

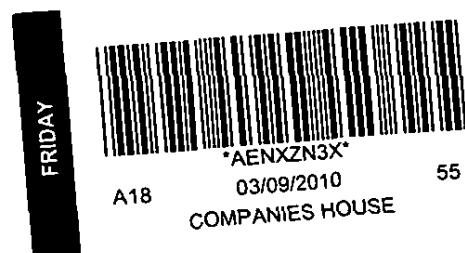
AMENDING

WRG Berkshire Limited

Directors' report and financial
statements

Registered number 05663735

31 December 2009



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Statutory information

Directors

P Taylor
VF Orts-Llopis
SN Jennings

Joint Company Secretary

C Favier-Tilston
C De Feo

Registered office

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

Auditors

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Directors' report and business review

The Directors of WRG Berkshire Limited (the "Company") present their report and audited financial statements for the year ended 31 December 2009. Unless otherwise indicated, the narrative below is taken from the 2009 report and audited financial statements of Waste Recycling Group Limited ("WRG"), the Company's immediate parent and covers the operations of WRG and its 46 subsidiary undertakings, including the Company (together the "Group")

Overview

WRG is ultimately owned by Fomento de Construcciones y Contratas, S A ("FCC"), a significant multi-national business listed on the Spanish stock exchange, with operations in Europe, South America and the United States of America. FCC's principal activities cover Environmental Services (including waste management), Non-Environmental Services, Construction, Cement, Renewable Energy 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 the Group's position as a principal player in the UK waste management sector and WRG's ambition to become a key player in establishing the next generation of waste treatment infrastructure in the UK. FCC's current strategic plan has the objectives of consolidating and integrating the Group further into the wider FCC Group and investing in the continued development of services in the UK. The Board of WRG continues to look forward to the opportunities that are presented to WRG and its employees by virtue of FCC's plans to expand its operations in the UK.

The Board of WRG sees the development of major waste infrastructure and strategic long-term partnerships as key to WRG's future business growth and expects considerable activity and deployment of Group resources into major Private Finance Initiative ("PFI") and Public Private Partnership ("PPP") schemes, the development of innovative waste treatment solutions and provision of regional facilities such as the Allington Energy from Waste ("EfW") plant.

The Board of WRG remains of the view that EfW will be a key component of regional waste strategies, in combination with other recycling and recovery operations. Landfill disposal will gradually decline in importance due to the announcement that landfill tax will increase by £8 per tonne up to £72 per tonne in 2013. Other technical solutions such as Mechanical Biological Treatment ("MBT") processes producing Solid Recovered Fuel ("SRF") will find a place in the mix of solutions as power companies respond to the demand for energy from renewable services by constructing EfW plants accepting renewable fuels derived from waste and from biomass.

Principal activity and business review

The principal activity of the Company during the year ended 31 December 2009 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 the Group, and consequently it is appropriate that the following narrative applies to the Group in its entirety.

The Group is one of the UK's leading waste management services companies in the UK and provides a range of cost effective and sustainable waste processing, recycling, treatment, disposal and energy recovery services for Local Authority and private commercial customers. During the year under review, the Group received, treated, recycled and disposed of 9.8 million (2008: 10.4 million) tonnes of household, commercial and industrial waste and managed around 200 permitted waste management facilities. Through innovative solutions, backed by a commitment to 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 Europe, and improve upon waste management targets. The Group is a key player within the municipal waste management sector, with over 100 municipal contracts across England, Wales and Scotland.

At the end of 2009, WRG recognised the changes in the marketplace and responded by restructuring its business in order to bring it in line with new developments for waste and resource management, and in particular, the need to create more value from waste customers.

Directors' Report and business review *(continued)*

With effect from 1 January 2010, WRG is comprised of four main divisions -

- Recycling Division – UK wide responsibility for all the non-landfill treatment activities within WRG including the Waste Treatment Division (which treats hazardous solid and liquid wastes), Alco (a collection, treatment and healthcare waste collection business), Barrow (a waste collection and treatment business) and all transfer, recycling, composting and household waste recycling centre activity.
- Landfill Division – UK wide responsibility for the operation and management of all WRG's operational landfill activities including the aftercare of closed sites
- The Green Energy+ Division – manages Energy from Waste plants at Eastcroft in Nottingham (producing steam) and at Allington in Kent (producing electricity for export)
- Quarries Division – operates several quarries in Yorkshire

Investment and management of the PFI and PPP bidding process is undertaken by WRG PFI Holdings Limited ("WRG PFI"), a UK subsidiary of FCC. WRG PFI also acts as the Holding Company for Special Purpose Vehicles ("SPVs"), namely RE3 Limited and WRG Wrexham PFI Limited, used as funding entities for such non-recourse finance projects. Contracts won by these SPVs are operated in conjunction with the Group.

Principal Risks and Uncertainties

Operating in the UK's highly regulated waste management market gives rise to numerous risks and uncertainties for the Group. The Board of WRG on behalf of the Group 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 of WRG on behalf of the Group 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 health and safety training, which is underpinned by detailed policies and procedures. The Board of WRG on behalf of the Group receives regular reports on health and safety performance affecting the Group's operations and it employs a dedicated team, led by the Group Health and Safety 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 on-line health and safety awareness training every eight weeks. This has helped to continue to improve 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 and Scottish Environment Protection Agency. Compliance with all environmental legislation pertinent to the Group's activities is a minimum requirement. The Directors of WRG on behalf of the Group 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 2009 and there are detailed environmental procedures to enable compliance with environmental legislation.

Directors' Report and business review (continued)

- **Major disruption/disaster** 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), which are periodically tested for their effectiveness both internally and by external specialists. The Significant Events Response Team 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 a disaster recovery plan, to ensure business continuity. WRG is working on the development of a new business continuity plan under the control of WRG's Integrated Management System ("IMS") that will be designed around the British Standard 25999.
- **The effect of new legislation on other regulatory activities** The Group monitors forthcoming and current legislation to ensure full compliance and to anticipate and assess the impact upon its operations. Some municipal contracts include provisions that allow the Group to pass through certain increased costs arising as a result of legislative changes that occur during the life of the contract.
- **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 may offer services at rates below that 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. In addition, the Group endeavours to enter into medium and long-term waste disposal contracts to guarantee revenues over the longer-term, particularly with its municipal customers.
- **Employees** The loss of key employees or the inability to hire experienced management personnel could have a material adverse effect on the business. To manage this risk, succession planning for senior positions within the Group is undertaken. In addition, the ownership of the Group by FCC enables the Group to draw on wider resources from within the FCC Group.

Going Concern

The Directors, having assessed the responses of WRG to their enquiries and reviewed projected cash flows, continue to adopt the going concern basis in preparing the Directors' report and financial statements. Full details of the going concern statement can be found in note 1 of the notes to the financial statements.

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 with the Company's balance sheet, the only financial risks the Directors consider relevant to the Company are liquidity and credit risk.

Liquidity and credit risk

The Company's exposure to credit and liquidity risk is reduced as it is a subsidiary of Waste Recycling Group. Credit risk is mitigated by the nature of the debtor balances owed, with those due from Waste Recycling Group companies, who are able to repay these if required. Liquidity risk is mitigated by positive cash flows generated by the Company.

Directors' Report and business review *(continued)*

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	(appointed 1 December 2009)
VF Orts-Llopis	
S Jennings	(appointed 1 December 2009)
J Meredith	(resigned 27 November 2009)
LJD Cassells	(resigned 30 November 2009)
CJ Ellis	(resigned 1 December 2009)

Results and Dividends

The results for the year ended 31 December 2009 are set out on page 9. The profit for the financial year ended 31 December 2009 amounted to £3,565,000 (2008: £2,497,000). The retained profit has been transferred (2008 transferred) to reserves. The Company did not pay an interim dividend during the year (2008: £nil) and furthermore, the Directors do not recommend the payment of a final dividend (2008: £nil).

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.

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.

Directors' Report and business review *(continued)*

Employees

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

The Group is committed to ensuring that its policies and practices reflect 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 Directors of WRG on behalf of the Group 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. An in-house magazine is also published on a regular basis.

Disclosure of information to auditors

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 auditors are 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 auditors are 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").

Auditors

During the year KPMG LLP resigned as auditors to the Company and were succeeded by Deloitte LLP ("Deloitte"). Pursuant to Section 487 of the Act, Deloitte will be deemed to be reappointed as auditors until further notice.

By order of the Board of Directors on 19 April 2010



C De Feo
Joint Company Secretary

Directors' responsibilities statement in respect of the Directors' report and the financial statements

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 auditors' report to the members of WRG Berkshire Limited

We have audited the financial statements of WRG Berkshire Limited for the year ended 31 December 2009 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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 2009 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 Auditors
London, United Kingdom
27 April 2010

Profit and loss account
Year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover	2	18,039	15,022
Cost of sales		(14,045)	(12,669)
Gross profit		3,994	2,353
Administrative expenses		(429)	(423)
Operating profit		3,565	1,930
Interest receivable		-	30
Profit on ordinary activities before taxation	3	3,565	1,960
Tax on profit on ordinary activities	5	-	537
Profit for the financial period	10	3,565	2,497

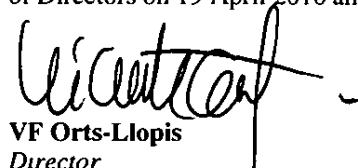
All results are derived from continuing operations

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

Balance sheet
at 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Fixed assets			
Tangible fixed assets	6	38	25
Current assets			
Cash held on deposit		1,530	1,280
Debtors	7	8,876	5,487
		10,406	6,767
Creditors: amounts falling due within one year	8	(3,065)	(2,978)
Net current assets		7,341	3,789
Total assets less current liabilities and net assets		7,379	3,814
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	7,379	3,814
Shareholders' funds	11	7,379	3,814

These financial statements of WRG Berkshire Limited (registered number 05663735) were approved by the Board of Directors on 19 April 2010 and were signed on its behalf by


VF Orts-Llopis
Director

Notes

(forming part of the financial statements)

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

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

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.

