

Registered number: SC134337

Binn Landfill (Glenfarg) Limited

**Directors' report and financial statements
For the year ended 31 December 2005**



A35
COMPANIES HOUSE

ABXUAKY5

383
30/11/2006

Binn Landfill (Glenfarg) Limited

Company information

Directors	P A Hjort IA Sexton
Secretary	J Knight
Company number	SC134337
Registered office	15 Atholl Crescent Edinburgh EH3 8HA
Auditors	Ernst & Young LLP Wessex House 19 Threefield Lane Southampton SO14 3QB

Binn Landfill (Glenfarg) Limited

Directors' report

For the year ended 31 December 2005

The directors present their report and the financial statements for the year ended 31 December 2005

Principal activities and review of business

The company's principal activity during the year was the provision of waste disposal facilities

The directors are satisfied with the performance of the business during the year. No major changes to the company's business are expected in the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £925,000 (2004 £589,000)

The directors do not recommend the payment of a dividend

Directors

The directors who served during the year were

P A Hjort

IA Sexton

Additional information re directors

No director who held office on 31 December 2005 had an interest in the company's shares either during the financial year or at 31 December 2005

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare 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 period. 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,
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Land and buildings

In the opinion of the directors there is no material difference between the book and current open market value of interests in land and buildings.

Events since the end of the year

There have been no significant events requiring disclosure since the balance sheet date.

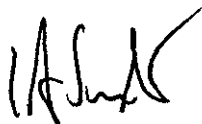
Auditors

The auditors, Ernst & Young LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 7 July 2003.

Binn Landfill (Glenfarg) Limited

**Directors' report
For the year ended 31 December 2005**

This report was approved by the board on 9 November 2006 and signed on its behalf

A handwritten signature in black ink, appearing to read 'IA Sexton', with a stylized flourish at the end.

IA Sexton
Director

Binn Landfill (Glenfarg) Limited

Independent auditors' report to the shareholders of Binn Landfill (Glenfarg) Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 21. 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 auditors' 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 auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 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 with the company 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.

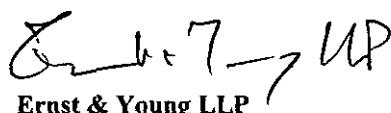
Basis of audit opinion

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.

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 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'EY' followed by a stylized flourish and the letters 'UP'.

Ernst & Young LLP
Registered Auditor
Southampton

9 November 2006

Binn Landfill (Glenfarg) Limited

Profit and loss account

For the year ended 31 December 2005

	Note	2005 £000	2004 £000
Turnover	1, 2	7,529	7,166
Cost of sales		(6,554)	(5,848)
Gross profit		975	1,318
Administrative expenses		(482)	(405)
Operating profit	3	493	913
Interest receivable	5	67	65
Interest payable	6	(89)	(86)
Profit on ordinary activities before taxation		471	892
Tax on profit on ordinary activities	7	454	(303)
Profit on ordinary activities after taxation		925	589

All amounts relate to continuing operations

There were no recognised gains and losses for 2005 or 2004 other than those included in the profit and loss account

The notes on pages 6 to 12 form part of these financial statements

Binn Landfill (Glenfarg) Limited**Balance sheet
As at 31 December 2005**

	Note	£000	2005 £000	£000	2004 £000
Fixed assets					
Tangible fixed assets	8		4,132		3,727
			<u>4,132</u>		<u>3,727</u>
Current assets					
Debtors	9	2,544		1,952	
Creditors, amounts falling due within one year	10	(2,155)		(2,464)	
			<u>389</u>		<u>(512)</u>
Total assets less current liabilities			4,521		3,215
Provisions for liabilities and charges					
Other provisions	12		(1,095)		(714)
			<u>3,426</u>		<u>2,501</u>
Net assets					
Capital and reserves					
Called up share capital	13		1,300		1,300
Profit and loss account	14		2,126		1,201
			<u>3,426</u>		<u>2,501</u>
Shareholders' funds all equity	15		3,426		2,501

