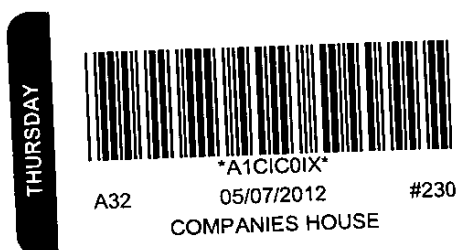


Registered number: 01440405

SITA Recycling & Trading Limited

Directors' report and financial statements

for the year ended 31 December 2011



SITA Recycling & Trading Limited

Company Information

Directors	C Chapron D Palmer-Jones
Company secretary	J Knight
Company number	01440405
Registered office	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
Auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

SITA Recycling & Trading Limited

Contents

	Page
Directors' report	1 - 4
Auditors' report	5 - 6
Profit and loss account	7
Note of historical cost profits and losses	8
Balance sheet	9
Notes to the financial statements	10 - 20

SITA Recycling & Trading Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activities

The company's principal activity during the year was that of a waste paper merchant

Business review

The company's key financial indicators during the year were as follows

	2011 £000	2010 £000	Change
Turnover	39,778	29,953	+32%
Operating profit	139	1,215	-89%
Profit after tax	60	892	-94%
Shareholders deficit	(4,769)	(4,829)	+1%
Current assets as % of current liabilities	26%	34%	

Turnover has increased in 2011 due to the higher tonnage of recyclables processed, as well as increases in the prices of paper and cans

A smaller operating profit has been generated in 2011 due to increased staff costs following the expansion of the trading team. Furthermore, a lower provision release than that seen in 2010 was generated in 2011 following the settlement of the health and safety claim against the company.

Results and dividends

The profit for the year, after taxation, amounted to £60,000 (2010 - £ 892,000)

The directors do not recommend the payment of a dividend (2010 - £nil)

Directors

The directors who served during the year were

C Chapron
D Palmer-Jones

No director who held office on 31 December 2011 had an interest in the company's shares either during the financial year or at 31 December 2011

Directors' indemnity

The company has granted indemnity to one or more of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

SITA Recycling & Trading Limited

Directors' report for the year ended 31 December 2011

Going concern

The company's going concern is intrinsically linked to the performance, risks and going concern of the SITA Group. The SITA group, along with its ultimate parent company GDF Suez SA, has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a consequence, the directors believe that the SITA group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having made enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Environmental impact

Our purpose is to protect our environment by putting waste to good use.

A crucial element of this is ensuring that the vision of the circular economy – where the waste cycle can work with the economic cycle to return waste as a secondary resource back into production and consumption – becomes a reality and value is extracted from waste.

In 2011 the SITA group

- recycled and recovered over 2 million tonnes of the materials we handled,
- generated over 700,000 megawatt-hours of electricity from our landfill gas and energy-from-waste facilities,
- registered for re-certification of the Carbon Trust Standard, recognition of our commitment towards reducing our carbon footprint,
- ranked at position 211 within the Carbon Reduction Commitment Performance League Table,
- produced over 100,000 tonnes of compost, and
- reduced our direct & indirect Greenhouse Gas emissions by 6.6% on the previous year.

Furthermore, SITA UK Limited became the first recycling and resource company to be featured in the highly-respected Sunday Times Best Green Companies Top 60 League Table.

Future developments

The directors expect that the company will return to profitability in the near future.

Principal risks and uncertainties

The SITA Group has established a risk committee that evaluates the main risks facing the Group and the measures in place to manage those risks. The principal risks and uncertainties facing the Group are broadly grouped as operational risks, competitive risks, legislative risks, health and safety risks and financial instrument risks.

Operational risks

The SITA Group's operations involve some major public sector contracts, ranging from periods of 7 to 25 years or more, where default on the contract may result in substantial compensation payments to the client.

Long-term contracts also expose the Group to the risk that the contract's revenue profile over the life of the contract may not be sufficient to compensate the Group for unforeseen cost increases, and hence losses may result. The Group has put in place rigorous tender approval procedures to ensure all risks are properly considered. The Group's management and review procedures are aimed at ensuring any problems are identified at an early stage and steps are taken to mitigate any losses arising.

The success of the Group's operations is dependent upon the recruitment and retention of good quality staff. The Group's strategy seeks to make the SITA Group the preferred employer in the waste management sector through its employment policies.

SITA Recycling & Trading Limited

Directors' report for the year ended 31 December 2011 Principal risks and uncertainties (continued)

Competitive risks

Part of the SITA Group's business involves contracts with local authorities which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria.

