

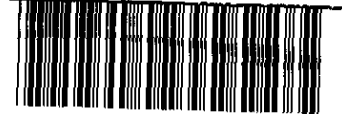
WASTEPAK UK LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2001

Registered Number SC174113

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WASTEPAK UK LIMITED

DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 JANUARY 2001

Chairman

B P Van Danzig

Secretary

L Cullis

Registered Office

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Auditors

PricewaterhouseCoopers

10 Bricket Road

Herts

AL1 3JX

Solicitors

Pellys

The Old Monastery

Windhill

Bishop's Stortford

Hertfordshire

CM23 2ND

Bankers

Lloyds Bank Plc

17/23 Coventry Street

Nunneaton

Warwickshire

CV11 5TD

WASTEPAK UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2001

The directors present their report and the audited financial statements for the year ended 31 January 2001.

Principal activities

The principal activity of the company was that of a multi-material collective compliance scheme. There has been no significant change in activities during the year.

Review of business and future developments

On 18th August 2000, the Company was acquired by LC BET Limited, a non trading holding company owned by The Wastepack Group Limited. BP Van Danzig owns 49% of the share capital of The Wastepack Group Limited, Duke Street Capital Plc own the remaining 51%.

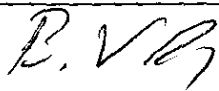
The directors anticipate no significant change in the company's activities in the foreseeable future. There have been no events since the end of the year which require comment by the directors.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. A dividend of £66,000 was paid during the year. The directors do not propose payment of an ordinary dividend. The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £421,969, (2000 - £256,749).

Directors and their interests

The directors of the company during the year and their interest in the shares of the company as recorded in the register of directors interests were as follows:

	2001	2000
	£	£
B P Van Danzig 	-	90
E Jeffrey (appointed 3 August 2000)	-	-

WASTEPAK UK LIMITED

Directors and their interests (Continued)

The directors of the company who had shares in the parent company, the Wastepack Group Limited, were as follows:

	Ordinary A shares	Deferred shares	31 January 2001 Total Shares
B P Van Danzig	441,000	8,00	449,000

Statement of directors' responsibilities

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:

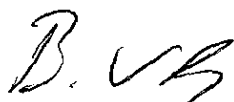
- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed and explained in the financial statements.
- Prepare the financial statements on the going concern basis 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 us 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.

Auditors

During the year, Price Bailey resigned as auditors and the directors appointed PricewaterhouseCoopers in their place. A resolution to reappoint PricewaterhouseCoopers as auditors will be proposed at the annual general meeting.

By order of the Board



B P Van Danzig
Chairman

29 November 2001

WASTEPACK UK LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WASTEPACK UK LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

Basis of 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 circumstances of the company, 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 affairs of the company as at 31 January 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Company Act 1985.


Chartered Accountants and Registered Auditors

29 November 2001

WASTEPAK UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2001

	Notes	2001	2000
		£	£
Turnover	2	7,353,130	6,150,891
Cost of sales		5,531,031	5,153,448
Gross profit		1,822,099	997,443
Administrative expenses		(1,499,088)	(680,526)
Operating profit	3	323,011	316,917
Interest payable	6	(3,600)	(6,297)
Profit on ordinary activities before taxation		319,411	310,620
Taxation	7	(88,191)	93,297
Profit on ordinary activities after taxation		231,220	217,323
Dividend	8	(66,000)	-
Retained profit for the year		165,220	217,323
Retained profit brought forward		256,649	39,326
Retained profit carried forward		421,869	256,649

There were no other recognised gains or losses other than the results shown in the profit and loss account above.

WASTEPAK UK LIMITED

BALANCE SHEET AS AT 31 JANUARY 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible fixed assets	9	204,336	23,066
Current assets			
Stock	10	8,971	40,798
Debtors	11	3,583,674	2,022,033
Cash at bank and in hand		129,007	527,256
		3,721,652	2,590,087
Creditors - amounts falling due within one year	12	(3,504,019)	(2,344,625)
Net current assets		217,633	245,462
Total assets less current liabilities		421,969	268,528
Creditors - amounts falling due after more than one year	13	-	(11,779)
Net assets		421,969	256,749
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account		421,869	256,649
Equity shareholders funds	15	421,969	256,749

The financial statements on pages 5 to 13 were approved by the board of directors on 29 November 2001 and were signed on its behalf by:



B P Van Danzig
Chairman

WASTEPACK UK LIMITED

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They all have been applied consistently throughout the period and the preceding year.

a). Basis of accounting

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

b). Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land at rates calculated to write off, less estimated residual value, of each asset evenly over its expected useful life as follows:

Motor vehicles	25% per annum on a reducing balance basis
Fixtures and fittings	25% per annum on a reducing balance basis

c). Leases and hire purchase contracts

Tangible fixed assets acquired under the finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

d). Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

e) Cash flow statement

The company is a wholly owned subsidiary of L C Bet Limited and is included in the consolidated financial statements of The Wastepack Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Statement 1 (revised 1996).

