

EQUIP RVG LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2006



EQUIP RVG LIMITED

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EQUIP RVG LIMITED

COMPANY INFORMATION

Directors

T Sweeney
S Creed
P Ward
H Etheridge

Secretary

H Etheridge

Registered office

The Old Academy
21 Horse Fair
Banbury
Oxfordshire
OX16 OAH

Company number

4952392

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Bankers

Barclays Bank Plc
Barclays House
PO Box 1500 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Managers of the eEquip scheme

Cranmer Lawrence & Company Limited
Kings Head House
27 London End
Beaconsfield
Bucks
HP9 2HN

EQUIP RVG LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

Principal activities

The company was established to issue residual value guarantees (RVG's) on recycling equipment.

Directors

The following directors have held office during the period:

T Sweeney
S Creed
P Ward
H Etheridge

Directors' interests

No director had any interest in the company's share capital during the period.

Results

The results of the company's activities are summarised on page 6. Net incoming resources for the year amounted to £519,807 (2005: £309,027).

Review of activities

eQuip RVG Limited is a wholly owned subsidiary of the Waste and Resources Action Programme (Company Registration No 4125764). The company aims to help recycling companies lease the machinery they need by guaranteeing its future residual value. In the last financial year eQuip RVG Ltd provided guarantees covering over £5.2m (2005: £1.9m) of recycling equipment.

The directors estimate that approximately 30% of the residual value guarantees could crystallise, and accordingly provision has been made for this percentage of guarantees given.

The directors have considered the amount of capital required to ensure that current and future guarantees can be met. The amount of capital invested of £1.12 million represents their view of the appropriate amount of capital for the current position. Further capital will be available if required.

Auditors

The board has resolved to put the audit to tender. A nomination will be made to the members at the Annual General Meeting.

EQUIP RVG LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2006

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 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;
- 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.

In accordance with section 234ZA Companies Act 1985, the directors confirm that, in the case of each of the persons who are directors at the time when this report is approved, so far as each of the directors is aware, there is no relevant information that has not been disclosed to the Company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Company's auditors have been made aware of that information.

On behalf of the Board



.....
H Etheridge
Secretary

16 June 2006

EQUIP RVG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2006

We have audited the financial statements of Equip RVG Limited on pages 6 to 9. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements. We also 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

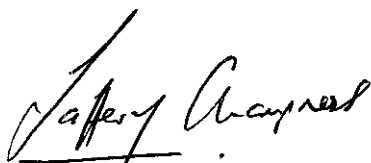
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2006**

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 March 2006 and of its result for the year then ended; and the financial statements have been properly prepared in accordance with the Companies Act 1985; and the information given in the directors' report is consistent with the financial statements.



Saffery Champness

Chartered Accountants & Registered Auditors

Lion House
Red Lion Street
London
WC1R 4GB

16 June 2006

EQUIP RVG LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	2006 £	2005 £
Incoming resources			
Grants receivable from parent company		946,875	546,875
Interest receivable		<u>35,806</u>	<u>13,384</u>
Total incoming resources		<u>982,681</u>	<u>560,259</u>
 Resources expended			
Management & administration		153,965	149,441
Provision for residual value guarantees		302,106	99,248
Taxation on interest receivable	2	<u>6,803</u>	<u>2,543</u>
Total resources expended		<u>462,874</u>	<u>251,232</u>
 Net incoming resources	3	519,807	309,027
Balance brought forward		<u>607,558</u>	<u>298,531</u>
Balance carried forward at 31 March		<u>1,127,365</u>	<u>607,558</u>

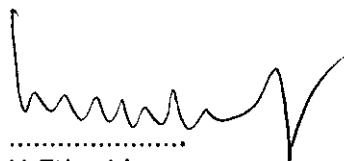
There are no surpluses or deficits for the period other than those reflected above. All activities are continuing.

The notes on pages 8 and 9 form part of these financial statements.

EQUIP RVG LIMITED**BALANCE SHEET
AS AT 31 MARCH 2006**

	Note	£	2006 £	£	2005 £
Current assets					
Debtors	4	4,121		1	
Cash at bank and in hand		1,550,616		713,355	
		<u>1,554,737</u>		<u>713,356</u>	
Creditors: Amounts falling due within one year	5	(26,017)		(6,549)	
Net current assets			<u>1,528,720</u>		<u>706,807</u>
Total assets less current liabilities			<u>1,528,720</u>		<u>706,807</u>
Provision for liabilities and charges	6		(401,354)		(99,248)
Net assets			<u>1,127,366</u>		<u>607,559</u>
Capital and reserves					
Called up share capital	8		1		1
Reserves			<u>1,127,365</u>		<u>607,558</u>
			<u>1,127,366</u>		<u>607,559</u>

The financial statements were approved by the Board on 16 June 2006.



H Etheridge
Director

The notes on pages 8 and 9 form part of these financial statements.

EQUIP RVG LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2006

1. Basis of financial statements and accounting policies

The company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 6 to 7 and which have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Principles.

1.1 Income

Revenue grants receivable are initially credited to the Income and Expenditure Account in the period in which the funding is receivable. Income received in advance is carried forward as deferred income. Capital grants receivable are treated as deferred credits and credited to the Income and Expenditure Account over the estimated useful life of the assets.

1.2 Expenditure

All expenditure is charged in the period to which it relates on an accruals basis and a liability is recognised when there is a legal or constructive obligation.

1.3 Provisions

Provision is made for the potential shortfalls in residual values of assets underwritten by the scheme based on the directors' current projections of the probable cost.

2. Taxation

The company operates on a not-for-profit basis and accordingly is only liable for corporation tax on its net interest receivable.

3. Net incoming resources

	2006	2005
	£	£
Net incoming resources are stated after charging:		
Auditors' remuneration	2,350	2,000

4. Debtors

	2006	2005
	£	£
Amounts owing within one year:		
Accrued Interest	4,120	-
Amounts due from parent undertaking	1	1
	<u>4,121</u>	<u>1</u>

EQUIP RVG LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2006

5. Creditors

	2006 £	2005 £
Amounts falling due within one year:		
Amounts due to parent undertaking	69	1,627
Corporation tax	6,803	2,543
Other creditors	12,240	-
Accruals and deferred income	6,905	2,379
	<u>26,017</u>	<u>6,549</u>

6. Provision for liabilities and charges

	2006 £	2005 £
Provision for residual value guarantees brought forward	99,248	-
Additions in the year	302,106	99,248
	<u>401,354</u>	<u>99,248</u>

7. Financial commitments

Management fees payable to the lease guarantee scheme administrator for the first 3 years from 2005 will be £146,875 (£125,000+VAT) per annum. A bonus also becomes payable if the value of leases entered into exceeds £5 million in any year and this shall be 2.5% of the excess cost of the equipment over £5 million. In the current year, an amount of £4,555 (2005: £nil) has been accrued in respect of this bonus.

8. Share capital

	2006 £	2005 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

9. Control

The ultimate controlling party is The Waste and Resources Action Programme, a company limited by guarantee.