The remaining business relies upon short-term contracts and non-contractual business from industrial and commercial customers, which is subject to normal price competition in the open market.

Legislative risks

The waste management business is subject to strict legislation and regulation. These standards are subject to continuous revision. Compliance with new standards can impose additional costs on the Group, and failure to comply could result in heavy penalties. The Group's management systems aim to ensure compliance with all relevant regulations.

Health and safety risks

The SITA Group acknowledges that its employees working within the waste management industry face significant potential hazards in their everyday work. The Group makes every effort to ensure that its Health and Safety policies are of the highest standard, are fit for purpose and are strictly adhered to on a daily basis.

Financial instrument risks

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives.

Use of derivatives

On certain major contracts, the SITA Group uses interest rate swaps in respect of the related funding to reduce exposure to interest rate movements.

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Group's major joint venture and associated investments, which the Group does not intend to sell in the short-term, are held at net asset value and are therefore not exposed to price risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow risk is the risk of exposure to variability of cash flows relating to a recognised asset or liability such as future interest payments on a variable rate debt. The Group produces long-term cash forecasts and monitors cash flows against these on a daily basis to ensure all financial obligations may be met as they fall due. Group funding requirements are periodically agreed with the Suez Group.

SITA Recycling & Trading Limited

Directors' report for the year ended 31 December 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 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 UK 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 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Re-appointment of auditors

The re-appointment of auditors will be considered at the company's AGM.

This report was approved by the board on

20 JUN 2012

and signed on its behalf



C Chapron
Director

SITA Recycling & Trading Limited

Independent auditor's report to the shareholder of SITA Recycling & Trading Limited

We have audited the financial statements of SITA Recycling & Trading Limited for the year ended 31 December 2011, which comprise the Profit and loss account, the Balance sheet, the Note of historical cost profits and losses 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).

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 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 is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2011 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.

SITA Recycling & Trading Limited

Independent auditor's report to the shareholder of SITA Recycling & Trading Limited

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

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



David Herbinet (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House

St Katharine's Way

London

E1W 1DD

Date 27 June 2012

SITA Recycling & Trading Limited

**Profit and loss account
for the year ended 31 December 2011**

		2011	<i>As restated</i>
	Note	£000	2010
			£000
Turnover	1,2	39,778	29,953
Cost of sales		(38,502)	(28,731)
		<hr/>	<hr/>
Gross profit		1,276	1,222
Administrative expenses		(1,137)	(7)
		<hr/>	<hr/>
Operating profit	3	139	1,215
Interest receivable and similar income	5	-	60
Interest payable and similar charges	6	(35)	(43)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		104	1,232
Tax on profit on ordinary activities	7	(44)	(340)
		<hr/>	<hr/>
Profit for the financial year	17	60	892
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 10 to 20 form part of these financial statements

SITA Recycling & Trading Limited

**Note of historical cost profits and losses
for the year ended 31 December 2011**

	2011 £000	<i>2010</i> <i>£000</i>
Reported profit on ordinary activities before taxation	104	<i>1,232</i>
Historical cost profit on ordinary activities before taxation	104	<i>1,232</i>
Historical profit for the year after taxation	60	<i>892</i>

The notes on pages 10 to 20 form part of these financial statements

SITA Recycling & Trading Limited
Registered number: 01440405

Balance sheet
as at 31 December 2011

	Note	£000	2011 £000	2010 £000
Fixed assets				
Tangible assets	9		868	1,199
Investments	10		-	-
			<u>868</u>	<u>1,199</u>
Current assets				
Stocks	11	47		35
Debtors	12	1,830		2,807
		<u>1,877</u>		<u>2,842</u>
Creditors, amounts falling due within one year	13	(7,232)		(8,370)
Net current liabilities			<u>(5,355)</u>	<u>(5,528)</u>
Total assets less current liabilities			<u>(4,487)</u>	<u>(4,329)</u>
Provisions for liabilities				
Other provisions	15		(282)	(500)
Net liabilities			<u>(4,769)</u>	<u>(4,829)</u>
Capital and reserves				
Called up share capital	16		2,667	2,667
Revaluation reserve	17		164	164
Profit and loss account	17		(7,600)	(7,660)
Shareholders' deficit	18		<u>(4,769)</u>	<u>(4,829)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 JUN 2012



C Chapron
Director

The notes on pages 10 to 20 form part of these financial statements

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold land and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

At 31 December 2011 the company had net liabilities of £4,769,000 (2010 - £4,829,000). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as Suez Environment UK Limited has confirmed its intention and ability to provide such financial support as may be necessary to allow the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements. Suez Environment UK Limited, the company's ultimate UK parent company, has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full.

