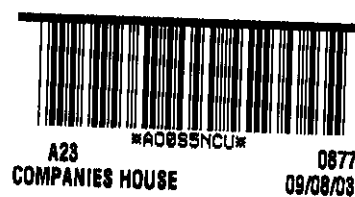


Company Registration No. 4045661

KENT CONSERVATION & MANAGEMENT LIMITED
(A Company Limited by Guarantee)

Report and Financial Statements

31 December 2002



KENT CONSERVATION & MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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KENT CONSERVATION & MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

N D A Sandy
H C Etheridge
S Bruce-Jones

COMPANY SECRETARY

A Waterhouse

REGISTERED OFFICE

3 Sidings Court
White Rose Way
Doncaster
DN4 5NU

AUDITORS

Deloitte & Touche
1 City Square
Leeds
LS1 2AL

KENT CONSERVATION & MANAGEMENT LIMITED

DIRECTORS' REPORT

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

ACTIVITIES

The principal activity of the company is to promote the conservation of land at Allington Quarry, Kent, for nature conservation purposes for the benefit of the community. The company has a not-for-profit motive.

REVIEW OF DEVELOPMENTS

The company has not traded during the period and has not yet achieved full operational status. Consequently the company has made neither a profit or loss nor any other recognised gain or loss in the period and therefore no profit and loss account is presented.

The directors do not anticipate the company will have any significant transactions in the forthcoming financial year except for administrative and company secretarial duties.

The company is currently in the process of applying for charitable status and the directors expect this to be achieved in the forthcoming financial year.

DIRECTORS

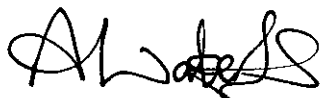
The directors who served during the year and since the year-end were as follows:

H C Etheridge
S Bruce-Jones
N D A Sandy

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

KENT CONSERVATION & MANAGEMENT LIMITED

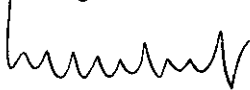
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 KENT CONSERVATION & MANAGEMENT LIMITED

We have audited the financial statements of Kent Conservation & Management 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

KENT CONSERVATION & MANAGEMENT LIMITED

BALANCE SHEET 31 December 2001

	Note	2001 £	2001 £
CURRENT ASSETS			
Debtors	3	3,000	2,000
		<u>3,000</u>	<u>2,000</u>
CREDITORS: amounts falling due within one year	4	(3,000)	(2,000)
		<u>(3,000)</u>	<u>(2,000)</u>
NET CURRENT ASSETS		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES	5	<u>-</u>	<u>-</u>

These financial statements were approved by the Board of Directors on

30 July

2003.

Signed on behalf of the Board of Directors



H C Etheridge
Director

KENT CONSERVATION & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

These financial statements are prepared in accordance with applicable United Kingdom accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the period and consequently the company has made neither a profit or loss nor any other recognised gain or loss.

3. DEBTORS

	2002 £	2001 £
Other debtors	3,000	2,000

Other debtors relates to contractual amounts due to the company by Kent County Council to discharge the company's administrative expenses. As the company has yet to commence its operations, the income has been deferred (see note 4) and will be defrayed against future such expenditure.

4. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Deferred income	3,000	2,000

5. CAPITAL AND RESERVES

Share capital

The company has no share capital, as it is a company limited by guarantee.

Reserves

The company has made neither a profit nor loss in its first accounting period since incorporation and therefore the balance of reserves is £nil.

6. GUARANTEE

In the event of the company being wound up, the 3 members have agreed to contribute up to £10 each towards the cost of dissolution and the liabilities of the company whilst he or she remains a member of the company or within 12 months thereafter.

7. RELATED PARTY TRANSACTIONS

Kent Conservation & Management Ltd was established as a consequence and condition of a planning agreement between Kent County Council and Waste Recycling Group plc (WRG) relating to land at Allington Quarry, Kent. Allington Quarry is currently owned and utilised by a wholly owned subsidiary of WRG as part of its waste management activities.

KENT CONSERVATION & MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2002**

7. RELATED PARTY TRANSACTIONS (continued)

Under the terms of the planning consent, Kent Conservation & Management Ltd will promote and manage the conservation of an area of the land on the Allington Quarry site once WRG has restored it in accordance with the agreement. Furthermore, on completion of the restoration work by WRG, that part of the land to be conserved as a nature conservation area will be sold to Kent Conservation & Management Ltd for the sum of £1. It is not expected that this will take place for several years.

At 31 December 2002, Mr N D A Sandy and Mr H C Etheridge were also directors of Waste Recycling Group plc.