

Eden Waste Recycling Limited
Financial statements
For the year ended 31 January 2008

FRIDAY



SQWTP578

SCT

28/11/2008

1875

COMPANIES HOUSE

Company No. SC209668

Company information

Company Registration Number	SC209668
Registered Office	9 Charlotte Square Edinburgh Midlothian EH2 4DR
Directors	Sir David E Murray J Donald G Wilson Jestyn R Davies
Secretary	D W M Horne
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ
Solicitors	Dundas & Wilson Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

Index

Report of the directors	3	5
Report of the independent auditor	6	7
Principal accounting policies		8
Profit and loss account		9
Balance sheet		10
Notes to the financial statements	11	15

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 January 2008. The directors' report has been prepared under the special provisions relating to Small Companies under Section 246 (4) of the Companies Act 1985.

Principal activities and business review

The trade and certain assets of the company and its investment company Malcolm McNeill Limited were sold to a third party on 5 April 2006 at which date the company ceased to trade.

There was a loss for the year after taxation amounting to £83,107 (2007 profit £364,937).

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks that included the effects of changes in the credit risk, liquidity risk and interest rate risk. The company has a risk management programme that seeks to limit the adverse effects of the financial performance of the company by monitoring the level of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring the financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit risk

The company has implemented a policy that requires credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the board.

Liquidity risk

The company maintains a mixture of long term and short term finance that is designed to ensure the company has sufficient available funds for its operations.

Interest rate cash flow risk

The company has interest bearing liabilities. The company has a policy of reviewing its debt profile and where it is considered appropriate maintaining debt at both fixed and floating rates, thereby enabling the company to benefit from any reduction in interest rates whilst still maintaining an element of certainty over the future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Report of the directors (continued)

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

		At 31 January 2008	At 1 February 2007
	Class of share		
Sir David E Murray	1p Ordinary		
J Donald G Wilson	1p Ordinary		
T Graham Gillespie (resigned 1 February 2007)	1p Ordinary		
Alan W S Gillespie (resigned 1 February 2007)	1p Ordinary		
Jestyn R Davies	1p Ordinary		

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice

United Kingdom company law requires the directors to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those 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 are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Report of the directors (continued)

Auditor

A resolution to re appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Small company provisions

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Dan. d Home". The signature is written in a cursive, slightly stylized font.

David Home
Company Secretary
19 September 2008



Report of the independent auditor to the members of Eden Waste Recycling Limited

We have audited the financial statements of Eden Waste Recycling Limited for the year ended 31 January 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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).

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 Act 1985. 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, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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.

Report of the independent auditor to the members of Eden Waste Recycling Limited (continued)

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 January 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GLASGOW

~~24~~ September 2008

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom accounting standards. The accounts were prepared on a going concern basis. Given the support of the Murray International Holdings Limited Group, the directors are satisfied that the company has sufficient facilities for the foreseeable future.

Consolidation

The company was, at the end of the year, a subsidiary of another company incorporated in the EU and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated financial statements.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts earned in respect of waste collection management and recycling services provided during the year, exclusive of VAT.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Profit and loss account

	Note	2008 £	2007 £
Turnover	1		171,721
Cost of sales			(66,613)
Gross profit			105,108
Other operating charges	2	6,687	(349,103)
Other operating income	3		51,759
Operating profit/(loss)	4	6,687	(192,236)
Profit on disposal of fixed assets	6		761,009
		6,687	568,773
Interest payable and similar charges	7	(129,051)	(93,180)
(Loss)/profit on ordinary activities before taxation		(122,364)	475,593
Tax on (loss)/profit on ordinary activities	8	39,257	(110,656)
(Loss)/profit for the financial year		(83,107)	364,937
Balance brought forward		(1,853,513)	(2,218,450)
Balance carried forward		<u>(1,936,620)</u>	<u>(1,853,513)</u>

All of the activities of the company are classed as discontinued

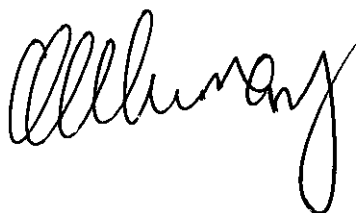
The company has no recognised gains or losses other than the results for the year as set out above

Balance sheet

	Note	2008 £	2007 £
Current assets			
Debtors	9	146,470	182,866
Creditors: amounts falling due within one year	10	<u>(2,082,890)</u>	<u>(2,036,179)</u>
Net current liabilities		<u>(1,936,420)</u>	<u>(1,853,313)</u>
Total assets less current liabilities		<u>(1,936,420)</u>	<u>(1,853,313)</u>
Capital and reserves			
Called up equity share capital	13	200	200
Profit and loss account	14	<u>(1,936,620)</u>	<u>(1,853,513)</u>
Shareholders deficit	16	<u>(1,936,420)</u>	<u>(1,853,313)</u>

These financial statements were approved by the directors on 19 September 2008 and are signed on their behalf by

Director



Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company
 An analysis of turnover is given below

	2008	2007
	£	£
United Kingdom	<u> </u>	<u>171,721</u>

2 Other operating charges

	2008	2007
	£	£
Distribution costs		126,706
Administrative expenses	(6,687)	222,397
	<u>(6,687)</u>	<u>349,103</u>

3 Other operating income

	2008	2007
	£	£
Management charges receivable	<u> </u>	<u>51,759</u>

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2008	2007
	£	£
Auditors' remuneration		
Auditors' fees audit services	<u>3,500</u>	<u>5,681</u>

5 Directors and employees

The average number of staff employed by the company during the financial year amounted to

	2008	2007
	No	No
Number of administrative staff	<u> </u>	<u> 7 </u>

The aggregate payroll costs of the above were

	2008	2007
	£	£
Wages and salaries		232,473
Social security costs		17,150
Other pension costs		4,333
	<u> </u>	<u>253,956</u>

None of the directors received any remuneration from the company during the current year (2007 £nil)

6 Profit on disposal of fixed assets

	2008	2007
	£	£
Profit on disposal of fixed assets and goodwill of business	<u> </u>	<u>761,009</u>

7 Interest payable and similar charges

	2008	2007
	£	£
Interest payable on bank borrowing	129,051	79,825
Finance charges		13,355
	<u>129,051</u>	<u>93,180</u>

8 Taxation on ordinary activities

(a) Analysis of (credit)/charge in the year

	2008 £	2007 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2007 30%)	<u>(39,257)</u>	110,656
Total current tax	<u>(39,257)</u>	<u>110,656</u>

(b) Factors affecting current tax (credit)/charge

The tax assessed on the (loss)/profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 30% (2007 30%)

	2008 £	2007 £
(Loss)/profit on ordinary activities before taxation	<u>(122,364)</u>	<u>475,593</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of UK corporation tax of 30% (2007 30%)	<u>(36,709)</u>	142,678
Depreciation in excess of capital allowances		25,550
Adjustments to tax charge in respect of previous periods	<u>(542)</u>	(15,836)
Income not taxable		(203,121)
Chargeable gains		161,385
Utilisation of tax losses	<u>(2,006)</u>	
Total current tax (note 8(a))	<u>(39,257)</u>	<u>110,656</u>

At the year end there is an unrecognised deferred tax asset of £148,908 (2007 £161,550)

9 Debtors

	2008	2007
	£	£
Amounts owed by group undertakings	144,988	77,021
VAT recoverable	1,482	8,341
Other debtors		97,504
	<u>146,470</u>	<u>182,866</u>

10 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank overdraft	2,068,390	1,885,622
Amounts owed to group undertakings		105,403
Accruals and deferred income	14,500	45,154
	<u>2,082,890</u>	<u>2,036,179</u>

The bank overdraft is secured by a floating charge over all the assets of the company

11 Contingent liabilities

During the year the company entered into the banking facilities of its ultimate parent undertaking. As a result of this the company has guaranteed bank borrowings of its holding company and certain other subsidiary undertakings. The total contingency at 31 January 2008 was £385,607,940 (31 January 2007 £nil). Security for the bank facilities consists of cross guarantees and a bond & floating charge over the assets of the company.