WASTEPAK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2001

2 TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

The analysis of turnover by geographical area is as follows:

	2001	2000
	£	£
United Kingdom	7,111,530	5,921,677
Dubai	5,044	-
China	208,517	192,456
France	24,558	-
Germany	-	36,758
India	3,481	-
	7,353,130	6,150,891

3 OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Depreciation		
- owned fixed assets	27,449	7,689
(Profit) on sale of tangible fixed assets	-	(5,000)
Auditors remuneration	15,000	15,000

WASTEPACK UK LIMITED

4 STAFF COSTS

Staff costs including directors emoluments

	2001	2000
	£	£
Wages and salaries	611,984	130,011
Social security costs	65,397	12,790
Pension costs	21,700	-
	699,081	142,801

Average monthly number employed including executive directors

Office and management	18	6
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5 DIRECTORS' EMOLUMENTS

	2001	2000
	£	£
Emoluments	277,476	79,999

Retirement benefits are accruing to one director (2000 : nil) under a defined contribution scheme.

Highest paid director

	2001	2000
	£	£
Emoluments and amounts receivable under long term incentive schemes	173,332	79,999
Company contributions to a money purchase pension scheme	-	-
	173,332	79,999

6 INTEREST PAYABLE

	2001	2000
	£	£
Finance lease and hire purchase contracts	3,600	6,297

WASTEPAK UK LIMITED

7 TAXATION

	2001	2000
	£	£
Corporation tax on profit on ordinary activities at 30% (2000:31%)	88,191	93,297

8 DIVIDENDS

Equity – Ordinary	2001	2000
	£	£
Interim paid	66,000	-

9 TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures & fittings £	Total £
Cost			
1 February 2000	15,875	21,532	37,407
Additions	136,138	72,581	208,719
31 January 2001	152,013	94,113	246,126
Depreciation			
1 February 2000	3,969	10,372	14,341
Charge for year	18,757	8,692	27,449
31 January 2001	22,726	19,064	41,790
Net book value			
31 January 2001	129,287	75,049	204,336
31 January 2000	11,906	11,160	23,066

Leased assets and assets acquired under hire purchase contracts

The net book value of fixed assets at 31 January 2001 and 31 January 2000 does not include any assets held under finance leases or hire purchase contracts.

WASTEPAK UK LIMITED

10 STOCKS

	2001	2000
	£	£
Stocks	8,971	40,798

11 DEBTORS

	2001	2000
	£	£
Trade debtors	2,679,936	1,277,488
Amounts owed by group undertaking	814,780	-
Other debtors	88,958	324,104
Prepayments and accrued income	-	420,441
	3,583,674	2,022,033

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Trade creditors	2,001,470	1,566,497
Amounts owed to group undertakings	297,436	-
Corporation tax	88,191	114,509
Other taxation and social security	379,500	4,691
Obligations under finance leases and hire purchase contracts	7,193	19,012
Accruals and deferred revenue	730,229	639,916
	3,504,019	2,344,625

WASTEPAK UK LIMITED

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001	2000
	£	£
Obligations under finance leases and hire purchase contracts	-	11,779

14 PENSION COMMITMENTS

Defined contribution pension scheme

The company operates a defined contribution 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 £21,700 (2000 : £33,553).

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	165,220	217,323
Opening shareholders' funds	256,749	39,426
Closing shareholders' funds	421,969	256,749

16 CALLED UP SHARE CAPITAL

	2001 Number of shares	2001 £	2000 Number of shares	2000 £
Authorised share capital				
Ordinary share of £1 each	100	100	100	100
Allotted called up and fully paid				
Ordinary share of £1 each	100	100	100	100

WASTEPAK UK LIMITED

17 RELATED PARTY TRANSACTIONS

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of The Wastepack Group Limited.

18 ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

The ultimate parent undertaking is Duke Street Capital PLC, a company incorporated in the United Kingdom and is the parent undertaking of the largest group to consolidate their financial statements.

Copies of the statutory accounts for Duke Street Capital PLC can be obtained from Dukes Court, 32 Dukes Street, St James, London, SW1Y 6DF

The company is a wholly owned subsidiary of L.C. Bet Limited, its immediate parent undertaking, a company incorporated in the United Kingdom.

The smallest group of which the company is a member and for which group accounts are prepared is that of The Wastepack Group Limited, a company incorporated in the United Kingdom. Copies of its consolidated financial statements are available from Pishiobury House, Pishiobury Drive, Sawbridgeworth, Hertfordshire, CM21 0AF.