Further to management's review of statutory adjustments in the current and prior periods, a reclassification has been recorded in the prior period resulting in an increase to turnover of £1,932,000 and a corresponding increase to cost of sales. Comparative figures in the financial statements have been restated to correct these values. This restatement does not affect profit or reserves in the prior year or current year.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied. Revenue is measured at the fair value of the consideration received and exclusive of trade discounts, rebates, Value Added Tax and other sales tax or duty.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 50 years, straight line
Plant & machinery	- 3 - 10 years, straight line
Motor vehicles	- 4 - 10 years, straight line
Fixtures & fittings	- 3 - 5 years, straight line
Assets under construction	- Depreciation commences upon completion of asset

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

1. Accounting policies (continued)

1.7 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 23 June 2000 and will not update that valuation.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at 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 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, with the following exceptions:

- provision is made for tax gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding arrangement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Contributions are made by the company and the employees to a separately administered fund.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company being a waste paper merchant.

All turnover arose within the United Kingdom.

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

3. Operating profit

The operating profit is stated after charging

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- owned by the company	255	319
Operating lease rentals other operating leases	95	93
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2010 - £NIL) for services to the company

For the year ended 31 December 2011 and the prior year, auditors' remuneration was borne by a fellow group company

4. Staff costs

Staff costs were as follows

	2011 £000	2010 £000
Wages and salaries	771	617
Social security costs	84	69
Other pension costs	15	11
	<u> </u>	<u> </u>
	870	697
	<u> </u>	<u> </u>

All employees are employed by SITA UK Limited and paid by SITA Holdings UK Limited. Costs are then recharged to the company.

The average monthly number of employees, including the directors, during the year was as follows

	2011 No	2010 No
Operational	16	19
Administration & management	15	9
	<u> </u>	<u> </u>
	31	28
	<u> </u>	<u> </u>

5. Interest receivable

	2011 £000	2010 £000
Interest receivable from group companies	-	14
Other interest receivable	-	46
	<u> </u>	<u> </u>
	-	60
	<u> </u>	<u> </u>

SITA Recycling & Trading Limited

**Notes to the financial statements
for the year ended 31 December 2011**

6. Interest payable

	2011	2010
	£000	£000
On loans from group undertakings	<u>35</u>	<u>43</u>

7. Taxation

	2011	2010
	£000	£000
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on profit for the year	(15)	166
Deferred tax		
Origination and reversal of timing differences	58	170
Adjustments in respect of prior periods	1	4
Total deferred tax (see note 14)	<u>59</u>	<u>174</u>
Tax on profit on ordinary activities	<u>44</u>	<u>340</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below

	2011	2010
	£000	£000
Profit on ordinary activities before tax	<u>104</u>	<u>1,232</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	28	345
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(159)	4
Capital allowances for year in excess of depreciation	10	12
Other timing differences leading to an increase (decrease) in taxation	106	(175)
Non-taxable income	-	(20)
Current tax (credit)/charge for the year (see note above)	<u>(15)</u>	<u>166</u>

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

7. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate decreased from 28% to 26% from 1 April 2011. The impact on the current year's tax charge is shown above.

Further reductions to the UK corporation tax rate have been announced that will have an effect on future tax charges. The change in the corporation tax rate to 25% from 1 April 2012 had been enacted at the balance sheet date and the deferred tax balance has been adjusted to reflect this change (note 14). A further reduction in the rate to 24% from 1 April 2012 has now been announced but was not substantively enacted at the balance sheet date, and is therefore not recognised in these financial statements. Further announcements have also been made to reduce the rate by a further 1% per annum down to 22% from 1 April 2014.

8. Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2011 and 31 December 2011	177
Amortisation	
At 1 January 2011 and 31 December 2011	177
Net book value	
At 31 December 2011	-
<i>At 31 December 2010</i>	-

SITA Recycling & Trading Limited

**Notes to the financial statements
for the year ended 31 December 2011**

9. Tangible fixed assets

	Freehold property £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation					
At 1 January 2011	2,712	2,253	910	15	5,890
Additions	-	12	46	-	58
Transfers intra group	-	(527)	(126)	-	(653)
Disposals	-	(28)	(15)	-	(43)
At 31 December 2011	2,712	1,710	815	15	5,252
Depreciation					
At 1 January 2011	2,390	1,659	627	15	4,691
Charge for the year	19	133	103	-	255
Transfers intra group	-	(442)	(77)	-	(519)
On disposals	-	(28)	(15)	-	(43)
At 31 December 2011	2,409	1,322	638	15	4,384
Net book value					
At 31 December 2011	303	388	177	-	868
<i>At 31 December 2010</i>	322	594	283	-	1,199