The financial statements were approved by the board on 9 November 2006 and signed on its behalf



IA Sexton
Director

The notes on pages 6 to 12 form part of these financial statements

Binn Landfill (Glenfarg) Limited

Notes to the financial statements For the year ended 31 December 2005

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

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 FRS1

1.3 Turnover

Turnover comprises amounts receivable for goods and services supplied by the company, exclusive of Value Added Tax and trade discounts, but including Landfill Tax

1.4 Tangible fixed assets and depreciation

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

Freehold property	landfill airspace	On the basis of airspace used
Landfill and quarry engineering		On the basis of airspace used
Plant & machinery		3 10 years straight line
Fixtures & fittings		3 5 years straight line

1.5 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

1.6 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 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 agreement 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

Binn Landfill (Glenfarg) Limited

Notes to the financial statements For the year ended 31 December 2005

1.7 Provisions for environmental and landfill costs and landfill gas revenues

Provisions for environmental and landfill costs include provisions associated with the closure and post closure of landfill sites. The company estimates its total future requirements for closure costs and for post closure monitoring and maintenance of the site after the anticipated closure. The provisions include final capping of the site, site inspection, ground water monitoring, leachate management, methane gas control and recovery, and the operation and maintenance costs to be confirmed during the period after the site closes. Certain of these costs, principally capping costs, are incurred during the operating life of the site. The company provides for closure and post closure costs as the permitted airspace is used, however in accordance with Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets", full provision has been made for the company's minimum unavoidable costs.

Post closure provisions have been shown at net present value. The current cost estimated has been inflated at 2.0% and discounted by 5.7% (2004: 5.7%). The discount element is shown in the financial statements as a financial item.

Future revenues from the generation of electricity from landfill gas, where contracts are in place for its sale, are capitalised as a fixed asset and discounted in line with the post closure provision.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company being the extraction of minerals.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging

	2005	2004
	£000	£000
Depreciation of tangible fixed assets owned by the company	693	586
Auditors' remuneration	4	3
Operating lease rentals plant and machinery	23	23
	=====	=====

During the year, no director received any remuneration in respect of his services as director of the company (2004: £nil).

4. Staff costs

The company does not directly employ any staff.

5. Interest receivable

	2005	2004
	£000	£000
Interest receivable from group companies	67	65
	=====	=====

Binn Landfill (Glenfarg) Limited

**Notes to the financial statements
For the year ended 31 December 2005**

6. Interest payable

	2005	2004
	£000	£000
On loans from group undertakings	76	79
Discount on provisions	13	7
	<u>89</u>	<u>86</u>

7. Taxation

	2005	2004
	£000	£000
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax charge on profits of the year	158	355
Adjustments in respect of prior periods	(67)	
Total current tax	<u>91</u>	<u>355</u>
Deferred tax		
Origination and reversal of timing differences	33	(44)
Adjustments in respect of prior periods	(578)	(8)
Total deferred tax (see note 11)	<u>(545)</u>	<u>(52)</u>
Tax on profit on ordinary activities	<u>(454)</u>	<u>303</u>

Factors affecting tax charge for year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applicable to the company (30%) The differences are explained below

	2005	2004
	£000	£000
Profit on ordinary activities before tax	471	892
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2004 30%)	141	268
Effects of:		
Expenses not deductible for tax purposes	50	43
Capital allowances for period in excess of depreciation	(65)	(12)
Other timing differences	32	56
Adjustments to tax charge in respect of prior periods	(67)	
Current tax charge for year (see note above)	<u>91</u>	<u>355</u>

There were no factors that may affect future tax charges

Binn Landfill (Glenfarg) Limited

**Notes to the financial statements
For the year ended 31 December 2005**

8 Tangible fixed assets

	Freehold property - landfill airspace £000	Freehold property - buildings £000	Landfill & quarry engineering £000	Plant & machinery £000	Fixtures & fittings £000	Total £000
Cost						
At 1 January 2005	3,586	89	4,171	837	3	8,686
Additions	-	15	564	538	-	1,117
Movement on landfill gas revenues capitalised	15	-	-	-	-	15
Transfers intra group	-	-	-	(50)	(3)	(53)
Disposals	-	-	-	(250)	-	(250)
At 31 December 2005	3,601	104	4,735	1,075	-	9,515
Depreciation						
At 1 January 2005	1,648	1	2,590	717	3	4,959
Charge for the year	158	9	472	54	-	693
Transfers intra group	-	-	-	(16)	(3)	(19)
On disposals	-	-	-	(250)	-	(250)
At 31 December 2005	1,806	10	3,062	505	-	5,383
Net book value						
At 31 December 2005	1,795	94	1,673	570	-	4,132
At 31 December 2004	1,938	88	1,581	120	-	3,727

Binn Landfill (Glenfarg) Limited

**Notes to the financial statements
For the year ended 31 December 2005**

9. Debtors

	2005	2004
	£000	£000
Amounts owed by group undertakings	1,499	1,432
Prepayments and accrued income	32	52
Deferred tax asset (see note 11)	1,013	468
	<u>2,544</u>	<u>1,952</u>

**10. Creditors:
Amounts falling due within one year**

	2005	2004
	£000	£000
Amounts owed to group undertakings	1,718	1,733
Corporation tax	91	355
Social security and other taxes	255	230
Accruals and deferred income	91	146
	<u>2,155</u>	<u>2,464</u>

11. Deferred taxation

	2005	2004
	£000	£000
At beginning of year	468	416
Released during the year	545	52
	<u>1,013</u>	<u>468</u>

The deferred tax asset is made up as follows

	2005	2004
	£000	£000
Accelerated capital allowances	869	356
Other timing differences	144	112
	<u>1,013</u>	<u>468</u>

Binn Landfill (Glenfarg) Limited**Notes to the financial statements
For the year ended 31 December 2005****12. Provisions**

	Environmental and Landfill costs £000
At 1 January 2005	714
Additions	353
Movement on landfill gas revenues capitalised	15
Discounted adjustments	13
At 31 December 2005	1,095

Environmental and Landfill costs

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 1

13. Share capital

	2005 £000	2004 £000
Authorised, allotted, called up and fully paid		
1,300,000 ordinary shares of £1 each	1,300	1,300

14. Reserves

	£000
Profit and loss account	
At 1 January 2005	1,201
Profit retained for the year	925
At 31 December 2005	2,126

15. Reconciliation of movement in shareholders' funds

	2005 £000	2004 £000
Profit for the year	925	589
	925	589
Opening shareholders' funds	2,501	1,912
Closing shareholders' funds	3,426	2,501

16. Contingent liabilities

The company has provided unsecured guarantees to third parties in respect of restoration and performance bonds. At 31 December 2005, guarantees outstanding amounted to £2,000,000 (2004 £2,000,000)

Binn Landfill (Glenfarg) Limited

Notes to the financial statements For the year ended 31 December 2005

17. Capital commitments

At 31 December 2005 the company had capital commitments as follows

	2005	2004
	£000	£000
Contracted for but not provided in these financial statements	88	

18. Operating lease commitments

At 31 December 2005 the company had annual commitments under non cancellable operating leases as follows

	2005	2004
	£000	£000
Expiry date:		
Between 2 and 5 years	23	23

19. 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

20. Post balance sheet events

There have been no significant events requiring disclosure since the balance sheet date

21. Ultimate parent undertaking and Controlling party

The ultimate parent undertaking is Suez SA, a company incorporated in France

The largest group of which Binn Landfill (Glenfarg) Limited is a member and for which group financial statements are drawn up is that headed by Suez SA, whose consolidated financial statements are available from 16 Rue de la Ville L'Eveque, Paris, 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 Binn Landfill (Glenfarg) Limited. Suez SA is the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited