

Company Number FC026948

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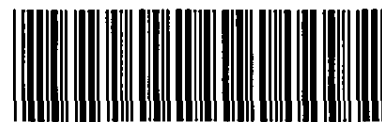
SHANKS SIL CAPITAL LIMITED
(Incorporated in Guernsey, Channel Islands)
Registered Number 44556

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2009

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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 2009

Review of activities

The Company's principal activity is to act as an investment company

Results and Dividends

The profit before tax for the year was €159,554 (2008 €186,895) No dividend has been paid or is proposed for the year (2008 £Nil)

Principal risks and uncertainties

The Company is a wholly-owned subsidiary of the Shanks Group Risks are principally managed by the Shanks Group for the Group as a whole The principal risks and uncertainties of Shanks Group plc are discussed in its Annual Report and Accounts

Key performance indicators

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the Company

Future developments

The Directors do not anticipate any significant changes for 2010 in respect of the position and activities of the Company

Directors

The Directors that held office during the year and up to the date of this report were as follows

T W Drury	
C Surch	(appointed 28 May 2009)
F A N Welham	(resigned 27 May 2009)

Directors' Interests

As at 31 March 2009 none of the Directors had a direct interest in the share capital of the Company Mr Drury and Mr Welham were Directors of Shanks Group plc at 31 March 2009 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

SHANKS SIL CAPITAL LIMITED
DIRECTORS' REPORT - continued

Auditors

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

By Order of the Board

A handwritten signature in black ink, appearing to be 'C Surch', written over a horizontal line.

C Surch
Director
Date 20 July 2009

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 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet 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 or 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

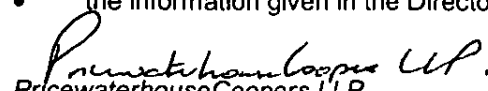
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Accounting Standards, of the state of the Company's affairs as at 31 March 2009 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
20 July 2009

SHANKS SIL CAPITAL LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2009

	<u>Note</u>	<u>2009</u> €	<u>2008</u> €
Administrative expenses		(7,564)	(22,896)
Other operating expense	4	-	(23,701)
Income from shares in group undertakings	5	-	132,235
		<hr/>	<hr/>
Operating profit		(7,564)	85,638
Interest receivable and similar income	6	167,118	101,257
		<hr/>	<hr/>
Profit on ordinary activities before tax		159,554	186,895
Tax	7	(38,676)	(37,102)
		<hr/>	<hr/>
Profit on ordinary activities after tax		120,878	149,793
Dividends		-	-
		<hr/>	<hr/>
Retained profit for the year	11,12	120,878	149,793
		<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 2009

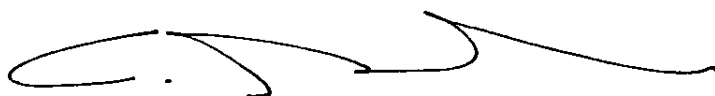
There were no recognised gains or losses other than the profit for the year

SHANKS SIL CAPITAL LIMITED

BALANCE SHEET as at 31 March 2009

	<u>Note</u>	<u>2009</u> €	<u>2008</u> €
Current assets			
Debtors	8	3,291,777	3,124,660
Cash at bank and in hand		38,466	55,053
		<hr/>	<hr/>
		3,330,243	3,179,713
Creditors amounts falling due within one year	9	(215,877)	(186,225)
		<hr/>	<hr/>
Net current assets		3,114,366	2,993,488
		<hr/>	<hr/>
Total assets less current liabilities		3,114,366	2,993,488
		<hr/>	<hr/>
Total net assets		3,114,366	2,993,488
		<hr/>	<hr/>
Capital and reserves			
Share capital	10	704,925	704,925
Share premium account	11	2,006,867	2,006,867
Legal reserve	11	70,492	70,492
Profit and loss account	11	332,082	211,204
		<hr/>	<hr/>
Equity shareholders' funds	12	3,114,366	2,993,488
		<hr/>	<hr/>

The accounts on pages 5 to 11 were approved by the Board of Directors on 20 July 2009 and were signed on its behalf by



C Surch
Director

SHANKS SIL CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable law, The Companies (Guernsey) Law, 1994 and in accordance with applicable Accounting Standards in the United Kingdom (UK Generally Accepted Accounting Practice)

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

In the year to 31 March 2009 €5,000 (2008 €4,500) is included for auditors' remuneration for audit costs. There were no employees of the Company in the year. 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 year 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 2009 - 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>2009</u> €	<u>2008</u> €
Interest receivable from group companies	167,118	101,257
	<u>167,118</u>	<u>101,257</u>

7 Tax

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

	<u>2009</u> €	<u>2008</u> €
UK corporation tax at 28% (2008: 30%)		
– current year	44,675	26,508
– prior year	(5,999)	10,594
	<u>38,676</u>	<u>37,102</u>

The tax assessed for the year is lower than the United Kingdom standard rate of corporation tax of 28% (2008: 30%). The differences are explained below:

	<u>2009</u> €	<u>2008</u> €
Profit on ordinary activities before tax	159,554	186,895
Tax charge based on UK tax rate	44,675	56,068
Tax effect of the following items:		
Adjustment in respect of investment income	-	(39,670)
Items not allowable for tax purposes	-	10,110
Prior year	(5,999)	10,594
	<u>38,676</u>	<u>37,102</u>

SHANKS SIL CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009 - continued

8 Debtors

	<u>2009</u> €	<u>2008</u> €
Amounts owed by ultimate parent undertaking	3,283,392	3,108,567
Accrued interest receivable	8,385	16,093
	<hr/>	<hr/>
	3,291,777	3,124,660
	<hr/>	<hr/>

	<u>2009</u> €	<u>2008</u> €
Analysis of amounts owed by ultimate parent undertaking		
At floating rate of 1 month Libor plus a margin of 0.8%	238,583	226,920
At floating rate of 6 month Libor plus a margin of 0.8%	3,044,809	2,881,647
	<hr/>	<hr/>
	3,283,392	3,108,567
	<hr/>	<hr/>

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

9 Creditors: amounts falling due within one year

	<u>2009</u> €	<u>2008</u> €
Amounts due to ultimate parent undertaking	59,201	34,942
Amounts due to fellow group undertakings	96,365	96,365
UK corporation tax	44,675	26,508
Overseas tax	410	410
Accruals and deferred income	15,226	28,000
	<hr/>	<hr/>
	215,877	186,225
	<hr/>	<hr/>

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

SHANKS SIL CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009 - continued

10 Share capital

	<u>2009</u> €	<u>2008</u> €
Authorised 28,197 Shares of €25 each	704,925	704,925
Allotted, called up and fully paid 28,197 Shares of €25 each	704,295	704,925

11 Reserves

	<u>Share premium</u> €	<u>Legal reserve</u> €	<u>Profit and loss account</u> €
At 1 April 2008	2,006,867	70,492	211,204
Retained profit for the year	-	-	120,878
At 31 March 2009	2,006,867	70,492	332,082

12 Reconciliation of movement in shareholders' funds

	<u>2009</u> €	<u>2008</u> €
Profit on ordinary activities after tax	120,878	149,793
Dividends	-	-
Retained profit for the year and net movement in equity shareholders' funds	120,878	149,793
Opening equity shareholders' funds	2,993,488	2,843,695
Closing equity shareholders' funds	3,114,366	2,993,488

13 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

SHANKS SIL CAPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009 - continued

14 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

15 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

16 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