

Registered number: 04899473

Wheelers Export Limited

Directors' report and financial statements

for the 8 month period ended 31 December 2008

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Wheeler's Export Limited

Company information

Directors	C Chapron D Palmer-Jones
Company secretary	M H Thompson
Company number	04899473
Registered office	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
Auditor	Ernst & Young LLP One Bridewell Street Bristol BS1 2AA

Wheelers Export Limited

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Wheelers Export Limited

Directors' report for the 8 month period ended 31 December 2008

The directors present their report and the financial statements for the 8 month period ended 31 December 2008.

Principal activities and review of business

The company's principal activity during the year was the provision of port facilities.

The key financial performance indicators in the period were as follows:

	Dec 08 £'000	Apr 08 £'000	Change %
Turnover	209	336	-38%
Operating loss	(146)	(191)	+24%
Loss after tax	(125)	(266)	+53%
Shareholder's funds	(713)	(588)	-21%
Current assets as percentage of current liabilities	30%	49%	

The volume of materials passing through the company's port facility continued to decrease during the period. Consequently, there has been a reduction in turnover and an increase in the operating loss, after adjusting for the shorter accounting period.

In March 2009 the port facility dealt with its final shipment of scrap metal. The management have been actively seeking alternative sources of income and in September 2009 began a contract to store and load wood chippings for export.

Shareholder's funds have decreased due to the retained losses in the period.

Results and dividends

The loss for the 8 month period after taxation amounted to £125,000 (*year to April 2008 - loss £ 266,000*).

The directors do not recommend the payment of a dividend (*April 08: £NIL*)

Directors

The directors who served during the 8 month period were:

C Chapron
P-A Hjort (resigned 30 September 2008)
D Palmer-Jones (appointed 1 October 2008)

No director who held office on 31 December 2008 had an interest in the company's shares either during the 8 month accounting period or at 31 December 2008.

Wheelers Export Limited

Directors' report

for the 8 month period ended 31 December 2008

Principal risks and uncertainties

The SITA Group has established a risk committee that evaluates the main risks facing the Group and the measures in place to manage those risks. The principal risks and uncertainties facing the Group are broadly grouped as: operational risks, competitive risks, legislative risks, health and safety risks and financial instrument risks.

Operational risks

The success of the Group's operations is dependent upon the recruitment and retention of good quality staff. The Group's strategy seeks to make the SITA Group the preferred employer in the waste management sector through its employment policies.

Competitive risks

The business relies upon short-term contracts and non-contractual business from industrial and commercial customers, which is subject to normal price competition in the open market.

Legislative risks

The resource management and recycling business is subject to strict legislation and regulation. These standards are subject to continuous revision. Compliance with new standards can impose additional costs on the Group, and failure to comply could result in heavy penalties. The Group's management systems aim to ensure compliance with all relevant regulations.

Health and safety risks

The SITA Group acknowledges that its employees working within the resource management and recycling industry face significant potential hazards in their everyday work. The Group makes every effort to ensure that its Health and Safety policies are of the highest standard, are fit for purpose and are strictly adhered to on a daily basis.

Financial instrument risks

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives.

Use of derivatives

On certain major contracts, the SITA Group uses interest rate swaps in respect of the related funding to reduce exposure to interest rate movements, as well as foreign currency hedges to reduce exposure to exchange rate movements.

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow risk is the risk of exposure to variability of cash flows relating to a recognised asset or liability such as future interest payments on a variable rate debt. The Group produces long-term cash forecasts and monitors cash flows against these on a daily basis to ensure all financial obligations may be met as they fall due. Group funding requirements are periodically agreed with the Suez Group.

Wheelers Export Limited

Directors' report for the 8 month period ended 31 December 2008

Statement of directors' responsibilities

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 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 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.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *September 30th 2009* and signed on its behalf.



C Chapron
Director

Wheelers Export Limited

Independent auditor's report to the shareholders of Wheelers Export Limited

We have audited the financial statements of Wheelers Export Limited for the period ended 31 December 2008 which comprise the profit and loss account, balance sheet, and the related notes 1 to 18. 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 Sections 495 and 496 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 auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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 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 United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the directors' report 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 certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' report 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 judgments 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 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.

However, as set out in note 15 to the financial statements, in relation to the unquantified potential liabilities to third parties that existed as of 30th April 2008 and 31st December 2008 we have not been able to obtain all the information and explanations that we considered necessary for the purpose of our audit due to a lack of documented evidence.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Wheelers Export Limited

Independent auditor's report to the shareholders of Wheelers Export Limited

Qualified opinion

Limitation of scope

With the exception of the unquantified potential liabilities to third parties at 30th April 2008 and 31st December 2008, in our opinion:

- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2008 and of the company's loss for the period then ended

In respect solely of the limitations on the scope of our work referred to in the paragraphs above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and;
- we were unable to determine whether proper accounting records have been maintained.

