

FC 26943

003959/90.

SHANKS SIL INVESTMENTS LIMITED
(Incorporated in Guernsey, Channel Islands)
Registered Number 44558

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2008

THURSDAY



AH50R6QJ

A02

22/01/2009

387

COMPANIES HOUSE

Branch Registration: BR008937
Foreign Company Number: FC026943

SHANKS SIL INVESTMENTS LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Auditors' Report	3
Profit and Loss Account	4
Statement of Total Recognised Gains and Losses	4
Balance Sheet	5
Notes to the Financial Statements	6 - 11

SHANKS SIL INVESTMENTS LIMITED DIRECTORS' REPORT

The Directors present their Report and the financial statements for the year ended 31 March 2008.

Review of activities

The Company's principal activity is to act as a holding company.

On 23 August 2007 the Company received a dividend in specie of €17,920,524 from Shanks Investments Limited, a subsidiary undertaking. The dividend was settled by a receivable due from Shanks Group plc, the Company's ultimate parent.

On 23 August 2007 the Company received a dividend in specie of €820,519 from Shanks SIL Finance Limited, a subsidiary undertaking. The dividend was settled by a receivable due from Shanks BV, a fellow group undertaking.

On 23 August 2007 the Company paid a dividend in specie to Shanks Finance Limited, the Company's immediate parent, of €9,835,294. The dividend was satisfied by the assignment of a receivable due from Shanks BV of €820,519 and receivables due from Shanks Group plc for in aggregate €9,014,775.

On 23 August 2007 the Company sold its investment in Shanks Investments Limited to Shanks Group plc for €248,887,920 in exchange for an interest bearing Euro denominated loan. The Company made a loss on disposal of €2,549,940.

Results and Dividends

The profit before tax for the period was €25,122,495 (2007: €296,437). As stated above, the Company paid a dividend in specie of €9,835,294 (2007: €58,498,626) during the period. The Directors do not recommend the payment of a final dividend.

Directors

The Directors that held office during the period were as follows:

M C E Averill	(resigned 30 September 2007)
T W Drury	(appointed 1 October 2007)
F A N Welham	

Directors' Interests

As at 31 March 2008 none of the Directors had a direct interest in the share capital of the Company. Messrs Welham and Drury are also Directors of Shanks Group plc and accordingly their interests in the share capital of that company are disclosed in its financial statements. The Directors had no interests in the shares of any other Company in the Group.

SHANKS SIL INVESTMENTS LIMITED

DIRECTORS REPORT - continued

Directors' responsibilities for the financial statements

The directors are responsible for preparing financial statements for each financial year end which give a true and fair view, in accordance with applicable Guernsey law, and United Kingdom Accounting Standards, of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

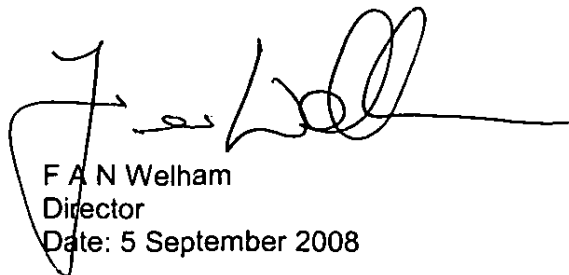
The directors confirm that they have complied with the above requirements and responsibilities.

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 (Guernsey) Law, 1994. 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.

The Directors confirm that there is no relevant audit information of which the Company's auditors are unaware. For this purpose, "relevant audit information" comprises the information needed by the Company's auditors in connection with preparing their report. The Directors have taken all the steps (such as making enquiries of the auditors and any other steps required by the directors' duty to exercise due care, skill and diligence) that they ought to have taken in their duty as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the Company will be proposed at the Annual General Meeting.

By Order of the Board



F A N Welham
Director
Date: 5 September 2008

Registered Office:
PO Box 140
Manor Place
St Peter Port
Guernsey
GY1 4EW

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHANKS SIL INVESTMENTS LIMITED

We have audited the financial statements of Shanks SIL Investments Limited for the year ended 31 March 2008 which comprise the profit and loss Account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable Guernsey law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 64 of The Companies (Guernsey) Law, 1994 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 (Guernsey) Law, 1994. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the director's report.

Basis of audit opinion

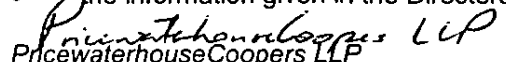
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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.

