Registered Number: SC271115

VIRIDOR ELECTRICAL RECYCLING (HOLDINGS) LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2012

VIRIDOR ELECTRICAL RECYCLING (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2012

CONTENTS

VIRIDOR ELECTRICAL RECYCLING (HOLDINGS) LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 31 March 2012. In accordance with company law no audit was required for the year ended 31 March 2011. The comparative figures are unaudited.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year continued to be that of a holding company.

Going concern

The financial statements have been prepared on the going concern basis due to the continued financial support of the intermediate parent company, Viridor Limited. The directors of Viridor Limited confirm that it is their intention to support the Company in meeting all its financial obligations as they fall due for a period of at least 12 months from the date of signing the balance sheet.

BUSINESS REVIEW

Financial results

The Company did not trade and received no investment income during the year (2011 nil). The loss for the year of £407,000 (2011 nil) arises from the writing off of irrecoverable balances. The loss has been added to the accumulated losses carried forward, which stand at £11,429,000 at 31 March 2012 (2011 £11,022,000).

There are no plans for the Company to resume trading in the foreseeable future.

Dividends

The Directors do not recommend the payment of any dividend (2011 nil).

Principal risks and uncertainties

As the Company's subsidiary and its subsidiary have ceased trading, the Company faces no further risks except for unforeseen claims.

Key performance indicators ('KPIs')

The directors of Viridor Limited manage the Viridor Group's operations on a fully integrated basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Viridor Group's operations, including those of the Company, are discussed on pages 12 to 24 of Viridor Limited's Annual Report and Financial Statements which does not form part of this Report.

PARENT COMPANY

The Company is a wholly owned subsidiary of Viridor Waste Management Limited, a company registered in England. The ultimate parent undertaking is Pennon Group Plc, a company registered in England.

DIRECTORS

The Directors who served on the Board during the year and up to the date of signing the financial statements were:

B S Hurley	(resigned 31 December 2011)
M Hellings	(resigned 30 September 2012)
T H M Liddell	
C A Paterson	
A M D Kirkman	(appointed 1 April 2011)
M Burrows Smith	(appointed 1 October 2012)

DIRECTORS' REPORT (Continued)

DIRECTORS (continued)

Directors' insurance and indemnities

The Directors have the benefit of the indemnity provisions contained in the Company's Articles and the Company has maintained throughout the year Directors' and Officers' liability insurance for the benefit of the Company, the Directors and its Officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

DIRECTORS' RESPONSIBILITIES STATEMENTS

The Directors are responsible for preparing the Annual Report and the audited 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 prepared the Company financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under that law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates which are reasonable and prudent;
- state whether applicable International Financial Reporting Standards ('IFRS') as adopted by the European Union 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 confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

a) So far as each of the Directors in office at the date of the signing of the report is aware, there is no relevant audit information of which the Company's auditors are unaware, and

b) Each of the Directors has taken all the steps they ought to have taken individually 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.

INDEPENDENT AUDITORS

In accordance with Section 485 of the Companies Act 2006, PricewaterhouseCoopers LLP were appointed auditors by the Directors.

By Order of the Board

M L HEELEY
Company Secretary

21 December 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIRIDOR ELECTRICAL RECYCLING (HOLDINGS) LIMITED FOR THE PERIOD ENDED 31 MARCH 2012

We have audited the financial statements of Viridor Electrical Recycling (Holdings) Limited for the ten month period ended 31 March 2012 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, set out on page 3, 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 March 2012 and of its profit and cash flows for the ten month period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 period for which the financial statements are prepared is consistent with the financial statements.

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.

Elliot Rees

Elliot Rees (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

21 December 2012

Income statement for the year ended 31 March 2012

	Notes	2012 £000	2011 (unaudited) £000
Operating costs	4		
Other operating expenses		**(54)**	-
Operating loss		**(54)**	-
Loss before tax		**(54)**	-
Taxation	7	**(353)**	-
Loss for the year		**(407)**	-
Loss attributable to equity shareholders		**(407)**	-

The notes on pages 7 to 12 form part of these financial statements

Statement of comprehensive income for the year ended 31 March 2012

	2012 £000	2011 (unaudited) £000
Comprehensive loss attributable to equity shareholders	**(407)**	-

There was no comprehensive income or expense other than the loss for the year.

The notes on pages 7 to 12 form part of these financial statements.

VIRIDOR ELECTRICAL RECYCLING (HOLDINGS) LIMITED

Balance sheet at 31 March 2012

	Notes	2012	2011 (unaudited)
Assets		**£000**	£000
Non-current assets			
Investment in subsidiary undertaking	8	**6,855**	6,855
Current assets			
Trade and other receivables	10	**-**	54
Liabilities			
Current liabilities			
Borrowings	12	**(11,086)**	(11,086)
Trade and other payables	11	**(6,398)**	(6,045)
		(17,484)	(17,131)
Net current liabilities		**(17,484)**	(17,077)
Net liabilities		**(10,629)**	(10,222)
Shareholders' equity			
Share capital	13	**1**	1
Share premium account	14	**799**	799
Accumulated losses	15	**(11,429)**	(11,022)
Deficit of shareholders' equity		**(10,629)**	(10,222)

The notes on pages 7 to 12 form part of these financial statements.

The financial statements on pages 4 to 12 were approved by the Board of Directors and authorised for issue on 21 December 2012 and were signed on its behalf by :

A M D KIRKMAN
Director

Registered number SC271115

Statement of changes in equity for the year ended 31 March 2012

	Share capital £000	Share premium account £000	Accumulated losses £000	Total equity £000
As at 1 April 2010 (unaudited)	1	799	(11,022)	(10,222)
As at 31 March 2011 (unaudited)	1	799	(11,022)	(10,222)
Loss for the year	-	-	(407)	(407)
Total comprehensive loss for the year	-	-	(407)	(407)
As at 31 March 2012	**1**	**799**	**(11,429)**	**(10,629)**

The notes on pages 7 to 12 form part of these financial statements.

Cash flow statement for the year ended 31 March 2012

There were no cash flows in either year.

The notes on pages 7 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Viridor Electrical Recycling (Holdings) Limited is a company registered in the United Kingdom under the Companies Act 2006. The address of the registered office is Edinburgh Quay, 133 Fountainbridge, Edinburgh, Midlothian, EH3 9AG. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 1 and 2.

2. Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

(a) Basis of preparation

In accordance with company law no audit was required for the year ended 31 March 2011. The comparative figures are unaudited.

These financial statements have been prepared on the historical cost accounting basis and in accordance with International Financial Reporting Standards ('IFRS'), and International Financial Reporting Interpretations Committee ('IFRIC') interpretations as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of the principal accounting policies is set out below, together with an explanation where changes have been made to previous policies on the adoption of new accounting standards and interpretations in the year.

The going concern basis has been adopted in preparing these financial statements as stated by the Directors on page 1.

New or revised standards or interpretations which were mandatory for the first time in the year beginning 1 April 2011 did not have a material impact on the net liabilities or results of the Company.

At the date of approval of these financial statements IFRS 11 Joint Arrangements and IAS 19 (Revised) Employee Benefits were in issue, but not yet effective. Other standards and interpretations in issue, but not yet effective, are not expected to have a material effect on the Company's net liabilities or results.

IFRS 11 Joint Arrangements is not relevant to the Company.

The Directors anticipate that the adoption of IAS 19 (Revised) Employee Benefits, expected on 1 April 2013, will not have a material impact, on the financial statements of the Company. The extent of this impact is currently being assessed.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best assessment of the amounts, actual events or actions and results may ultimately differ from those estimates.

(b) Basis of consolidation

The Company is exempt under the provisions of Section 400 of the Companies Act 2006 from the requirement to produce group financial statements as it is a wholly owned subsidiary of Viridor Limited, which is registered in the European Economic Area and which itself produces consolidated financial statements. Accordingly the financial statements are presented for the Company as an individual undertaking. Group financial statements are included in the Annual Report of Viridor Limited, which is available from Peninsula House, Rydon Lane, Exeter, Devon EX2 7HR.

(c) Investment in subsidiary undertakings

Investments in subsidiary undertakings are initially recorded at cost, being the fair value of the consideration paid. Subsequently, investments are reviewed for impairment on an individual basis annually, or if the events or changes in circumstances indicate that the carrying value may not be fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Principal accounting policies (continued)

(d) Financial instruments

The Company classifies its financial instruments in the following categories:

i) Trade and other receivables
Trade and other receivables do not carry any interest receivable and are initially recognised at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

ii) Trade and other payables
Trade and other payables are not interest bearing and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(e) Impairment of non-financial assets

Assets which have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value in use represents the present value of projected future cash flows expected to be derived from a cash-generating unit, discounted using a pre-tax discount rate which reflects an assessment of the market cost of capital of the cash-generating unit.

Impairments are charged to the income statement in the year in which they arise.

(f) Taxation including deferred tax

The tax charge comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in the statement of comprehensive income or directly in equity. In this case the tax is also recognised in the statement of comprehensive income or directly in equity. Current tax is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates tax items subject to interpretation and establishes full provisions on individual tax items where in the judgement of management the position is uncertain.

Deferred tax is provided in full on temporary differences between the carrying amount of assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be realised. Deferred tax is determined using the tax rates enacted or substantively enacted at the balance sheet date, and expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Where a wholly owned subsidiary within the Viridor Group incurs a loss for tax purposes, that loss is surrendered to tax paying companies within the group at nil value. Where the surrendering or claimant company is not wholly owned the surrender takes place at a consideration based on the discounted value of the tax losses available. .

(g) Share capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Critical accounting judgements and estimates

The Company's principal accounting policies are set out in note 2. Management is required to exercise significant judgement and make use of estimates and assumptions in the application of these policies.

Carrying value of investment in subsidiaries
The Company's accounting policy for investment in subsidiaries is detailed in note 2. The carrying value of investments at 31 March 2012 was £6,855,000 (2011 £6,855,000 unaudited).

4. Operating costs

	2012	2011 (unaudited)
	£000	£000
Other operating expenses		
Other external charges	54	-

5. Audit fees

Audit fees of £614 (2011 no audit) payable to the auditors were paid by the immediate parent company, Viridor Waste Management Limited, and not recharged (2011 no audit).

6. Directors' emoluments

No emoluments were paid to Directors in respect of their services to the Company during the year ended 31 March 2012 (2011 nil).

There are no personnel other than Directors, who as key management exercise authority and responsibility for planning, directing and controlling the activities of the Company.

7. Taxation

	2012	2011 (unaudited)
Analysis of charge in year	£000	£000
Current tax	353	-
Deferred tax	-	-
Tax charge for year	353	-

UK corporation tax is calculated at 26% (2011 28%) of the estimated assessable loss for the year.

The tax for the year differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK (26%) (2011 28%) from:

	2012	2011 (unaudited)
	£000	£000
Loss on ordinary activities	(54)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 26% (2011 28%)	(14)	-
Effects of :		
Expenses not deductible for tax purposes	14	-
Adjustments to tax charge in respect of previous years	353	-
Tax charge for year	353	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Investment in subsidiary undertaking

	Shares £000
Cost	
At 1 April 2010 (unaudited), 31 March 2011 (unaudited) and 31 March 2012	10,500
Impairment	
At 1 April 2010 (unaudited), 31 March 2011 (unaudited) and 31 March 2012	(3,645)
Net book value	
At 1 April 2010 (unaudited)	6,855
At 31 March 2011 (unaudited)	6,855
At 31 March 2012	**6,855**

The investment is in shares.

Details of the investment held by the Company at 31 March 2012:

Name of company	*Country of incorporation*	*Percentage of ordinary shares held*	*Nature of business*
Viridor Electrical Recycling Limited	Scotland	100%	Dormant

At 31 March 2012 Viridor Electrical Recycling Limited had net assets of £8,389,000 (2011 £8,389,000). The company did not trade during the year.

9. Financial instruments by category

	Note	Amortised cost Loans and receivables £000	Trade receivables and payables £000	Total £000
31 March 2012				
Financial liabilities				
Borrowings	12	(11,086)	-	(11,086)
Trade and other payables	11	-	(6,398)	(6,398)
Total		**(11,086)**	**(6,398)**	**(17,484)**
31 March 2011 (unaudited)				
Financial assets				
Trade and other receivables	10	-	54	54
Financial liabilities				
Borrowings	12	(11,086)	-	(11,086)
Trade and other payables	11	-	(6,045)	(6,045)
Total		(11,086)	(6,045)	(17,131)

10. Trade and other receivables – current

	2012 £000	2011 (unaudited) £000
Amounts due from fellow subsidiary undertakings	-	54

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Trade and other payables – current

	2012	2011 (unaudited)
	£000	£000
Amounts due to fellow subsidiary undertakings	**6,398**	6,045

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

12. Borrowings

	2012	2011 (unaudited)
	£000	£000
Current		
Amounts due to immediate parent undertaking	**11,086**	11,086

The Directors consider that the carrying amounts of current borrowings approximate to their fair value.

13. Share capital

	Allotted, called up and fully paid
	£
At 1 April 2010 (unaudited)	
800 ordinary shares of £1 each	800
At 31 March 2011 (unaudited)	800
At 31 March 2012	**800**

14. Share premium account

	£000
At 1 April 2010 (unaudited)	799
At 31 March 2011 (unaudited)	799
At 31 March 2012	**799**

15. Accumulated losses

	£000
At 1 April 2010 (unaudited)	11,022
At 31 March 2011 (unaudited)	11,022
Loss for the year	407
At 31 March 2012	**11,429**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Related party transactions

During the year, the Company entered into the following transactions with related parties :

	2012	2011 (unaudited)
	£000	£000
With fellow subsidiary undertakings		
Write-off of intercompany balance	**54**	-
Write-back of intercompany tax balance	**353**	-

Year end balances	**2012**	2011 (unaudited)
	£000	£000
Receivable		
Amount due from fellow subsidiary undertaking (trade and other receivables)	**-**	54
Payables		
Amount due to immediate parent undertaking (borrowings)	**11,086**	11,086
Amount due to fellow subsidiary undertaking (trade and other payables)	**6,398**	6,045

The balances are interest free, unsecured and repayable on demand.

17. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Viridor Waste Management Limited, a company registered in England.

The parent company of the smallest group into which the Company's results are consolidated is Viridor Limited, which is registered in England. Group financial statements are included in the Annual Report of Viridor Limited, which is available from Peninsula House, Rydon Lane, Exeter, Devon, EX2 7HR.

The ultimate parent company and controlling party is Pennon Group Plc, which is registered in England. This is the largest group into which the Company's results are consolidated. Group financial statements are included in the Annual Report of Pennon Group Plc, which is available from Peninsula House, Rydon Lane, Exeter, Devon, EX2 7HR.