In our opinion the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Bristol

Paul Mapleston (Senior Statutory Auditor)

Date: *30 September 2009*

for and on behalf of Ernst & Young LLP, Statutory Auditor

Wheelers Export Limited

**Profit and loss account
for the 8 month period ended 31 December 2008**

	Note	8 months ended 31 December 2008 £000	12 months ended 30 April 2008 £000
Turnover	1	209	336
Cost of sales		(241)	(376)
Gross loss		(32)	(40)
Administrative expenses		(114)	(151)
Operating loss	3	(146)	(191)
Interest payable	5	(27)	(190)
Loss on ordinary activities before taxation		(173)	(381)
Tax on loss on ordinary activities	6	48	115
Loss for the financial period	13	(125)	(266)

All amounts relate to continuing operations.

There were no recognised gains and losses for the 8 month period ended 31 December 2008 or the year ended 30 April 2008 other than those included in the Profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

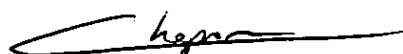
Wheeler's Export Limited

Balance sheet as at 31 December 2008

			31 December 2008 £000		30 April 2008 £000
	Note	£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	7		54		60
Current assets					
Debtors	8	203		227	
Cash at bank		-		104	
		<u>203</u>		<u>331</u>	
Creditors: amounts falling due within one year	9	<u>(670)</u>		<u>(679)</u>	
Net current liabilities			<u>(467)</u>		<u>(348)</u>
Total assets less current liabilities			<u>(413)</u>		<u>(288)</u>
Provisions for liabilities					
Other provisions	11		<u>(300)</u>		<u>(300)</u>
Net liabilities			<u><u>(713)</u></u>		<u><u>(588)</u></u>
Capital and Reserves					
Called up share capital	12		-		-
Profit and loss account	13		<u>(713)</u>		<u>(588)</u>
Shareholders' deficit	14		<u><u>(713)</u></u>		<u><u>(588)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

September 30th 2009.



C Chapron
Director

The notes on pages 8 to 15 form part of these financial statements.

Wheeler's Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

1. Accounting policies

1.1 Basis of preparation of financial statements

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

At 31 December 2008 the company had net liabilities of £713,000 (*April 2008: £588,000*). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as a fellow group undertaking has confirmed its intention and ability to provide such financial support as may be necessary to allow the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	Over the lease term of 20 years
Plant & machinery	-	3 - 10 years, straight line
Motor vehicles	-	3 - 10 years, straight line
Fixtures & fittings	-	3 - 5 years, straight line

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Wheeler's Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

1. Accounting policies (continued)

1.6 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

The whole of turnover is attributable to the one principal activity of the company.

All turnover arose within the UK.

3. Operating loss

The operating loss is stated after charging:

	8 months ended 31 December 2008 £000	12 months ended 30 April 2008 £000
Depreciation of tangible fixed assets:		
- owned by the company	6	8
Operating lease rentals: other operating leases	60	83

During the 8 month period ended 31 December 2008, no director received any emoluments (*April 08 - £NIL*) for services to the company.

For the 8 month period ended 31 December 2008 and the year ended 30 April 2008, the auditors' remuneration was borne by a fellow group company.

Wheeler's Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

4. Staff costs

Staff costs were as follows:

	8 months ended 31 December 2008 £000	12 months ended 30 April 2008 £000
Wages and salaries	67	106
Social security costs	6	9
	<u>73</u>	<u>115</u>

The average monthly number of employees, including the directors, during the 8 month period was as follows:

	8 months ended 31 December 2008 No.	12 months ended 30 April 2008 No.
Operations	2	3
Administration	3	3
	<u>5</u>	<u>6</u>

5. Interest payable

	8 months ended 31 December 2008 £000	12 months ended 30 April 2008 £000
On loans from group undertakings	27	190

6. Taxation

	8 months ended 31 December 2008 £000	12 months ended 30 April 2008 £000
Analysis of tax credit in the 8 month period		
UK corporation tax credit on loss for the 8 month period	(48)	(113)
Adjustments in respect of prior periods	-	(2)
	<u>(48)</u>	<u>(115)</u>
Tax on loss on ordinary activities		

Wheelers Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

6. Taxation (continued)

Factors affecting tax charge for the 8 month period

The tax assessed for the 8 month period is the same as (2008 - lower than) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	8 months ended 31 December 2008 £000	12 months ended 30 April 2008 £000
Loss on ordinary activities before tax	(173)	(381)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 29.85%)	(48)	(114)
Effects of:		
Expenses not deductible for tax purposes	-	1
Adjustments to tax charge in respect of prior periods	-	(2)
Current tax credit for the 8 month period (see note above)	(48)	(115)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation					
At 1 May 2008 and 31 December 2008	288	11	11	4	314
Depreciation					
At 1 May 2008	245	4	4	1	254
Charge for the 8 month period	2	2	1	1	6
At 31 December 2008	247	6	5	2	260
Net book value					
At 31 December 2008	41	5	6	2	54
At 30 April 2008	43	7	7	3	60

