

**Company Registration No. 05663735**

**WRG Berkshire Limited**

**Report and Financial Statements**

**31 December 2010**

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# **WRG Berkshire Limited**

## **Report and financial statements 2010**

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# **WRG Berkshire Limited**

## **Report and financial statements 2010**

### **Officers and professional advisers**

#### **Directors**

P Taylor  
V F Orts-Llopis

#### **Company Secretary**

C Favier-Tilston

#### **Registered Office**

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

#### **Auditor**

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

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## **WRG Berkshire Limited**

### **Directors' report**

The Directors of WRG Berkshire Limited (the "Company") present their report and audited financial statements for the year ended 31 December 2010

#### **Overview of Parent Company**

The Company is part of Waste Recycling Group Limited ("WRG") and is ultimately owned by Fomento de Construcciones y Contratas, S A ("FCC") FCC is a significant multi-national business listed on the Spanish SIBE stock exchange, with operations in Europe, South and Central America, Africa, the Middle East and the United States of America FCC's principal activities cover Environmental Services (including waste management), Non-Environmental Services, Renewable Energy, Construction, Cement and Real Estate

FCC's substantial financial strength and depth of experience in the European waste infrastructure sector is backed by over 100 years of experience in operating municipal services contracts This complements WRG's position as a leading waste management, recycling and renewable energy business and the Group's ambition to maintain its position as a significant player in establishing the next generation of waste treatment infrastructure in the UK The core services provided by WRG are fully aligned with FCC's strategic growth plans and it is ideally placed to take advantage of local opportunities to provide the services and infrastructure required by the United Kingdom to meet the European Waste Framework Directive Whereby 50% of all municipal waste will have to be recycled by 2020 and the European Union's target that 20% of all energy consumed should be from a renewable source by 2020 The Board continues to look forward to the opportunities that are presented to WRG and its employees by virtue of FCC's plans to expand and embed its operations in the UK

The Board sees the development of major waste infrastructure to support sustainable waste management and strategic long-term partnerships as key to WRG's future business growth It anticipates considerable activity and deployment of Group resources into recycling facilities, renewable energy projects, major Private Finance Initiative ("PFI") and Public Private Partnership ("PPP") schemes, the development of innovative waste treatment solutions and the provision of regional facilities The Board remains of the view that Energy from Waste ("EfW") will be a key component of some regional waste strategies and, in combination with other treatment, recycling and recovery operations, backed up by landfill disposal for residues, this strategy represents a long-term sustainable solution for meeting its clients' diversion targets

2010 has been a progressive year for WRG It was the first under the leadership and stewardship of its new CEO, Paul Taylor There was also the announcement, in the media, of the Group's new strategic direction to a business model that recognises material values and produces renewable energy, moving away from its historic reliance on landfill

#### **Principal activity**

The principal activity of the Company during the year ended 31 December 2010 was handling, recycling and disposal of waste materials

The activities, strategies and risks affecting the Company are inextricably similar to, and dependent on, those of WRG together with its subsidiary undertakings (the "Group"), which is one of the UK's leading waste management, recycling and renewable energy service businesses It is a key player within the municipal waste management sector, with over 100 municipal contracts across England, Wales and Scotland

The Group provides a diverse range of cost effective and sustainable waste processing, recycling, treatment, disposal and energy recovery services for Local Authority and private commercial customers In the year the Group received, treated, recycled and disposed of over 9.1million (2009 9.8million) tonnes of household, commercial and industrial waste and managed around 200 licensed waste management facilities Through innovative solutions, backed by a commitment to excellent customer service, WRG is committed to working with its Local Authority partners and industrial and commercial customers to respond to often complex and far-reaching waste management strategies, to meet the challenges of increased regulation from the UK and EU, and improve upon waste management targets

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## **WRG Berkshire Limited**

### **Directors' report (continued)**

#### **Principal activity (continued)**

WRG Berkshire Limited comprises activities in the following divisions of WRG -

- **Recycling Division** – UK wide responsibility for all of the non-landfill treatment activities, comprising the transfer, recycling, composting and household waste recycling centre operations within WRG which includes the Waste Treatment Division (which treats hazardous solid and liquid wastes), and collection, treatment and healthcare waste collection services

#### **Business Review**

2010 has been another very challenging year for the whole of the waste industry, with a continuation of the difficult market conditions seen in recent years. The sharp economic downturn has reduced the amount of waste produced which has had an impact on the Group's revenue and profitability. However, WRG is adapting and seeking prospects for growth within this highly competitive and rapidly changing environment, throughout the Board remains focused on achieving the Group's short, medium and long term strategic goals. The management of WRG is committed to maximising the utilisation of Group assets, minimising unit costs and investing in growth projects to enhance the Group's ability to take full advantage of opportunities to increase earnings as the economy recovers.

#### **Principal Risks and Uncertainties**

Operating in the UK's highly regulated waste management market presents numerous risks and uncertainties to the Group. In response, the Board has appointed a Risk Committee that actively monitors the key risks that impact the business including the compilation of a comprehensive risk register. The Directors regard the following to be the principal risks and uncertainties affecting the Group and their approach to managing these risks and uncertainties is considered below.

- **Health and Safety:** Health and safety is a key issue for the Group due to the nature of its operations, including the use of heavy plant equipment and difficult working conditions. The Group is continually improving in this area as a result of ongoing consultation with the relevant authorities and the monitoring of best practice initiatives. Whenever an area is highlighted for improvement, the Group seeks to implement such improvement expeditiously, through bulletins, on-line training courses and tool-box briefings. The Group's Incident Review Panel meets quarterly, at which senior management review significant health and safety incidents that have occurred at WRG sites to identify improvements and lessons for the business. All employees undertake a rigorous health and safety training programme, which is underpinned by legislation, detailed policies and procedures. The Board receives regular reports on health and safety performance affecting the Group's operations and it employs a dedicated team, led by the Group Health, Safety, Environment and Quality Manager, to monitor and promote high standards. All employees are expected to recognise their role in achieving acceptable standards of health and safety and are expected to exhibit this through their approach and attitude to work. All employees are expected to complete an on-line Health and Safety awareness e-module every twelve weeks. This has helped to reinforce the Group's already high Health and Safety standards.
- **Environmental risks** The Group's operations are tightly controlled under environmental legislation derived principally from the Environment Agency ( 'EA' ) and the Scottish Environment Protection Agency ( 'SEPA' ). Compliance with all environmental legislation pertinent to the Group's activities is a minimum requirement. The Directors receive regular reports on environmental compliance at the Group's sites and environmental compliance is managed by a dedicated in-house team. The Group has adopted a formal environmental policy, which was reviewed in 2010 and there are detailed environmental procedures to enable compliance with environmental legislation.

## WRG Berkshire Limited

### Directors' report (continued)

#### Principal Risks and Uncertainties (continued)

- **Business continuity:** The Group, as part of its risk management programme, has developed business continuity planning for its operations. As part of this planning the Group has developed a bespoke emergency plan for each operational facility (including the diversion of waste from single or multiple sites in the event of major disruption or disaster affecting a site or region). The Significant Events Response Team ("SERT") is brought together to plan for or deal with any significant events that occur or could potentially occur. WRG's IT systems are outsourced to a specialist IT services company and are covered by an IT disaster recovery plan, to ensure business continuity. The Group is working on the development of a new business continuity plan under the control of WRG's Integrated Management System that will be designed around the British Standard 25999.
- **Legislation:** The Group monitors forthcoming and current legislation to ensure full compliance and to anticipate and assess the impact upon its operations, including the significant opportunities it can present. The waste management industry is subject to extensive government regulation which has a substantial impact on the Group's business, WRG therefore actively lobbies for its interests at European, national and regional levels through trade associations and federations.
- **Litigation:** The Group is subject to litigation from time to time. The outcome of legal action is always uncertain and there is a risk that it may prove more costly and time consuming than expected. There is also a risk that litigation could be instigated in the future that could materially impact the Group. In some liability cases legal expenses are covered by the Group's liability insurance. This risk is mitigated through continued monitoring and employing an experienced and dedicated in-house legal team.
- **Competitive risk:** The Group operates in highly competitive markets in which competitors' service offerings may react faster to legislative and market dynamics than those of the Group. To mitigate this risk the Group ensures that its asset, cost and capital base is regularly reviewed and flexed to meet changes in customers' demands and to maximise cash generation.
- **Employees:** The loss of key employees or the inability to hire experienced management personnel could have a materially adverse effect on the business. To manage this risk, succession planning for senior positions within the Group is undertaken. In addition, the Group has the benefit of being able to draw on wider resources from within the FCC Group.
- **Technology:** The Group relies on a variety of information technology platforms for the efficient delivery of its services and has therefore employed a structured IT Support team, using internal and external resources. In addition, there are a wide variety of technologies available to the waste management industry, there is a risk that the technologies employed by the Group might fail to deliver expected performance levels or end products for its customers and so WRG has made a significant investment into establishing a dedicated technical and development team. This team reviews and assesses the available technologies before any are adopted to ensure they will meet the business and customers' needs.

#### Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, credit risk, liquidity risk and price risk. Due to the nature of the Company's activities, and the assets contained within the Company's balance sheet, the only financial risks the Directors consider relevant to the Company are liquidity and credit risk.

#### Credit and liquidity risk

The Company's exposure to credit and liquidity risk is reduced as it is a wholly owned subsidiary of the Waste Recycling Group Limited. Both credit and liquidity risk are mitigated by the nature of the debtor balances owed, and creditor balances owing, being mainly inter-company from and to fellow subsidiaries of WRG.

# **WRG Berkshire Limited**

## **Directors' report (continued)**

### **Results, dividends and key performance indicators**

The results for the year ended 31 December 2010 are set out on page 10. The profit for the financial year ended 31 December 2010 amounted to £3,628,000 (2009 £3,565,000). The retained profit has been transferred (2009 transferred) to reserves. The Company did not pay an interim dividend during the year (2009 £nil) and furthermore, the Directors do not recommend the payment of a final dividend (2009 £nil).

2010 saw a continuation of challenging market conditions for the entire waste industry as the economy remained depressed and waste volumes continued their decline, although recycle commodity prices have recovered substantially from their low point in late 2008. Economic indicators predict that these conditions are likely to continue through 2011. The Board continues to monitor business trends, and to manage its assets and cost structure in line with changing needs of the business and its customers.

For the year ended 31 December 2010, turnover from continuing activities reduced by 10.3% to £16.2 million (2009 £18.0 million), due to a fall in waste volumes. Given the tough economic conditions this represents a reasonable outcome, the Group has mitigated lower volumes and underlying cost increases through the reduction of its cost base and maintaining a tight control over its cash resources.

Operating profit in 2010 was £3.6 million (2009 £3.6 million). The result reflects the trends highlighted above.

Waste Recycling Group Limited manages its operations on a divisional basis. For this reason, the Company's Directors believe that the disclosure of further key performance indicators for the company is not appropriate for an understanding of the development, performance or position of the business.

### **Future trends and developments**

The Directors of both the Company and WRG consider that the business of the Group faces some obvious challenges in today's business climate, but have taken steps to reduce costs whilst diverting greater resource to the development of alternative recycling and treatment technologies and to the support of new business developments in the municipal sector. The development of the business will be subject to numerous factors and the impact of European Union Directives on recycling markets and waste treatment continues to shape the business going forward. The Group plans to continue to work closely with its municipal and trade customers to become their partner of choice in developing long-term sustainable solutions for waste treatment and disposal.

### **Going Concern**

The Directors, having assessed the responses of their enquiries to the immediate parent company, Waste Recycling Group Limited ('WRG'), have reviewed projected cash flows and continue to adopt the going concern basis in preparing the Directors' report and financial statements.

### **Directors**

The Directors who served as directors of the Company during the year ended 31 December 2009 and up to the date of this report were as follows:

P Taylor  
V F Orts-Llopis  
S Jennings (resigned 11 June 2010)

### **Directors indemnities**

During the financial year, qualifying third party indemnity provisions for the benefit of all Directors of the Company were in force and continue to be in force at the date of this report. Such provisions were made by WRG.

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## **WRG Berkshire Limited**

### **Directors' report (continued)**

#### **Employees**

The professionalism and commitment shown by the Group's employees over the last year, during which time the Group has continued to encounter very difficult trading conditions and the resulting structural and organisational changes, has been a major contribution to its successful operation. The Board would like to thank all employees for their hard work, dedication and loyalty during what has been another challenging and eventful year.

The Group is committed to ensuring that its policies and practices reflect human resource best practice for the whole life-cycle of its employment relationship. The Group's policy of equal opportunity gives all employees the same chance to succeed, irrespective of age, race, nationality, ethnic origin, disability, membership of a trade union, sex or marital status. The Group has a structured training and development programme and is fully committed to ensuring that all employees have the necessary skills and knowledge to do their jobs effectively. Subject to the nature of its businesses in the waste management industry, the policy of the Group is to ensure that there are fair opportunities for the employment, career development and training of disabled persons.

The Board is dedicated to maintaining the highest standards of honesty, openness and accountability and recognise that employees have an important part to play in achieving this goal. All employees are encouraged to report any concerns they may have over wrongdoing at work via the Group's internal reporting system. In addition, WRG has engaged an independent confidential reporting (whistle blowing) service, should employees feel uncomfortable in approaching management. Further to the implementation of the forthcoming Bribery Act, the Group is providing training to all employees regarding the procedures and practices in place within our business to prevent bribery.

Training continues to be a high priority for WRG and it recognises that it is vital that its employees have the relevant skills to take up the new and exciting roles that are being created as the industry and therefore the business evolves.

The Directors recognise the importance of communication with employees and members of the Executive management team regularly visit sites and discuss with staff, matters of current interest and concern to the business. In addition, the Executive regularly report on the Group's successes and performance to the entire Group via a monthly brief delivered by local management and announcements on the Group Intranet. An in-house magazine is also published on a regular basis.

#### **Disclosure of information to auditor**

Each of the Directors who held office at the date of approval of this Directors' report confirms that

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006 ("the Act").



## **WRG Berkshire Limited**

### **Directors' report (continued)**

#### **Auditors**

Pursuant to Section 487 of the Companies Act 2006 (the "Act"), the auditor will be deemed to be reappointed annually by the Company and Deloitte LLP will therefore continue in office until further notice

By order of the board

A handwritten signature in black ink, appearing to read 'C Favier-Tilston', written in a cursive style.

C Favier-Tilston  
Company Secretary

9 June 2011

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## **WRG Berkshire Limited**

### **Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice, (United Kingdom Accounting Standards and applicable law)

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period. In preparing the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of WRG Berkshire Limited**

We have audited the financial statements of WRG Berkshire Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 Directors' Responsibilities Statement, 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 (APB'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 2010 and of its profit 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.

### **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.



Makhan Chahal (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

20 June 2011

## **WRG Berkshire Limited**

### **Profit and loss account Year ended 31 December 2010**

	<b>Notes</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
<b>Turnover</b>	<b>2</b>	<b>16,183</b>	<b>18,036</b>
Cost of sales		<u>(12,124)</u>	<u>(14,042)</u>
<b>Gross profit</b>		<b>4,059</b>	<b>3,994</b>
Administrative expenses		<u>(431)</u>	<u>(429)</u>
<b>Operating profit</b>		<b>3,628</b>	<b>3,565</b>
Interest receivable		-	-
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>3,628</b>	<b>3,565</b>
Tax on profit on ordinary activities	<b>5</b>	-	-
<b>Profit for the financial period</b>	<b>10</b>	<u><b>3,628</b></u>	<u><b>3,565</b></u>

All results are derived from continuing operations

There are no recognised gains and losses in the current financial year or the 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.

## WRG Berkshire Limited

### Balance sheet at 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible fixed assets	6	<u>58</u>	<u>38</u>
<b>Current assets</b>			
Cash held on deposit		1,530	1,530
Debtors	7	<u>12,457</u>	<u>8,876</u>
		13,987	10,406
<b>Creditors: amounts falling due within one year</b>	8	<u>(3,038)</u>	<u>(3,065)</u>
<b>Net current assets</b>		<u>10,949</u>	<u>7,341</u>
<b>Total assets less current liabilities and net assets</b>		<u>11,007</u>	<u>7,379</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	<u>11,007</u>	<u>7,379</u>
<b>Shareholders' funds</b>	11	<u>11,007</u>	<u>7,379</u>

The financial statements of WRG Berkshire Limited, registered number 05663735 were approved by the Board of Directors on 9 June 2011

Signed on behalf of the Board of Directors

  
V F Orts-Llopis  
Director

# **WRG Berkshire Limited**

## **Notes to the financial statements Year ended 31 December 2010**

### **1. Accounting policies**

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### **Accounting convention**

The financial statements are prepared under the historical cost convention

#### **Going concern**

The Directors, having assessed the responses of their enquiries to the immediate parent company, Waste Recycling Group Limited ('WRG'), have reviewed projected cash flows and continue to adopt the going concern basis in preparing the Directors' report and financial statements

#### **Cash flow exemption**

The Company has taken advantage of the exemption, conferred by Financial Reporting Standard 1 (Revised) from presenting a cash flow statement as it is a wholly owned subsidiary of a group which has prepared a consolidated cash flow statement

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

# WRG Berkshire Limited

## Notes to the financial statements Year ended 31 December 2010

### 1. Accounting policies (continued)

#### Leases

Operating leases are charged to the profit and loss account on a straight-line basis over the lease term

#### Turnover

Turnover is stated net of value added tax and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Revenue and cost of sales for the prior year have been restated due to reclassification of certain line items. There was no impact on reported profits or net assets.

#### Post retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### 2. Turnover

All turnover was generated in the United Kingdom principally from the handling, recycling and disposal of waste materials.

### 3. Profit on ordinary activities before taxation

	2010 £'000	2009 £'000
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Operating lease expense	61	25
Depreciation	10	5

Auditor's remuneration in respect of audit fees pursuant to legislation of £4,300 (2009: £4,000) has been borne by Waste Recycling Limited, a fellow subsidiary undertaking of Waste Recycling Group Limited.

### 4. Information regarding Directors and employees

None of the Directors received any remuneration or other benefits through the Company during the year ended 31 December 2010 or the year ended 31 December 2009. They are all remunerated as Directors or employees of Waste Recycling Group Limited, the Company's immediate parent undertaking.

	2010 £'000	2009 £'000
Wages and salaries	726	549
Social security costs	73	56
Other pension costs	4	2
	<u>803</u>	<u>607</u>

# WRG Berkshire Limited

## Notes to the financial statements Year ended 31 December 2010

### 4 Information regarding Directors and employees (continued)

	2010 No.	2009 No.
The average weekly number of employees (including Directors) in the period	<u>25</u>	<u>25</u>

### 5 Tax on profit on ordinary activities

	2010 £'000	2009 £'000
UK corporation tax		
United Kingdom corporation tax at 28% (2009 28%) based on profits for the period	-	-
Adjustments in respect of prior year	-	-
	<u>-</u>	<u>-</u>

The total current tax charge for the current year and previous year are different from the standard rate of 28% (2009 28%) for the reasons set out in the following reconciliation

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	<u>3,628</u>	<u>3,565</u>
Tax on profit on ordinary activities at standard rate	1,016	998
Factors affecting charge		
Depreciation in excess of capital allowances	-	1
Group relief claimed	(1,006)	(999)
Transfer pricing adjustment	(10)	-
	<u>-</u>	<u>-</u>

A number of changes to the UK Corporation system were announced in the June 2010 Budget Statement. The Finance (No2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011.

Further reductions to the main rate have also been announced that will see the main rate fall to 23% by 1 April 2014. These changes have not been substantially enacted at the balance sheet date and therefore are not included in these financial statements.



## WRG Berkshire Limited

### Notes to the financial statements Year ended 31 December 2010

#### 6 Tangible fixed assets

	Other freehold property £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2010	19	25	44
Additions	-	31	31
Disposals	(1)	-	(1)
At 31 December 2010	18	56	74
<b>Depreciation</b>			
At 1 January 2010	2	4	6
Charge	2	8	10
At 31 December 2010	4	12	16
<b>Net book value</b>			
At 31 December 2010	14	44	58
At 31 December 2009	17	21	38

#### 7. Debtors

	2010 £'000	2009 £'000
Trade debtors	1,188	1,673
Amounts due from group undertakings	11,264	6,962
Prepayments	5	241
	12,457	8,876

#### 8. Creditors amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	229	244
Amounts owed to fellow group undertakings	1,500	1,500
Other creditors	802	802
Accruals	507	519
	3,038	3,065

# WRG Berkshire Limited

## Notes to the financial statements Year ended 31 December 2010

### 9. Called up share capital

	2010 £	2009 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Called up, allotted and fully paid</b>		
1 ordinary shares of £1 each	1	1

### 10 Reserves

	Profit and loss account £'000
At 1 January 2010	7,379
Profit for the year	3,628
<b>At 31 December 2010</b>	<b>11,007</b>

### 11. Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial period	3,628	3,565
Opening shareholders' funds	7,379	3,814
Closing shareholders' funds	11,007	7,379

### 12. Pension contributions

The Company participates in the defined contribution scheme operated by Waste Recycling Group Limited (its parent undertaking) on behalf of its eligible employees. The assets of the scheme are held separately from those of the Company in independently administered funds.

There were no outstanding or prepaid contributions at the end of the financial year.

Contributions by the Company to the scheme for the year ended 31 December 2010 amounted to £4,000 (2009 £2,000).

### 13. Contingent liabilities

The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group.

## **WRG Berkshire Limited**

### **Notes to the financial statements Year ended 31 December 2010**

#### **14. Related party transactions**

The Directors regard all subsidiaries of FCC as being related parties

In the ordinary course of business, the Company traded with Waste Recycling Group Limited together with its subsidiary undertakings as well as RE3 Limited, a fellow subsidiary undertaking of FCC

The Company operates under a management agency agreement with Waste Recycling Limited, a fellow subsidiary of Waste Recycling Group Limited. All trading related transaction processing is undertaken by Waste Recycling Limited and is then recharged to the Company through the intercompany account

The Company has taken advantage of the exemption conferred by FRS 8 from disclosing details of these transactions

#### **15. Ultimate parent company**

The immediate parent of the Company is Waste Recycling Group Limited, a company registered in England and Wales

The Directors regard Fomento de Construcciones y Contratas, S A, a company registered in Spain, as the ultimate parent entity and Esther Koplowitz Romero de Juseu to be the ultimate controlling party

Fomento de Construcciones y Contratas, S A is the parent company of the largest group of which the Company is a member and for which group accounts are drawn up. Waste Recycling Group Limited is the parent company of the smallest group of which the Company is a member and for which group accounts are drawn up. Copies of the financial statements of both Waste Recycling Group Limited and Fomento de Construcciones y Contratas, S A are available from the Company Secretary, Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton, NN4 7RG