

ASTLEY MINERALS LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2005**



ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2005

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ASTLEY MINERALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The Directors present their report and the audited financial statements for the year ended 31 March 2005.

RESULTS AND DIVIDENDS

During the year, the Company did not trade and incurred neither profit or loss.

The Directors recommend that no dividend be paid in respect of the year ended 31 March 2005 (2004 nil).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company holds the lease on an area of land in the North West of England, which is subject to a sub lease with Viridor Waste Exeter Limited, the immediate parent company.

The Company did not trade during the year.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served on the Board during the year were:

M Hellings

D B Robertson

No Director has held any beneficial interest in the shares of the Company during the year.

Messrs M Hellings and D B Robertson are Directors of Viridor Waste Limited and their interests in the Ordinary shares of Pennon Group Plc are disclosed in the financial statements of Viridor Waste Limited.

AUDITORS

In accordance with Section 386 of the Companies Act 1985, the Company passed an elective resolution on 10 February 2004, whereby it dispensed with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors.

ANNUAL GENERAL MEETING

In accordance with Sections 252 and 366A of the Companies Act 1985, the Company has passed elective resolutions, whereby it has elected to dispense with the laying of accounts and reports before the Company in general meeting, and to dispense with the holding of annual general meetings.

By Order of the Board



M L HEELEY
Secretary

15 NOVEMBER 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Auditors' Statement of Auditors' Responsibilities set out on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 4 to 6, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and hence to prevent and detect fraud and other irregularities.

ASTLEY MINERALS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASTLEY MINERALS LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies, set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 2005 and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants
and Registered Auditors

31 Great George Street
BRISTOL
BS1 5QD

15 November 2005

ASTLEY MINERALS LIMITED

BALANCE SHEET
as at 31 March 2005

	Notes	2005 £	2004 £
Current assets			
Debtors: amounts falling due within one year	4	4	4
Cash at bank and in hand		40	40
		<hr/>	<hr/>
		44	44
		<hr/>	<hr/>
Creditors: amounts falling due within one year	5	(3,814)	(3,814)
		<hr/>	<hr/>
Net current liabilities		(3,770)	(3,770)
		<hr/>	<hr/>
Net liabilities		(3,770)	(3,770)
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	6	150,002	150,002
Profit and loss account	7	(153,772)	(153,772)
		<hr/>	<hr/>
Deficit of Shareholders' funds	8	(3,770)	(3,770)
		<hr/>	<hr/>

The notes on pages 5 to 6 form part of these financial statements.

Approved by the Board on 15 NOVEMBER 2005 and signed on its behalf by:



D B ROBERTSON
Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a Accounting convention

The financial statements have been prepared under the historical cost convention and in compliance with all applicable accounting standards and with the Companies Act 1985.

b Profit and loss account

The Company has not traded during the current or the previous financial year. As a result no profit and loss account is presented in these financial statements.

c Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement. It is a wholly owned subsidiary and its ultimate parent company Pennon Group Plc prepares a consolidated cash flow statement including the cash flows of Astley Minerals Limited.

2. Audit fees and administration costs

Audit fees and administration costs of the Company are paid by Viridor Waste Management Limited

3. Directors' emoluments and number of employees

No emoluments were paid to Directors in respect of their services to the company during the year ended 31 March 2005 (2004 nil).

The Company had no employees during the year ended 31 March 2005 (2004 nil).

4. Debtors: amounts falling due within one year

	2005 £	2004 £
Other debtors	4	4
	<hr/>	<hr/>

5. Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to fellow subsidiary undertakings	3,794	3,794
Accruals	20	20
	<hr/>	<hr/>
	3,814	3,814
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS6. Called-up share capital

	2005 £	2004 £
Authorised		
650,000 Ordinary shares of £1 each	650,000	650,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
150,002 Ordinary shares of £1 each	150,002	150,002
	<hr/>	<hr/>

7. Reserves

Profit and loss
account
£

Deficit at 1 April 2004 and 31 March 2005	(153,772)
	<hr/>

8. Reconciliation of movement in shareholders' funds

	2005 £	2004 £
Opening deficit of shareholders' funds (equity interest)	(3,770)	(3,770)
	<hr/>	<hr/>
Closing deficit of shareholders' funds (equity interest)	(3,770)	(3,770)
	<hr/>	<hr/>

9. Related party transactions

Under the requirements of FRS8, transactions with related parties are required to be disclosed. However, transactions with other members of the Pennon Group are not required to be set out herein since the Company is a wholly owned subsidiary within that group.

10. Ultimate parent company

The Company is a wholly owned subsidiary of Viridor Waste Exeter Limited, a company registered in England, which is a wholly owned subsidiary of Viridor Waste Limited. Viridor Waste Limited is a wholly owned subsidiary of Pennon Group Plc. Viridor Waste Exeter Limited and Viridor Waste Limited do not prepare group financial statements.

The ultimate parent company is Pennon Group Plc which is registered in England. Group financial statements are included in the Annual Report of Pennon Group Plc which is available from Peninsula House, Rydon Lane, Exeter, EX2 7HR.