

**Kent Conservation & Management
Limited
(A Company Limited by Guarantee)**

Directors' report and financial
statements

Registered number 4045661

31 December 2004



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Statutory information

Directors

JR Meredith
LJD Cassells
SN Hardman

Company secretary

JM Bolton

Joint company secretary

SJ Calder

Registered office

Ground Floor West
900 Pavilion Drive
Northampton Business Park
Northampton
NN4 7RG

Auditors

KPMG LLP
1 Puddle Dock
London
EC4V 3PD

Directors' report

The directors (the "Directors") of Kent Conservation & Management Limited (the "Company") present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activity

The principal activity of the Company is to promote and manage the conservation of certain 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 year and has not yet achieved full operational status.

In the forthcoming financial year the Directors expect the Company to acquire certain land at Allington Quarry, Kent, from Kent Enviropower Limited ("KEL"), a wholly owned subsidiary of Waste Recycling Group Limited. This land is currently being developed as a nature conservation site by KEL.

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 and Directors' interests

The Directors who served as directors of the Company during the year and up to the date of this report were as follows:

R Prior	(resigned 15 January 2004)
JR Meredith	
LJD Cassells	(appointed 15 January 2004)
SN Hardman	(appointed 16 August 2004)

Charitable and political donations

The Company did not make any political or charitable donations in either the current or previous financial year.

By order of the board



JM Bolton
Company Secretary

31 October 2005

Statement of 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 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Puddle Dock
London
EC4 3PD
United Kingdom

Report of the independent auditors to the members of Kent Conservation & Management Limited

We have audited the financial statements on pages 5 to 9.

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 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

The Directors are responsible for preparing the Directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

31 October 2005

Profit and loss account
year ended 31 December 2004

	<i>Note</i>	2004 £	2003 £
Interest receivable		109	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		109	-
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
Profit for the financial year		109	-
		<hr/>	<hr/>

All results are derived from continuing operations.

There are no recognised gains and losses in either the current or previous financial year other than as stated in the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on a historical cost basis and that shown in the profit and loss account.

Balance sheet
at 31 December 2004

	<i>Note</i>	2004 £	2003 £
Current assets			
Debtors: amounts falling due within one year	4	1,100	4,000
Cash at bank		4,225	4,000
		<hr/> 5,325	<hr/> 4,000
Creditors: amounts falling greater than one year	5	(5,216)	(4,000)
		<hr/>	<hr/>
Net current assets		109	-
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	109	-
		<hr/>	<hr/>
		109	-
		<hr/>	<hr/>

These financial statements were approved by the board of Directors on 31 October 2005 and were signed on its behalf by:

LJD Cassells
Director

Notes

(forming part of the financial statements)

1 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.

2 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.

3 Taxation

	2004 £	2003 £
UK Corporation tax		
United Kingdom corporation tax at 30% (2003: 30%) based on profits for the year	-	-
Deferred tax		
Timing differences, origination and reversal	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>

The total current tax charge for the current year is less than the standard rate of 30% for the reasons set out in the following reconciliation:

	2004 £	2003 £
Profit on ordinary activities before tax	109	-
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard rate	33	-
Factors affecting charge:		
Group relief (claimed)/surrendered	(33)	-
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

Notes (continued)

4 Debtors: amounts falling due within one year

	2004 £	2003 £
Other debtors	1,100	4,000

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 5) and will be defrayed against future such expenditure.

5 Creditors: amounts falling greater than one year

	2004 £	2003 £
Deferred income	5,216	4,000

6 Called up share capital

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

7 Reserves

Profit and loss account	£
At 1 January 2004	-
Profit for the financial year	109
	<hr/>
At 31 December 2004	109
	<hr/>

8 Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Profit for the financial year	109	-
Opening shareholders' funds	-	-
	<hr/>	<hr/>
Closing shareholders' funds	109	-
	<hr/>	<hr/>

Notes *(continued)*

9 Related party transactions

The Company was established as a consequence and condition of a planning agreement between Kent County Council and Kent Enviropower Limited (KEL), relating to land at Allington Quarry, Kent. Allington Quarry is currently owned and utilised by KEL, a wholly owned subsidiary of Waste Recycling Group Limited as part of its waste management activities.

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