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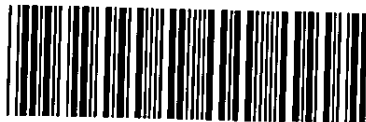
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**SHANKS SIL CAPITAL LIMITED**  
(Incorporated in Guernsey, Channel Islands)  
Registered Number 44556

**REPORT AND ACCOUNTS**

**YEAR ENDED 31 MARCH 2008**

THURSDAY



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22/01/2009

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COMPANIES HOUSE

Branch Registration: BR008938  
Foreign Company Number: FC026944

# **SHANKS SIL CAPITAL LIMITED**

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## **SHANKS SIL CAPITAL 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 an investment company.

On 23 August 2007 the Company received a dividend in specie of €132,235 from Shanks Investments Limited, a fixed asset investment. The dividend was settled by a receivable due from Shanks Group plc, the Company's ultimate parent.

On 23 August 2007 the Company sold its investment in Shanks Investments Limited to Shanks Group plc for €2,804,267 in exchange for an interest bearing Euro denominated loan. The Company made a loss on disposal of €23,701.

### **Results and Dividends**

The profit before tax for the period was €186,895 (2007: €44,624). The Company paid a dividend in specie of €Nil (2007: €544,877) 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 CAPITAL 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.

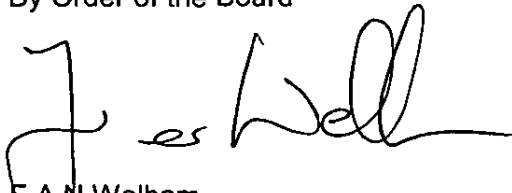
The directors confirm that they have complied with the above requirements and responsibilities.

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 CAPITAL LIMITED**

We have audited the financial statements of Shanks SIL Capital 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**

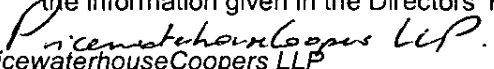
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 CAPITAL 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		(22,896)	(45,230)
Other operating expense	4	(23,701)	-
Income from shares in group undertakings	5	132,235	83,338
		<hr/>	<hr/>
Operating profit		85,638	38,108
Interest receivable and similar income	6	101,257	6,516
		<hr/>	<hr/>
Profit on ordinary activities before tax		186,895	44,624
Tax	7	(37,102)	11,627
		<hr/>	<hr/>
Profit on ordinary activities after tax		149,793	56,251
Dividends	8	-	(544,877)
		<hr/>	<hr/>
Retained profit/(loss) for the period	13,14	149,793	(488,626)
		<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

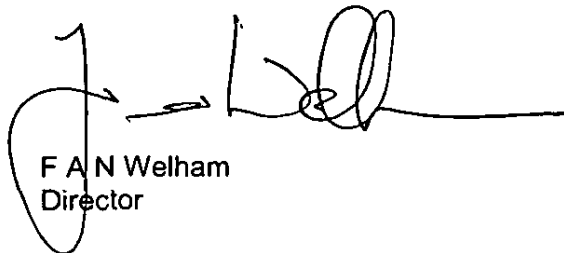
There were no recognised gains or losses other than the profit for the period.

# SHANKS SIL CAPITAL 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> €
<b>Fixed assets</b>			
Investments	9	-	2,827,968
<b>Current assets</b>			
Debtors	10	3,124,660	98,105
Cash at bank and in hand		55,053	79,949
		3,179,713	178,054
Creditors: amounts falling due within one year	11	(186,225)	(162,327)
<b>Net current assets/(liabilities)</b>		2,993,488	15,727
<b>Total assets less current liabilities</b>		2,993,488	2,843,695
<b>Total net assets</b>		2,993,488	2,843,695
<b>Capital and reserves</b>			
Share capital	12	704,925	704,925
Share premium account	13	2,006,867	2,006,867
Legal reserve	13	70,492	70,492
Profit and loss account	13	211,204	61,411
<b>Equity shareholders' funds</b>	14	2,993,488	2,843,695

Approved by the Board on 5 September 2008

  
 F A N Welham  
 Director

**SHANKS SIL CAPITAL 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 €2,804,267 in exchange for an interest bearing Euro denominated loan. The Company made a loss on disposal of €23,701.



