

Registered number: 04899473

Wheeler's Export Limited

**Directors' report and financial statements
for the year ended 31 December 2009**

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Wheelers 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 year ended 31 December 2009

The directors present their report and the financial statements for the year ended 31 December 2009

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

	2009	2008	
	£000	£000	Change
Turnover	151	209	-28%
Operating loss	(290)	(146)	-99%
Loss after tax	(216)	(125)	-73%
Shareholders deficit	(929)	(713)	-30%
Current assets as % of current liabilities	23%	30%	

The company continued to suffer from the global economic downturn with difficult market conditions affecting prices and margins. As a result, the company closed its site at Brightlingsea in Essex for scrap metal export in March 2009. The management actively sought new sources of income and in September 2009 began the storage and export of wood chippings.

Shareholders deficit has increased due to the retained loss for the year

Results and dividends

The loss for the year after taxation amounted to £216,000 (*8 months to Dec 2008 - loss £ 125,000*)

The directors do not recommend the payment of a dividend (*2008 £NIL*)

Directors

The directors who served during the year were

C Chapron
D Palmer-Jones

No director who held office on 31 December 2009 had an interest in the company's shares either during the year or at 31 December 2009

Directors' indemnity

The company has granted indemnity to one or more of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Future developments

The directors expect for the company to continue to develop its operations in the export of recyclables other than metals

Wheelers Export Limited

Directors' report for the year ended 31 December 2009 Going concern

The SITA group, along with its ultimate parent company GDF Suez SA, has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a consequence, the directors believe that the SITA group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having made enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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.

Wheelers Export Limited

Directors' report for the year ended 31 December 2009

Principal risks and uncertainties (continued)

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 year ended 31 December 2009

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.

Re-appointment of auditor

The re-appointment of auditors will be considered at the company's AGM.

This report was approved by the board on

29 JUN 2010

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 year ended 31 December 2009, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Wheelers Export Limited

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

P Mapleston (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP
Statutory auditor
Bristol

Date **29 JUN 2010**

Wheelers Export Limited

**Profit and loss account
for the year ended 31 December 2009**

		12 months ended 31 December 2009 £000	8 months ended 31 December 2008 £000
	Note		
Turnover	1	151	209
Cost of sales		<u>(359)</u>	<u>(241)</u>
Gross loss		(208)	(32)
Administrative expenses		<u>(82)</u>	<u>(114)</u>
Operating loss	3	(290)	(146)
Interest payable		<u>(6)</u>	<u>(27)</u>
Loss on ordinary activities before taxation		(296)	(173)
Tax on loss on ordinary activities	5	<u>80</u>	<u>48</u>
Loss for the financial year		<u>(216)</u>	<u>(125)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and loss account

The notes on pages 9 to 14 form part of these financial statements

Wheelers Export Limited
Registered number: 04899473

Balance sheet
as at 31 December 2009

	Note	£000	2009 £000	£000	2008 £000
Fixed assets					
Tangible fixed assets	6		106		54
Current assets					
Debtors	7	218		203	
Creditors: amounts falling due within one year	8	(953)		(670)	
Net current liabilities			(735)		(467)
Total assets less current liabilities			(629)		(413)
Provisions for liabilities					
Other provisions	10		(300)		(300)
Net liabilities			(929)		(713)
Capital and reserves					
Called up share capital	11		-		-
Profit and loss account	12		(929)		(713)
Shareholders' deficit			(929)		(713)

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

29 JUN 2010



C Chapron
Director

The notes on pages 9 to 14 form part of these financial statements

Wheelers Export Limited

Notes to the financial statements for the year ended 31 December 2009

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

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 to the Profit and loss account 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

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

Wheeler's Export Limited

Notes to the financial statements for the year ended 31 December 2009

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

	12 months ended 31 December 2009 £000	8 months ended 31 December 2008 £000
Depreciation of tangible fixed assets - owned by the company	39	6
Operating lease rentals other operating leases	83	60
	<u>122</u>	<u>66</u>

During the year, no director received any emoluments (2008 - £NIL) for services to the company

For the year ended 31 December 2009 and the prior period, auditors' remuneration was borne by a fellow group company