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

9 Tangible fixed assets (continued)

At 31 December 2011, included within the net book value of land and buildings is £303,000 (2010 - £322,000) relating to freehold land and buildings

Cost or valuation at 31 December 2011 is as follows

	Land and buildings £000
At cost	410
At valuation:	
23 June 2000, open market existing use basis	2,302
	2,712

The land and buildings were revalued on 23 June 2000 by Voaden Sandbrook Limited on an open market existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £000	2010 £000
Cost	410	410
Accumulated depreciation	(272)	(252)
Net book value	138	158

10. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2011 and 31 December 2011	2,656
Impairment	
At 1 January 2011 and 31 December 2011	2,656
Net book value	
At 31 December 2011	-
At 31 December 2010	-

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

10. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Holding
Freeth Wastepaper Limited	100 %
Sargood Wastepaper Limited	100 %
Southern Shredding Limited	100 %
C&P Paper Waste Limited	100 %
MM Recycling Trading UK Limited	100 %

All subsidiary undertakings are wholly owned by SITA Recycling & Trading Limited. They are all dormant, and are registered in England & Wales.

11. Stocks

	2011 £000	2010 £000
Raw materials	47	35

The difference between purchase price or production cost of stocks and their replacement cost is not material.

12. Debtors

	2011 £000	2010 £000
Corporation tax recoverable	15	-
Other debtors	-	1,000
Prepayments and accrued income	1,688	1,621
Deferred tax asset (see note 14)	127	186
	<u>1,830</u>	<u>2,807</u>

13. Creditors: Amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	7	7
Amounts owed to group undertakings	7,168	8,187
Corporation tax	-	166
Accruals and deferred income	57	10
	<u>7,232</u>	<u>8,370</u>

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

14. Deferred tax asset

	2011 £000	2010 £000
At beginning of year	186	360
Charged for year	(59)	(174)
At end of year	<u>127</u>	<u>186</u>

The deferred tax asset is made up as follows

	2011 £000	2010 £000
Accelerated capital allowances	56	51
Other timing differences	71	135
	<u>127</u>	<u>186</u>

15. Provisions

	Health and safety provision £000
At 1 January 2011	500
Amounts released	(218)
At 31 December 2011	<u>282</u>

Health and safety provision

A provision is being held in relation to a health and safety incident at one of the depots in 2008. This claim has been settled in June 2012.

16. Share capital

	2011 £000	2010 £000
Allotted, called up and fully paid		
2,666,513 ordinary shares of £1 each	<u>2,667</u>	<u>2,667</u>

17. Reserves

	Revaluation reserve £000	Profit and loss account £000
At 1 January 2011	164	(7,660)
Profit for the year	-	60
At 31 December 2011	<u>164</u>	<u>(7,600)</u>

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

18. Reconciliation of movement in shareholders' deficit

	2011 £000	2010 £000
Opening shareholders' deficit	(4,829)	(5,721)
Profit for the year	60	892
Closing shareholders' deficit	<u>(4,769)</u>	<u>(4,829)</u>

19. Capital commitments

At 31 December 2011 the company had capital commitments as follows

	2011 £000	2010 £000
Contracted for but not provided in these financial statements	<u>1</u>	<u>-</u>

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,000 (2010 - £11,000).

21. Operating lease commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011 £000	2010 £000	2011 £000	2010 £000
Expiry date:				
After more than 5 years	<u>95</u>	<u>95</u>	<u>-</u>	<u>-</u>

22. Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public.

SITA Recycling & Trading Limited

Notes to the financial statements for the year ended 31 December 2011

23. Ultimate parent undertaking and controlling party

At the year end the ultimate parent undertaking was GDF Suez SA, a company incorporated in France

The largest group of which SITA Recycling & Trading Limited is a member and for which group financial statements are drawn up is that headed by GDF Suez SA, whose consolidated financial statements are available from 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris la Defense, Cedex, France. The smallest such group is that headed by SITA Holdings UK Limited, a company registered in England & Wales. The consolidated financial statements of the SITA Holdings UK Limited Group may be obtained from SITA House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.

In the opinion of the directors, SITA Holdings UK Limited controls the company as a result of controlling 100% of the issued share capital of SITA Recycling & Trading Limited. At the year end GDF Suez SA was the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited.