

MWH Developments Limited

Report and Financial Statements

Year Ended

30 September 2003

3945335



BDO Stoy Hayward
Chartered Accountants

MWH DEVELOPMENTS LIMITED

Annual report and financial statements for the year ended 30 September 2003

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Directors

R.L. Allan - Chairman
P.A. Hewitt

Secretary

R.L. Allan

Registered office

2nd Floor
Port of Liverpool Buildings
Pierhead
Liverpool
L3 1BY

Registered number

3945335

Auditors

BDO Stoy Hayward LLP
Commercial Buildings
11-15 Cross Street
Manchester
M2 1WE

MWH DEVELOPMENTS LIMITED

Report of the directors for the year ended 30 September 2003

The directors submit their report together with the audited financial statements for the year ended 30 September 2003.

Results and dividends

The company has not traded during the year and thus no profit and loss account has been prepared.

Principal activities, trading review and future developments

A decision has yet to be made regarding any future developments.

Directors

The directors of the company during the year were:

R.L. Allan
P. Hewitt

No director who held office during the year had any interest in the ordinary share capital of the company.

Directors' responsibilities

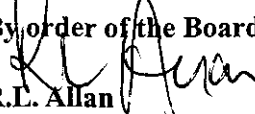
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- 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, subject to any material departures disclosed and explained in the financial statements;
- 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.

Independent Auditors

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

By order of the Board

R.L. Allan
Secretary

25 February 2004

To the shareholders of MWH Developments Limited

We have audited the financial statements of MWH Developments Limited for the year ended 30 September 2003 on pages 4 and 5. These financial statements have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

MWH DEVELOPMENTS LIMITED

Report of the independent auditors (*continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

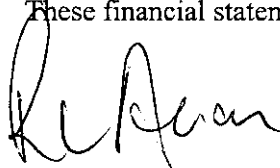
Chartered Accountants and Registered Auditors
Manchester

25 February 2004

MWH DEVELOPMENTS LIMITED**Balance sheet at 30 September 2003**

	Note	2003 £	2002 £
Current assets			
Debtors - due within one year	2	100	100
Total assets less current liabilities		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital - equity shareholders' funds	3	<u>100</u>	<u>100</u>

These financial statements were approved by the Board on 25 February 2004.



R.L. Allan
Director

The notes on page 5 form part of these financial statements.

MWH DEVELOPMENTS LIMITED

Notes forming part of the financial statements for the year ended 30 September 2003

1 Accounting policies

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

2 Debtors

	2003 £	2002 £
Amounts receivable within one year		
Amounts due from group undertakings	100	100
	<u> </u>	<u> </u>

3 Share capital

	Authorised		Allotted, called up and fully paid	
	2003 £	2002 £	2003 £	2002 £
Ordinary shares of £1	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Parent undertaking

The company's ultimate parent undertaking is Mersey Waste Holdings Limited.