4. Staff costs

Staff costs were as follows

	12 months ended 31 December 2009 £000	8 months ended 31 December 2008 £000
Wages and salaries	81	67
Social security costs	7	6
	<u>88</u>	<u>73</u>

The average monthly number of employees, including the directors, during the year was as follows

	12 months ended 31 December 2009 No.	8 months ended 31 December 2008 No.
Operations	2	2
Administration	2	3
	<u>4</u>	<u>5</u>

Wheeler's Export Limited

Notes to the financial statements for the year ended 31 December 2009

5. Taxation

	12 months ended 31 December 2009 £000	8 months ended 31 December 2008 £000
Analysis of tax credit in the year/period		
Current tax (see note below)		
UK corporation tax credit on loss for the year/period	(78)	(48)
Adjustments in respect of prior periods	2	-
Total current tax	(76)	(48)
Deferred tax (see note 9)		
Origination and reversal of timing differences	(4)	-
Tax on loss on ordinary activities	(80)	(48)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2008 - the same as) the standard rate of corporation tax in the UK (28%). The differences are explained below

	12 months ended 31 December 2009 £000	8 months ended 31 December 2008 £000
Loss on ordinary activities before tax	(296)	(173)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28%)	(83)	(48)
Effects of:		
Expenses not deductible for tax purposes	1	-
Capital allowances for year/period in excess of depreciation	4	-
Adjustments to tax charge in respect of prior periods	2	-
Current tax credit for the year/period (see note above)	(76)	(48)

Factors that may affect future tax charges

Announcements were made after the balance sheet date to changes in tax rates that will have an effect on future tax charges of the company. The change in the corporation tax rate from 28% to 24% reducing by 1% per annum has been announced but not substantively enacted. The company has not quantified the impact of this change on the deferred tax balance at this stage.

Wheelers Export Limited

**Notes to the financial statements
for the year ended 31 December 2009**

6. Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation					
At 1 January 2009	288	11	11	4	314
Transfers intra group	-	108	-	-	108
At 31 December 2009	<u>288</u>	<u>119</u>	<u>11</u>	<u>4</u>	<u>422</u>
Depreciation					
At 1 January 2009	247	6	5	2	260
Charge for the year	2	36	-	1	39
Transfers intra group	-	17	-	-	17
At 31 December 2009	<u>249</u>	<u>59</u>	<u>5</u>	<u>3</u>	<u>316</u>
Net book value					
At 31 December 2009	<u>39</u>	<u>60</u>	<u>6</u>	<u>1</u>	<u>106</u>
At 31 December 2008	<u>41</u>	<u>5</u>	<u>6</u>	<u>2</u>	<u>54</u>

7. Debtors

	2009 £000	2008 £000
Corporation tax recoverable	78	85
Prepayments and accrued income	51	33
Deferred tax asset (see note 9)	89	85
	<u>218</u>	<u>203</u>

**8. Creditors:
Amounts falling due within one year**

	2009 £000	2008 £000
Amounts owed to group undertakings	938	670
Accruals and deferred income	15	-
	<u>953</u>	<u>670</u>

Wheeler's Export Limited

Notes to the financial statements for the year ended 31 December 2009

9. Deferred tax asset

	2009	2008
	£000	£000
At beginning of accounting period	85	85
Released during year/period	4	-
	<u>89</u>	<u>85</u>

The deferred tax asset is made up as follows

	2009	2008
	£000	£000
Decelerated capital allowances	5	1
Other timing differences	84	84
	<u>89</u>	<u>85</u>

10. Provisions

	Property provision £000
At 1 January 2009 and 31 December 2009	<u>300</u>

Property provision

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

11. Share capital

	2009	2008
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

12. Reserves

	Profit and loss account £000
At 1 January 2009	(713)
Loss for the year	(216)
	<u>(929)</u>
At 31 December 2009	<u>(929)</u>

Wheelers Export Limited

Notes to the financial statements for the year ended 31 December 2009

13. Contingent liabilities

Unquantified liabilities

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.

14. Operating lease commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009	2008
	£000	£000
Expiry date:		
After more than 5 years	83	90

15. 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.

16. Ultimate parent undertaking and controlling party

At the year end the immediate parent undertaking of the company was SITA MR Limited.

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.