Wheelers Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

8. Debtors

	31 December 2008 £000	30 April 2008 £000
Corporation tax recoverable	85	113
Other debtors	-	1
Prepayments and accrued income	33	28
Deferred tax asset (see note 10)	85	85
	<u>203</u>	<u>227</u>

9. Creditors: Amounts falling due within one year

	31 December 2008 £000	30 April 2008 £000
Amounts owed to group undertakings	670	671
Accruals and deferred income	-	8
	<u>670</u>	<u>679</u>

10. Deferred tax asset

	31 December 2008 £000	30 April 2008 £000
At beginning of accounting period	85	85
At end of accounting period	85	85

The deferred tax asset is made up as follows:

	31 December 2008 £000	30 April 2008 £000
Decelerated capital allowances	1	1
Other timing differences	84	84
	<u>85</u>	<u>85</u>

Wheelers Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

11. Provisions

	Property provision £000
At 1 May 2008 and 31 December 2008	300

Property provision

A property provision has been set up in respect of expected future liabilities for property dilapidation.

12. Share capital

	31 December 2008 £	30 April 2008 £
Authorised		
50,000 ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

13. Reserves

	Profit and loss account £000
At 1 May 2008	(588)
Loss for the 8 month period	(125)
At 31 December 2008	(713)

14. Reconciliation of movement in shareholders' deficit

	31 December 2008 £000	30 April 2008 £000
Opening shareholders' deficit	(588)	(322)
Loss for the 8 month period	(125)	(266)
Closing shareholders' deficit	(713)	(588)

Wheelers Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

15. Contingent liabilities

Unquantified liabilities

The accounts have been prepared on the basis of the information available to the directors at the date of signing the accounts. The directors are aware that the company has as yet unquantified potential liabilities to third parties including HM Revenue & Customs arising out of illegal and dishonest activities within the Easco Group business which took place before and after acquisition. These amounts were unquantified as at 30th April 2008 and 31st December 2008.

On 23 April 2008, SITA UK Group Holdings Limited ("SITA UK") and SITA MR Sheffield Limited started proceedings in the High Court of Justice, Queen's Bench Division against André Serruys and others. In those proceedings SITA UK claims damages in tort and for breach of warranty and other relief in respect of SITA UK's acquisition of the shares in the Easco group companies on 1 May 2007 pursuant to a Share Sale Agreement ("SSA"). SITA UK seeks damages of £91.5 million, which reflects the full amount of the purchase consideration paid by SITA UK for entering into the SSA.

SITA UK claims that as a result of undisclosed widespread fraudulent practices within the Easco Group business, SITA UK was deceived when it purchased the Easco Group business for the purchase price. SITA UK claims that the Easco Group business accounts and the other financial information put forward by the sellers up to the date of 1 May 2007 cannot be trusted. Consequently SITA UK claims as damages £91.5 million, being the value by which the shares were diminished as at 1 May 2007.

Cross guarantee arrangements

The company is party to a cross guarantee arrangement with other SITA Metal Recycling group undertakings in respect of bank loans and overdrafts.

16. Operating lease commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	31 December 2008 £000	30 April 2008 £000
Expiry date:		
After more than 5 years	90	83

17. Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public.

Wheelers Export Limited

Notes to the financial statements for the 8 month period ended 31 December 2008

18. Ultimate parent undertaking and controlling party

At the year end the largest group of which Wheelers Export Limited was a member and for which group financial statements are drawn up is that headed by GDF Suez SA, whose consolidated financial statements for the year ended 31 December 2008 are available from 16 Rue de la Ville L'Eveque, Paris, France. The smallest such group is that headed by Suez Environnement Company, whose group financial statements are available from 1 Rue d'Astorg, Paris, France.

In the opinion of the directors, SITA UK Group Holdings Limited controls the company as a result of controlling 100% of the issued share capital of Wheelers Export Limited. At the year end GDF Suez SA was the ultimate controlling party, being the ultimate controlling party of SITA UK Group Holdings Limited.

On 22 July 2008 the company's previous ultimate parent undertaking, Suez SA, merged with Gaz de France. Prior to the merger, Suez transferred its shareholding in SITA UK Group Holdings Limited's parent undertaking, Suez Environment UK Limited, held by its subsidiary Suez Environnement, to a new entity, Suez Environnement Company ("the Company") and distributed 65% of the Company's capital to Suez shareholders. After this distribution the merged GDF SUEZ held a 35.41% interest in the Company. On 22 July 2008 Suez Environnement Company shares were listed for trading on the Euronext Paris and Euronext Brussels stock exchanges.