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

**5 Income from shares in group undertakings**

On 23 August 2007 the Company received a dividend in specie of €132,235 from Shanks Investments Limited, a fixed asset investment. The dividend was settled by a receivable due from Shanks Group plc, the Company's ultimate parent.

**6 Interest receivable and similar income**

	<u>2008</u> €	<u>2007</u> €
Interest receivable from group companies	101,257	6,516
	<u>          </u>	<u>          </u>

**7 Tax**

The tax charge/(credit) 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	26,508	(11,614)
UK tax – prior year	10,594	-
Overseas tax – prior year	-	(13)
	<u>          </u>	<u>          </u>
	37,102	(11,627)
	<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	186,895	44,624
	<u>          </u>	<u>          </u>
Tax charge based on UK tax rate	56,068	13,387
Tax effect of the following items:		
Adjustment in respect of investment income	(39,670)	25,001)
Non taxable items	10,110	-
Prior year	10,594	-
	<u>          </u>	<u>          </u>
Corporation tax charge/(credit) for the period	37,102	(11,614)
	<u>          </u>	<u>          </u>

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

**8 Dividends**

	<u>2008</u> €	<u>2007</u> €
Dividend in specie	-	544,877
	<u>          </u>	<u>          </u>

**9 Investments**

	<u>Fixed asset investments</u> €
At 11 March 2007	2,827,968
Disposals	(2,827,968)
	<u>          </u>
At 31 March 2008	-
	<u>          </u>

On 23 August 2007 the Company sold its investment in Shanks Investments Limited to Shanks Group plc for €2,804,267 in exchange for an interest bearing Euro denominated loan. The Company made a loss on disposal of €23,701.

**10 Debtors**

	As at 31 March <u>2008</u> €	As at 31 March <u>2007</u> €
Amounts owed by ultimate parent undertaking	3,108,567	86,800
Accrued interest receivable	16,093	-
Corporation tax	-	11,204
Other debtors	-	101
	<u>          </u>	<u>          </u>
	3,124,660	98,105
	<u>          </u>	<u>          </u>

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

**10 Debtors - continued**

	As at 31 March <u>2008</u> €	As at 31 March <u>2007</u> €
Analysis of amounts owed by ultimate parent undertaking:		
At floating rate of 1 month Libor plus a margin of 0.8%	226,920	86,800
At floating rate of 6 month Libor plus a margin of 0.8%	2,881,647	-
	<hr/>	<hr/>
	3,108,567	86,800
	<hr/>	<hr/>

Amounts owed by ultimate parent undertaking are unsecured and have no fixed date of repayment.

**11 Creditors: amounts falling due within one year**

	As at 31 March <u>2008</u> €	As at 31 March <u>2007</u> €
Amounts due to ultimate parent undertaking	34,942	35,962
Amounts due to fellow group undertakings	96,365	96,365
Corporation tax	26,918	-
Accruals and deferred income	28,000	30,000
	<hr/>	<hr/>
	186,225	162,327
	<hr/>	<hr/>

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

**12 Share capital**

	As at 31 March <u>2008</u> €	As at 31 March <u>2007</u> €
Authorised:		
28,197 Shares of €25 each	704,925	704,925
	<hr/>	<hr/>
Allotted, called up and fully paid:		
28,197 Shares of €25 each	704,925	704,925
	<hr/>	<hr/>

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

**13 Reserves**

	<u>Share premium</u> €	<u>Legal reserve</u> €	<u>Profit and loss account</u> €
At 11 March 2007	2,006,867	70,492	61,411
Retained profit for the period	-	-	149,793
	<hr/>	<hr/>	<hr/>
At 31 March 2008	<u>2,006,867</u>	<u>70,492</u>	<u>211,204</u>

**14 Reconciliation of movement in shareholders' funds**

	<u>Year ended 31 March 2008</u> €	<u>387 day period ended 31 March 2007</u> €
Profit on ordinary activities after tax	149,793	56,251
Dividends	-	(544,877)
	<hr/>	<hr/>
Retained profit/(loss) for the period and net movement in equity shareholders' funds	149,793	(488,626)
Opening equity shareholders' funds	2,843,695	3,332,321
	<hr/>	<hr/>
Closing equity shareholders' funds	<u>2,993,488</u>	<u>2,843,695</u>

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

**15 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.

**16 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.

**17 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.

**18 Immediate and ultimate holding company**

The Company's immediate holding company is Shanks SIL Investments Limited, a company incorporated in Guernsey 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.