

Registered Number: SC229727

VIRIDOR ELECTRICAL RECYCLING LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2011**

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VIRIDOR ELECTRICAL RECYCLING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2011

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VIRIDOR ELECTRICAL RECYCLING LIMITED

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

During the year ended 31 March 2011 the Company did not trade and incurred neither profit nor loss.

Dividends and reserves

No dividends are recommended. (2010 none)

Reserves stand at £8,389,000 (2010 £8,389,000)

Principal risks and uncertainties

As the Company has ceased trading its principal risks arise only from unforeseen claims.

PARENT COMPANY

The Company is a wholly owned subsidiary of Viridor Electrical Recycling (Holdings) Limited, a Company registered in Scotland. The ultimate parent undertaking is Pennon Group Plc a company registered in England.

DIRECTORS

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

T H M Liddell
M Hellings
D B Robertson (resigned 31 March 2011)
B S Hurley
C A Paterson
A M D Kirkman (appointed 1 April 2011)

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the results of the Company for the 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 that the financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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.

VIRIDOR ELECTRICAL RECYCLING LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

In accordance with the Companies Act 1985 (Audit Exemption) (Amendment) Regulation 2000, the Company, as a dormant company and entitled to certain exemptions conferred by the Companies Act 2006, is exempt from audit.

By Order of the Board



M L HEELEY
Secretary

31/10/2011

VIRIDOR ELECTRICAL RECYCLING LIMITED

Balance sheet at 31 March 2011

	Notes	2011 £000	2010 £000
Assets			
Non-current assets			
Trade and other receivables	5	<u>8,587</u>	<u>8,587</u>
Current liabilities			
Trade and other payables	6	<u>(198)</u>	<u>(198)</u>
Net current assets		<u>8,389</u>	<u>8,389</u>
Net assets		<u>8,389</u>	<u>8,389</u>
Shareholders' equity			
Share capital	7	-	-
Retained earnings	8	<u>8,389</u>	<u>8,389</u>
Total shareholders' equity		<u>8,389</u>	<u>8,389</u>

The notes on pages 4 to 7 form part of these financial statements.

- (a) For the year ended 31 March 2011 the Company was entitled to the exemption under Section 480 of the Companies Act 2006.
- (b) Members have not required the Company to obtain an audit of its financial statements for the year ended 31 March 2011 in accordance with Section 476 of the Companies Act 2006
- (b) The Directors acknowledge their responsibilities for:
- (i) ensuring that the Company keeps accounting records as required by legislation; and
 - (ii) the preparation of accounts that give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of Section 393 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act relating to financial statements, so far as applicable to the Company.

The financial statements on pages 3 to 7 were approved by the Board of Directors on 31/10/2011 and signed on its behalf by :



A M D KIRKMAN
Director

Registered number SC229727

Statement of changes in equity

The Company did not trade during the year ended 31 March 2011 therefore there were no changes in equity.

VIRIDOR ELECTRICAL RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Viridor Electrical Recycling 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

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. No changes have been made to previous policies.

The going concern basis has been adopted in preparing these financial statements.

The following revised standards, amended standards and interpretations, which are mandatory for the first time in the financial year beginning 1 April 2010, are relevant to the Company but have no material impact:

IFRS 1	"First-time adoption of IFRS" (revised)
IFRS 1	"First-time adoption of IFRS" (amendment)
IFRS 2	"Share-based payment" (amendment)
IFRS 3	"Business combinations" (revised)

Improvements to IFRS 2009

IAS 27	"Consolidated and separate financial statements (revised)
IAS 32	"Financial instruments: presentation" (amendment)
IAS 39	"Financial instruments: recognition and measurement" (amendment)
IFRIC 15	"Agreement for construction of real estate"
IFRIC 16	"Hedges of a net investment in a foreign operation"
IFRIC 17	"Distribution of non-cash assets to owners"

