Grant Thornton

Financial Statements
Eden Waste Recycling Limited

For the year ended 30 June 2010

Company No. SC209668

Company information

Company Registration Number	SC209668
Registered Office	9 Charlotte Square Midlothian EDINBURGH EH2 4DR
Directors	Sir David E Murray J Donald G Wilson Jestyn R Davies M S McGill
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

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2010.

Principal activities and business review

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

The company was restructured as part of a wider re-financing of Murray International Holdings Limited and its subsidiaries. This restructuring was completed on 21 April 2010. As part of the re-financing, the parent entity of the company, GM Group Holdings Limited subscribed £2,180,749 for 218,074,900 shares of £0.01 each. The funds raised from this equity subscription were utilised to repay third party bank debt. In addition, the company subscribed £464,363 for 464,363 ordinary shares of £1 each in its subsidiary, Malcolm McNeill Limited.

There was a profit for the year to 30 June 2010 after taxation amounting to £46,335 (17 months ended 30 June 2009 - loss of £135,161).

Financial risk management objectives and policies

Foreign currency risk

The company does not enter into foreign currency transactions. The directors therefore consider the company is not exposed to any foreign currency movement risk.

Credit risk

The company is exposed to credit related losses in the event on non-performance by transaction counterparties, but mitigates such risk through its policy of selecting only counterparties with high credit ratings.

Liquidity risk

Operations are financed by a mixture of shareholders' funds and bank borrowings. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the company.

Cash flow risk

The company's policy is to arrange bank overdrafts and loans with a floating rate of interest plus an agreed margin.

The directors

The directors who served the company during the period were as follows:

Sir David E Murray
J Donald G Wilson
Jestyn R Davies
M S McGill (Appointed 5 March 2010)

Report of the directors (continued)

Directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice. The financial statements are required by law to 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments 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 financial statements
- 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 adequate 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 Act 2006. 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.

In so far as each of the directors is 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.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD

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David Horne
Company Secretary
25 October 2010

Grant Thornton

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 30 June 2010 which comprise the profit and loss account, balance sheet and the related notes. 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

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 30 June 2010 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.

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

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Grant Thornton UK LLP

Andrew Howie
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
25 October 2010

Principal accounting policies

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 400(1) of the Companies Act 2006, 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 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using 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 company'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 when, 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 asset 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 average 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 not discounted.

Profit and loss account

	Note	**Year to 30 June 2010** £	17 months to 30 June 2009 £
Other operating charges	2	**(107)**	(7,680)
Operating loss		**(107)**	(7,680)
Interest payable and similar charges	4	**(1,880)**	(127,570)
Interest receivable		**10,771**	-
Profit/(loss) on ordinary activities before taxation		**8,784**	(135,250)
Tax on profit/(loss) on ordinary activities	5	**37,551**	89
Profit/(loss) for the financial period/year		**46,335**	(135,161)

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/period as set out above.

Balance sheet

	Note	**30 June 2010 £**	30 June 2009 £
Current assets			
Debtors	6	**159,003**	88,030
Creditors: amounts falling due within one year	7	**(3,500)**	(2,159,611)
Net current assets/(liabilities)		**155,503**	(2,071,581)
Net assets/(liabilities)		**155,503**	(2,071,581)
Capital and reserves			
Called-up equity share capital	10	**2,180,949**	200
Profit and loss account	11	**(2,025,446)**	(2,071,781)
Shareholders' funds/(deficit)	13	**155,503**	(2,071,581)

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the directors on 25 October 2010 and are signed on their behalf by:

M S McGill
Director

Company Number: SC209668

Notes to the financial statements

1 Other operating charges

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Administrative expenses	**107**	7,680

2 Operating loss

Operating loss is stated after charging:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Audit fees for audit services	**-**	3,582

The audit fees of the company are borne by another group undertaking.

3 Directors and employees

None of the directors received any remuneration from the company during the current period (17 months ended 30 June 2009 - £nil).

4 Interest payable and similar charges

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Interest payable on bank borrowing	**1,880**	127,570

Notes to the financial statements (continued)

5 Taxation on ordinary activities

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

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Current tax:		
UK Corporation tax based on the results for the period at 28% (2009 - 28.23%)	-	(630)
(Under)/over provision in prior year	**(37,551)**	541
Total current tax	**(37,551)**	(89)

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 28% (17 months ended 30 June 2009 - 28.23%).

	2010 £	2009 £
Profit/(loss) on ordinary activities before taxation	**8,784**	(135,250)

	2010 £	2009 £
Profit/(loss) on ordinary activities multiplied by the standard rate of UK corporation tax of 28% (2009: 28.23%)	**2,460**	(38,184)
Group relief claimed	**(2,460)**	-
Adjustments to tax charge in respect of prior year	**(37,551)**	541
Unrelieved tax losses	-	37,554
Total current tax (note 7(a))	**(37,551)**	(89)

At the 30 June 2010 there is an unrecognised deferred tax asset of £nil (30 June 2009: £186,153).

6 Debtors

	30 June 2010 £	30 June 2009 £
Amounts owed by group undertakings	**159,003**	88,030

Notes to the financial statements (continued)

7 Creditors: amounts falling due within one year

	30 June 2010 £	30 June 2009 £
Bank overdraft	-	2,145,340
Amounts owed to group undertakings	-	10,771
Accruals and deferred income	**3,500**	3,500
	3,500	2,159,611

8 Contingent liabilities

The company has guaranteed bank borrowings of its holding company and certain other subsidiary undertakings. The total contingency at 30 June 2010 was £600,702,146 (30 June 2009: £445,895,436). Security for the bank facilities consists of a cross guarantees and a bond and floating charge over the assets of the company.

9 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.

10 Share capital

Allotted, called up and fully paid:

	2010 No	2010 £	2009 No	2009 £
Ordinary shares of £0.01 each	**218,094,900**	**2,180,949**	20,000	200

During the year, the company issued 218,074,900 ordinary shares of £0.01 each at par value, therefore increasing the allotted share capital by £2,180,749.

11 Profit and loss account

	30 June 2010 £	30 June 2009 £
Balance brought forward	**(2,071,781)**	(1,936,620)
Profit/(loss) for the financial year/period	**46,335**	(135,161)
Balance carried forward	**(2,025,446)**	(2,071,781)

Notes to the financial statements (continued)

12 Capital Commitments

The directors have confirmed that there are no capital commitments at 30 June 2010 (30 June 2009: £nil).

13 Reconciliation of movements in shareholders' deficit

	30 June 2010	30 June 2009
	£	£
Profit/(loss) for the financial year/period	**46,335**	(135,161)
Shares issued	**2,180,749**	-
Net increase/(decrease)	**2,227,084**	(135,161)
Opening shareholders' deficit	**(2,071,581)**	(1,936,420)
Closing shareholders' funds/(deficit)	**155,503**	(2,071,581)

14 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 and smallest group 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.