12 Related party transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with its parent undertaking.

No transactions with other related parties were undertaken.

13 Share capital

Authorised share capital

	2008	2007
	£	£
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	No	2008	No	2007
		£		£
Ordinary shares of £0.01 each	<u>20,000</u>	<u>200</u>	<u>20,000</u>	<u>200</u>

14 Profit and loss account

	2008	2007
	£	£
Balance brought forward	(1,853,513)	(2,218,450)
(Loss)/profit for the financial year	(83,107)	364,937
Balance carried forward	<u>(1,936,620)</u>	<u>(1,853,513)</u>

15 Capital Commitments

The directors have confirmed that there are no capital commitments at 31 January 2008 (2007 £19,390)

16 Reconciliation of movements in shareholders' deficit

	2008	2007
	£	£
(Loss)/profit for the financial year	(83,107)	364,937
Opening shareholders' deficit	<u>(1,853,313)</u>	<u>(2,218,250)</u>
Closing shareholders' deficit	<u>(1,936,420)</u>	<u>(1,853,313)</u>

17 Ultimate parent company

The company's parent company is GM Group Holdings Limited by virtue of its 100% shareholding in the company. The ultimate controlling related party is Murray International Holdings Limited as a result of its controlling interest in GM Group Holdings Limited.

The directors consider that the ultimate controlling party of the company is Sir David E Murray by virtue of his controlling undertaking Murray International Holdings Limited.

The largest of undertakings for which group financial statements have been drawn up is that headed by Murray International Holdings Limited, the consolidated accounts of which are publicly available.

Management information

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 6 to 7**

Profit and loss account

	2008 £	2007 £
Turnover		171,721
Cost of sales		
Subcontract		9,788
Landfill tipping charge		39,151
Landfill charge		17,674
		<u>66,613</u>
Gross profit		105,108
Overheads		
Distribution costs		126,706
Administrative expenses	(6,687)	222,397
	<u>(6,687)</u>	<u>349,103</u>
	(6,687)	(243,995)
Other operating income		
Management charges receivable		51,759
Operating profit/(loss)	<u>(6,687)</u>	<u>(192,236)</u>
Goodwill on sale of business		600,000
Profit on disposal of fixed assets		161,009
		<u>568,773</u>
Interest payable	(129,051)	(93,180)
Loss on ordinary activities	<u>(122,364)</u>	<u>475,593</u>

Notes to the detailed profit and loss account

	2008 £	2007 £
Distribution costs		
Distribution and sales wages	—	59,309
National insurance contributions on distribution labour	—	5,531
Repairs and renewals	—	210
Plant and machinery maintenance	—	1,086
Personal protective equipment	—	352
Agency labour	—	683
Transport	—	59,535
	<u>—</u>	<u>126,706</u>
Administrative expenses		
Personnel costs		
Wages and salaries	—	172,481
Staff national insurance contributions	—	11,619
Staff pension contributions	—	4,333
Release of provisions	(6,687)	—
	<u>(6,687)</u>	<u>188,433</u>
Establishment expenses		
Rent, rates and water	—	68,146
Light and heat	—	(1,960)
Insurance	—	5,122
Repairs and maintenance	—	19,114
Cleaning of premises	—	301
	<u>—</u>	<u>90,723</u>
General expenses		
Telephone	—	2,049
Printing, stationery and postage	—	(460)
Staff training	—	—
General expenses	—	13,236
Advertising	—	(11,015)
Legal and professional fees	—	(85,795)
Other professional fees	—	19,057
Auditors remuneration	—	5,681
	<u>—</u>	<u>(57,247)</u>
Carried forward	<u>(6,687)</u>	<u>221,909</u>

	2008 £	2007 £
Administrative expenses (continued)		
Brought forward	(6,687)	221,909
Financial costs		
Bank charges	—	488
	—	488
	<u>(6,687)</u>	<u>222,397</u>
Interest payable		
Bank interest payable	(129,051)	79,825
Hire purchase and finance lease charges	—	13,355
	<u>(129,051)</u>	<u>93,180</u>