At the date of approval of these financial statements the following revised standards, amended standards and interpretations, which have not been applied in these financial statements, were in issue, but not yet effective:

IFRS 1	"First-time adoption of IFRS" (amendment) (hyperinflation exemptions and fixed date for IFRS transition)*
IFRS 1	"First-time adoption of IFRS" (amendment) (limit exemptions from IFRS 7 disclosures)
IFRS 7	"Financial instruments: disclosure on derecognition" (amendment)*
IFRS 9	"Financial instruments"
IFRS 10	"Consolidated financial statements"*
IFRS 11	"Joint arrangements"*
IFRS 12	"Disclosure of interests in other entities"*
IFRS 13	"Fair value measurement"*

Improvements to IFRS 2010

IAS 12	"Income taxes" (amendment)*
IAS 24	"Related party disclosures" (revised)
IAS 27	"Separate financial statements" (revised)*
IAS 28	"Investments in associates and joint ventures" (revised)*
IFRIC 14	"Prepayments of a minimum funding requirement" (amendment)
IFRIC 19	"Extinguishing financial liabilities with equity instruments"

* Denotes not yet endorsed for use in the European Union

VIRIDOR ELECTRICAL RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Principal accounting policies (continued)

(a) Basis of preparation (continued)

The presentational impact of these standards and interpretations is being assessed. The Directors expect that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company.

The preparation of financial statements in conformity with generally accepted accounting principles 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) Investment in subsidiary undertakings

Investments in subsidiary undertakings are initially recorded at cost, being the fair value of the consideration paid, including associated acquisition costs. 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.

(c) Derivatives and financial instruments

The Company classifies its financial instruments in the following categories:

Trade and other receivables

Trade receivables do not carry any interest and are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade 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.

Trade and other payables

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

The Company does not use derivative financial instruments.

(d) Share capital

Ordinary shares are classified as equity.

3. Investment in subsidiary undertaking

	Subsidiary undertakings £
At 1 April 2009	2
At 31 March 2010	2
At 31 March 2011	2

The investment is in equity shares.

Details of the investment held by the Company at 31 March 2011:

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Percentage of ordinary shares held</i>	<i>Nature of business</i>
Shore Recycling (Ozone) Limited	England	100%	Dormant

At 31 March 2011 Shore Recycling (Ozone) Limited had net deficit of £1,308,000.

VIRIDOR ELECTRICAL RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Financial instruments by category

		Loans and receivables £000	Amortised cost Trade receivables and trade payables £000	Total £000
31 March 2011				
Financial assets				
Trade and other receivables	5	-	8,587	8,587
Financial liabilities				
Trade and other payables	6	-	(198)	(198)
31 March 2010				
Financial assets				
Trade and other receivables	5	-	8,587	8,587
Financial liabilities				
Trade and other payables	6	-	(198)	(198)

5. Trade and other receivables

	2011 £000	2010 £000
Amounts owed by fellow subsidiaries	8,587	8,587

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

6. Trade and other payables – current

	2011 £000	2010 £000
Amounts owed to fellow subsidiary	198	198

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

7. Share capital

	Authorised £000	Allotted, called up and fully paid £
At 1 April 2009		
500,000 Ordinary shares of £1 each	500	1
1 Ordinary share of £1 each		
At 31 March 2010	500	1
At 31 March 2011	500	1

VIRIDOR ELECTRICAL RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Retained earnings

	£000
At 1 April 2009	<u>8,389</u>
At 31 March 2010	<u>8,389</u>
At 31 March 2011	<u>8,389</u>

9. Related party transactions

There were no transactions with related parties in the year (2010 none).

	2011 £000	2010 £000
Year end balances		
<i>Trading accounts receivables due from related parties</i>		
<i>Fellow subsidiaries</i>	8,587	8,587
<i>Trade payables due to related parties</i>		
<i>Fellow subsidiaries</i>	198	198

10. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Viridor Electrical Recycling (Holdings) Limited, a company registered in Scotland.

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.