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 the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 1994; and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place, London
5 September 2008

SHANKS SIL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2008

	<u>Note</u>	<u>Year ended</u> <u>31 March 2008</u> €	<u>387 day</u> <u>period ended</u> <u>31 March 2007</u> €
Administrative expenses		(22,860)	(41,296)
Other operating expense	4	(2,549,940)	-
Income from shares in group undertakings		18,741,043	-
		<hr/>	<hr/>
Operating profit/(loss)		16,168,243	(41,296)
Interest payable		(1,053)	-
Interest receivable and similar income	5	8,955,305	337,733
		<hr/>	<hr/>
Profit on ordinary activities before tax		25,122,495	296,437
Tax	6	(2,691,721)	(88,931)
		<hr/>	<hr/>
Profit on ordinary activities after tax		22,430,774	207,506
Dividends	7	(9,835,294)	(58,498,626)
		<hr/>	<hr/>
Retained profit/(loss) for the period	12,13	12,595,480	(58,291,120)
		<hr/> <hr/>	<hr/> <hr/>

All of the above relates to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES For the year ended 31 March 2008

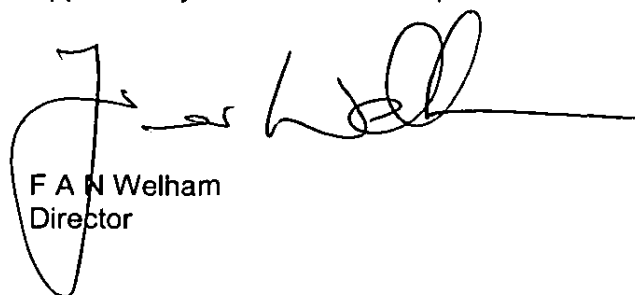
There were no recognised gains or losses other than the profit for the period.

SHANKS SIL INVESTMENTS LIMITED

BALANCE SHEET as at 31 March 2008

	<u>Note</u>	As at 31 March <u>2008</u> €	As at 31 March <u>2007</u> €
Fixed assets			
Investments	8	20,145,011	271,582,871
Current assets			
Debtors	9	275,609,647	8,860,848
Current liabilities			
Creditors: amounts falling due within one year	10	(3,822,819)	(1,107,360)
Net current assets		271,786,828	7,753,488
Total assets less current liabilities		291,931,839	279,336,359
Total net assets		291,931,839	279,336,359
Capital and reserves			
Share capital	11	67,884,700	67,884,700
Share premium account	12	196,828,178	196,828,178
Legal reserve	12	6,788,470	6,788,470
Profit and loss account	12	20,430,491	7,835,011
Equity shareholders' funds	13	291,931,839	279,336,359

Approved by the Board on 5 September 2008


F A N Welham
Director

SHANKS SIL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

Functional currency

The functional currency of the Company is Euros, as the Company's share capital, assets and liabilities, income and expenses are all denominated in this currency. Consequently, these financial statements are also presented in Euros.

Taxation

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years or that are never taxable or deductible.

Dividends

Dividends are accounted for in the period in which they are received or paid.

Investments

Investments are shown at cost less any provision for impairment in value. The Directors review the carrying value of investments for any such impairment on an annual basis.

2 Segmental reporting

The Company acts as an investment company and operates solely in the United Kingdom.

3 Company status

Audit costs were borne by the ultimate holding company in the prior period. In the year to 31 March 2008 €4,500 is included for auditors' remuneration for audit costs. There were no employees of the Company in the period. The Directors were not remunerated for their services to the Company, neither did the Directors accrue any retirement benefits in respect of service to the Company. None of the emoluments paid to the Directors by the other Group Companies during the period related to services given to this company which were of minimal value.

4 Other operating expense

On 23 August 2007 the Company sold its investment in Shanks Investments Limited to Shanks Group plc for €248,887,920 in exchange for an interest bearing Euro denominated loan. The Company made a loss on disposal of €2,549,940.

SHANKS SIL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008 - continued

5 Interest receivable and similar income

	<u>2008</u> €	<u>2007</u> €
Interest receivable from group companies	8,955,305	337,733
	<u> </u>	<u> </u>

6 Tax

The tax charge based on the profit for the period is made up as follows:

	<u>2008</u> €	<u>2007</u> €
UK corporation tax at 30% – current year	2,682,417	88,931
– prior year	9,304	-
	<u> </u>	<u> </u>
	2,691,721	88,931
	<u> </u>	<u> </u>

The tax assessed for the year is lower than the United Kingdom standard rate of corporation tax of 30%. The differences are explained below:

	<u>2008</u> €	<u>2007</u> €
Profit on ordinary activities before tax	25,122,495	296,437
	<u> </u>	<u> </u>
Tax charge based on UK tax rate	7,536,749	88,931
Tax effect of the following items:		
Non taxable dividend income	(5,622,313)	-
Non taxable items	767,981	-
Prior year	9,304	-
	<u> </u>	<u> </u>
Corporation tax charge for the period	2,691,721	88,931
	<u> </u>	<u> </u>

SHANKS SIL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008 - continued

7 Dividends

	<u>2008</u> €	<u>2007</u> €
Dividend in specie	9,835,294	58,498,626

On 23 August 2007 the Company paid a dividend in specie to Shanks Finance Limited, the Company's immediate parent, of €9,835,294. The dividend was satisfied by the assignment of a receivable due from Shanks BV of €820,519 and receivables due from Shanks Group plc for in aggregate €9,014,775.

8 Investments

	<u>Subsidiary undertakings</u> €
At 1 April 2007	271,582,871
Disposals	(251,437,860)
	<hr/>
At 31 March 2008	20,145,011
	<hr/>

At 31 March 2008 the Company held the following investments in subsidiary undertakings:

	<u>Registered in</u>	<u>Proportion of shares held</u>	<u>Type of share</u>	<u>Type of business</u>
Shanks SIL Capital Limited	Guernsey, Channel Islands	100%	Ordinary	Investment
Shanks SIL Finance Limited	Guernsey, Channel Islands	100%	Ordinary	Investment

On 23 August 2007 the Company sold its investment in Shanks Investments Limited to Shanks Group plc for €248,887,920 in exchange for an interest bearing Euro denominated loan. The Company made a loss on disposal of €2,549,940.

The balance sheet value of shares in fixed asset investments represents the purchase consideration and associated costs for the purchase of these shares denominated in the original purchase currency.

In the opinion of the Directors the value of investments is not less than the aggregate amounts at which they are shown in the balance sheet.

SHANKS SIL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008 - continued

9 Debtors

	As at 31 March <u>2008</u> €	As at 31 March <u>2007</u> €
Amounts owed by ultimate parent undertaking	274,171,307	8,832,846
Amounts owed by fellow group undertakings	17,525	17,525
Accrued interest payable	1,420,815	-
Other debtors	-	10,477
	<u>275,609,647</u>	<u>8,860,848</u>
Analysis of amounts owed by group undertakings:		
At floating rate of 1 month Libor plus a margin of 0.8%	18,415,648	8,832,846
At floating rate of 6 month Libor plus a margin of 0.8%	255,755,659	-
Interest free	17,525	17,525
	<u>274,188,832</u>	<u>8,850,371</u>

Amounts owed by group undertakings are unsecured and have no fixed date of repayment.

10 Creditors: amounts falling due within one year

	As at 31 March <u>2008</u> €	As at 31 March <u>2007</u> €
Bank overdraft	32,013	6,099
Amounts due to ultimate parent undertaking	124,313	26,078
Amounts due to fellow group undertakings	874,565	874,565
Corporation tax	2,682,417	88,931
Overseas tax	81,511	81,687
Accruals and deferred income	28,000	30,000
	<u>3,822,819</u>	<u>1,107,360</u>

Amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment.

SHANKS SIL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008 - continued

11 Share capital

	As at 31 March 2008 €	As at 31 March 2007 €
Authorised: 2,715,388 Shares of €25 each	67,884,700	67,884,700
Allotted, called up and fully paid: 2,715,388 Shares of €25 each	67,884,700	67,884,700

12 Reserves

	Share premium €	Legal reserve €	Profit and loss account €
At 1 April 2007	196,828,178	6,788,470	7,835,011
Retained profit for the period	-	-	12,595,480
At 31 March 2008	196,828,178	6,788,470	20,430,491

13 Reconciliation of movement in shareholders' funds

	Year ended 31 March 2008 €	387 day period ended 31 March 2007 €
Profit on ordinary activities after tax	22,430,774	207,506
Dividends	(9,835,294)	(58,498,626)
Retained profit/(loss) for the period and net movement in equity shareholders' funds	12,595,480	(58,291,120)
Opening equity shareholders' funds	279,336,359	337,627,479
Closing equity shareholders' funds	279,931,839	279,336,359

SHANKS SIL INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008 - continued

14 Contingent liabilities

The Company has granted to its bankers an unlimited guarantee and a right of set off against amounts outstanding on advances to its parent and fellow subsidiary undertakings.

15 Related party transactions

As permitted by FRS 8, the Company, being a wholly owned subsidiary of another company which prepares a statement of related party transactions including that of this Company, has not prepared such a statement itself.

16 Cash flow statement

The Company is a wholly-owned subsidiary of Shanks Group plc and is included in the consolidated statements of Shanks Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

17 Immediate and ultimate holding company

The Company's immediate holding company is Shanks Finance Limited, a company incorporated in England and Wales and the ultimate holding company is Shanks Group plc, a company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks Group plc, Dunedin House, Auckland Park, Milton Keynes, Buckinghamshire, MK1 1BU.