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.

Notes (continued)

1 Accounting policies (continued)

Going concern

The company is funded through intercompany accounts under an agency agreement with Waste Recycling Limited, a fellow subsidiary of Waste Recycling Group Limited. Accordingly the company's ability to continue as a going concern is assessed in conjunction with Waste Recycling Limited as its viability is dependent upon the ability of Waste Recycling Limited to settle its intercompany balances with the Company and to continue to provide working capital to the Company. The ability of Waste Recycling Limited is largely dependent on the continued support of the Company's parent company, Waste Recycling Group Limited, which has indicated that it intends to provide such funds as are necessary for Waste Recycling Limited to continue to trade for the foreseeable future.

The directors having assessed the responses and considered the ability of Waste Recycling Limited parent to continue as a going concern consider it appropriate to continue to prepare the Company financial statements on a going concern basis.

Leases

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

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

	2009 £000	2008 £000
Profit on ordinary activities before taxation is stated after charging		
Operating lease expense	25	43
Depreciation	5	1
	<u> </u>	<u> </u>

Auditors' remuneration in respect of audit fees pursuant to legislation of £4,000 has been borne by Waste Recycling Limited, a fellow subsidiary undertaking of Waste Recycling Group Limited.

Notes (continued)

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 2009 or the period ended 31 December 2008. They are all remunerated as Directors or employees of Waste Recycling Group Limited, the Company's immediate parent undertaking.

	2009 £000	2008 £000
Wages and salaries	549	504
Social security costs	56	54
Other pension costs	2	1
	<u>607</u>	<u>559</u>
	No.	No.
The average weekly number of employees (including Directors) in the period	<u>25</u>	<u>21</u>

5 Tax on profit on ordinary activities

	2009 £000	2008 £000
UK Corporation tax	-	-
United Kingdom corporation tax at 28% (2008: 28.5%) based on profits for the period	-	(537)
Adjustments in respect of prior year	-	-
Total current tax charge	<u>-</u>	<u>(537)</u>

The total current tax charge for the current year and previous year are different from the standard rate of 28% (2008: 28.5%) for the reasons set out in the following reconciliation:

	2009 £000	2008 £000
Profit on ordinary activities before tax	<u>3,565</u>	<u>1,960</u>
Tax on profit on ordinary activities at standard rate	998	558
Factors affecting charge	1	-
Depreciation in excess of capital allowances	(999)	(558)
Group relief claimed	-	-
	<u>-</u>	<u>-</u>

Notes (continued)

6 Tangible fixed assets

	Other freehold property £000	Plant and equipment £000	Total £000
Cost			
At 1 January 2009	19	7	26
Additions	-	18	18
	<hr/>	<hr/>	<hr/>
At 31 December 2009	19	25	44
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2009	-	1	1
Charge	2	3	5
	<hr/>	<hr/>	<hr/>
At 31 December 2009	2	4	6
	<hr/>	<hr/>	<hr/>
Net Book Value as at 31 December 2009	17	21	38
	<hr/>	<hr/>	<hr/>
Net Book Value as at 31 December 2008	19	7	26
	<hr/>	<hr/>	<hr/>

7 Debtors

	2009 £000	2008 £000
Trade debtors	1,673	956
Amounts due from group undertakings	6,962	4,529
Prepayments	241	2
	<hr/>	<hr/>
	8,876	5,487
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	244	1,599
Amounts owed to fellow group undertakings	1,500	1,250
Other creditors	802	-
Accruals	519	129
	<hr/>	<hr/>
	3,065	2,978
	<hr/>	<hr/>

Notes (continued)

9 Called up share capital

	2009 £	2008 £
<i>Authorised</i> 100 ordinary shares of £1 each	100	100
<i>Called up, allotted and fully paid</i> 1 ordinary shares of £1 each	1	1

10 Reserves

	Profit and Loss account £000
At 1 January 2009	3,814
Profit for the year	3,565
At 31 December 2009	7,379

11 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Profit for the financial period	3,565	2,497
Opening shareholders' funds	3,814	1,317
Closing shareholders' funds	7,379	3,814

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 2009 amounted to £1,974 (2008 £1,000).

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.

Notes *(continued)*

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 Directors regard FCC, a company registered in Spain, as the ultimate controlling party and the ultimate parent entity.

FCC 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 FCC are available from the Company Secretary, Ground Floor West, 900 Pavilion Drive, Northampton Business Park, Northampton, NN4 7RG.