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008**

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2008 £	2007 £
Current tax:		
UK corporation tax	291,857	330,297
Underpayment in prior year	<u>-</u>	<u>10,034</u>
Total current tax	291,857	340,331
Deferred tax	<u>(21,522)</u>	<u>(54,468)</u>
Tax on profit on ordinary activities	<u><u>270,335</u></u>	<u><u>285,863</u></u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>856,151</u>	<u>958,584</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.497% (2007 - 30%)	243,977	287,575
Effects of:		
Expenses not deductible for tax purposes	21,059	11,033
Depreciation for the period in excess of capital allowances	43,531	49,279
Release of Government Grant	(16,710)	(17,590)
Underpayment in prior year	<u>-</u>	<u>10,034</u>
Current tax charge	<u><u>291,857</u></u>	<u><u>340,331</u></u>

6. DIVIDENDS

	2008 £	2007 £
Ordinary A shares of £1 each		
Final	660,000	1,125,000
Ordinary B shares of £1 each		
Final	<u>40,000</u>	<u>60,000</u>
	<u><u>700,000</u></u>	<u><u>1,185,000</u></u>

TERBERG MATEC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2008	1,965,197	1,643,731	376,733	533,754	4,519,415
Additions	-	69,084	50,538	107,367	226,989
Disposals	-	(16,756)	(51,016)	(99,658)	(167,430)
At 31 December 2008	<u>1,965,197</u>	<u>1,696,059</u>	<u>376,255</u>	<u>541,463</u>	<u>4,578,974</u>
DEPRECIATION					
At 1 January 2008	145,680	1,177,708	224,268	350,277	1,897,933
Charge for year	40,622	216,210	66,270	122,382	445,484
Eliminated on disposal	-	(16,756)	(38,382)	(99,658)	(154,796)
At 31 December 2008	<u>186,302</u>	<u>1,377,162</u>	<u>252,156</u>	<u>373,001</u>	<u>2,188,621</u>
NET BOOK VALUE					
At 31 December 2008	<u>1,778,895</u>	<u>318,897</u>	<u>124,099</u>	<u>168,462</u>	<u>2,390,353</u>
At 31 December 2007	<u>1,819,517</u>	<u>466,023</u>	<u>152,465</u>	<u>183,477</u>	<u>2,621,482</u>

Included in cost of land and buildings is freehold land of £120,000 (2007 - £120,000) which is not depreciated.

8. STOCKS

	2008 £	2007 £
Work-in-progress	1,808,974	1,496,928
Parts	<u>2,529,556</u>	<u>2,009,425</u>
	<u>4,338,530</u>	<u>3,506,353</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade debtors	4,702,585	3,377,546
Amounts owed by group undertakings	-	2,468
Deferred tax asset	41,583	20,061
Prepayments	<u>256,147</u>	<u>199,887</u>
	<u>5,000,315</u>	<u>3,599,962</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank loans and overdrafts (see note 11)	1,707,099	744,356
Trade creditors	1,101,199	1,243,348
Tax	86,857	194,497
Social security and other taxes	838,661	589,569
Amounts owed to Group undertakings	2,633,208	1,523,087
Accrued expenses	<u>324,897</u>	<u>196,799</u>
	<u>6,691,921</u>	<u>4,491,656</u>

TERBERG MATEC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008**

11. LOANS

An analysis of the maturity of loans is given below:

	2008 £	2007 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,707,099</u>	<u>744,356</u>

12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2008 £	2007 £	2008 £	2007 £
Expiring:				
Within one year	-	-	36,356	4,062
Between one and five years	-	49,000	150,406	120,764
In more than five years	<u>119,511</u>	<u>59,000</u>	-	-
	<u>119,511</u>	<u>108,000</u>	<u>186,762</u>	<u>124,826</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2008 £	2007 £
Bank overdrafts	<u>1,707,099</u>	<u>744,356</u>

Any bank indebtedness with HSBC plc is secured by a debenture dated 7 August 2002 and a legal charge over the assets of the company. Any indebtedness with van Lanschot Bank is covered by assurances of the parent company.

14. PROVISIONS FOR LIABILITIES

	2008 £	2007 £
Other provisions		
Product warranty	<u>594,161</u>	<u>662,269</u>
	Deferred tax	Product warranty
	£	£
Balance at 1 January 2008	(20,061)	662,269
Credited to profit and loss	(21,522)	(68,108)
Charged to profit and loss	-	-
Balance at 31 December 2008	<u>(41,583)</u>	<u>594,161</u>

TERBERG MATEC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008**

14. PROVISIONS FOR LIABILITIES - continued

The deferred tax asset is shown within Debtors in note 9 above. Product warranty is retained within the Provision for liabilities.

The provision for product warranties relates to the expected warranty claims on products sold in the last 12 months. This expenditure will be incurred in the next financial year.

15. ACCRUALS AND DEFERRED INCOME

	2008	2007
	£	£
Accruals and deferred income	431,222	389,162
Deferred government grants	<u>14,658</u>	<u>73,290</u>
	<u><u>445,880</u></u>	<u><u>462,452</u></u>

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008	2007
			£	£
NIL	Ordinary A	£1	-	90,000
(2007 - 90,000)				
NIL	Ordinary B	£1	-	10,000
(2007 - 10,000)				
100,000	Ordinary	£1	<u>100,000</u>	<u>-</u>
			<u><u>100,000</u></u>	<u><u>100,000</u></u>

During the year, as part of the group reorganisation referred to in note 18, 100,000 new Ordinary Shares were issued to replace the former Ordinary A and Ordinary B shares.

17. RESERVES

	Profit and loss account £
At 1 January 2008	4,011,420
Profit for the year	585,816
Dividends	<u>(700,000)</u>
At 31 December 2008	<u><u>3,897,236</u></u>

TERBERG MATEC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008

18. ULTIMATE PARENT COMPANY

The immediate holding company is Terberg Environmental BV, a company incorporated in the Netherlands, which purchased the entire share capital of the company during the year.

The ultimate parent company and controlling party is Terberg Group BV, which is incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Terberg Group BV, which changed its name on 1 November 2008 from Terberg Beheer BV. No other group financial statements include the results of the company.

Copies of the financial statements of Terberg Group BV are available from Lorentzlaan 3, PO Box 202, 3400 AE IJsselstein, Netherlands.

19. RELATED PARTY DISCLOSURES

The company is wholly owned by its parent company. The company's results are consolidated into the ultimate parent company's financial statements, which are publicly available. The directors have relied upon the exemptions conferred by Financial Reporting Standard Number 8 from disclosing transactions with its parent company.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	585,816	672,721
Dividends	<u>(700,000)</u>	<u>(1,185,000)</u>
Net reduction of shareholders' funds	(114,184)	(512,279)
Opening shareholders' funds	<u>4,111,420</u>	<u>4,623,699</u>
Closing shareholders' funds	<u>3,997,236</u>	<u>4,111,420</u>