

COMPANY REGISTRATION NUMBER 2600118

**NEW ACRES LIMITED
ACCOUNTS**

YEAR ENDED 31 DECEMBER 2008



NEW ACRES LIMITED

ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

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NEW ACRES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Board of directors

E J S Gadsden
M R Warner

Company secretary

C W Robinson

Registered office

121 High Street
Berkhamsted
Hertfordshire
HP4 2DJ

Auditors

Nexia Smith & Williamson LLP
Chartered Accountants
Registered Auditors
Portwall Place
Portwall Lane
Bristol
BS1 6NA

NEW ACRES LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was engagement in landfill operations. The directors are pleased with the results of the company during the year and the position of the company at the end of it.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached accounts.

The directors have not proposed a dividend in respect of the year (2007 - none).

DIRECTORS

The directors who served the company during the period were as follows:

E J S Gadsden
M R Warner

The company is a wholly owned subsidiary of Michelmersh Brick Holdings plc and the interests of the group directors are disclosed in the accounts of the parent company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

NEW ACRES LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

DIRECTORS' RESPONSIBILITIES *(continued)*

In so far as each of the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

A resolution to re-appoint Nexia Smith & Williamson as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

Signed on behalf of the directors



C W Robinson
Company Secretary

Approved by the directors on 23 April 2009

NEW ACRES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31 DECEMBER 2008

We have audited the accounts of New Acres Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and accompanying notes, and which have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other transactions 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

NEW ACRES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31 DECEMBER 2008

OPINION

In our opinion:

- the accounts 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 2008 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

Nexia Smith & Williamson LLP

Nexia Smith & Williamson LLP
Chartered Accountants
& Registered Auditors
Bristol

23 April 2009

NEW ACRES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2008

	Note	2008 £000	2007 £000
TURNOVER	2	652	734
Cost of sales		(323)	(295)
GROSS PROFIT		<u>329</u>	<u>439</u>
Administrative expenses		(113)	(87)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		216	352
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR		<u>216</u>	<u>352</u>

All of the activities of the company are classed as continuing

The notes on pages 8 to 13 form part of these accounts.

NEW ACRES LIMITED**BALANCE SHEET****31 DECEMBER 2008**

	Note	2008 £000	2007 £000
FIXED ASSETS			
Intangible assets	7	67	70
Tangible assets	8	37	40
		<u>104</u>	<u>110</u>
CURRENT ASSETS			
Debtors	9	1,062	1,199
Cash at bank		69	108
		<u>1,131</u>	<u>1,307</u>
CREDITORS: Amounts falling due within one year	10	<u>(163)</u>	<u>(561)</u>
NET CURRENT ASSETS		<u>968</u>	<u>746</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,072</u>	<u>856</u>
CREDITORS: Amounts falling due after more than one year	11	<u>-</u>	<u>-</u>
		<u>1,072</u>	<u>856</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	12	(1)	(1)
		<u>1,071</u>	<u>855</u>
CAPITAL AND RESERVES			
Share capital	14	10	10
Profit and loss account	15	<u>1,061</u>	<u>845</u>
EQUITY SHAREHOLDER'S FUNDS	16	<u>1,071</u>	<u>855</u>

These accounts were approved by the directors on 23 April 2009 and are signed on their behalf by:


M R Warner
Director

COMPANY REGISTRATION NUMBER: 2600118

The notes on pages 8 to 13 form part of these accounts.

NEW ACRES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement

The company is exempt from preparing a cash flow statement as it is a wholly owned subsidiary and a consolidated cash flow statement will be produced in the parent company's consolidated accounts.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods sold and services rendered during the period, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 3 - 25% straight line

Site development costs, plus the discounted cost of any estimated final site restoration for which the company has created a legal or constructive obligation to undertake on landfill sites are capitalised. These costs are written off over the operational life of the site, as and when the void space created as a result of this expenditure is consumed.

Site provisions

Site restoration provision

Full provision is made for the net present value of the company's estimated minimum unavoidable cost in relation to restoration liabilities, where this is material.

Site after care provision

The company provides for the estimated cost of site after care over the useful economic life of the landfill site, based on volumes of waste deposited in the year, since liabilities in relation to their costs increase as waste is deposited. Provision is not made where no significant cost is expected.

Amortisation of landfill

Amortisation is charged to the profit and loss account in respect of landfill void usage over the life of the landfill void created. This charge is made by the parent company where the land asset is recognised.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual contributions payable are charged to the profit and loss account as incurred.

NEW ACRES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only when recovery is more likely than not.

Licences

The costs of preparing and submitting applications for licences have been capitalised as an intangible fixed asset. Amortisation has been calculated so as to write off the cost of the licence over the operational life of the site to which it relates.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company which arose wholly within the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2008 £000	2007 £000
Amortisation	3	2
Depreciation of owned fixed assets	3	4
Auditor's remuneration	1	1
Amortisation of landfill	148	112

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to:

	2008 No	2007 No
Number of production staff	-	2
Number of administrative staff	2	2
	<u>2</u>	<u>4</u>

The aggregate payroll costs of the above were:

	2008 £000	2007 £000
Wages and salaries	57	62
Social security costs	6	6
Other pension costs	3	3
	<u>66</u>	<u>71</u>

Directors' remuneration

During the year, E J S Gadsden and M R Warner, directors of the parent company and fellow subsidiaries were paid by the parent company. Costs relating to this company are recharged through the overall management charge by the parent company.

NEW ACRES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008**

5. TAX ON PROFIT ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2008 £000	2007 £000
Deferred tax		
Movement in deferred tax provision (note 12)	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed is lower (2007 – lower) than the standard rate of corporation tax in the UK of 28% (2007 – 30%). The differences are explained below.

Factors affecting current tax charge

	2008 £000	2007 £000
Profit on ordinary activities before taxation	<u>216</u>	<u>352</u>
Profit on ordinary activities multiplied by the standard rate of tax	61	106
Income not taxable	(2)	(3)
Capital allowances in excess of depreciation	1	(1)
Other timing differences	-	-
Transfer pricing adjustment	13	-
Group relief	<u>(73)</u>	<u>(102)</u>
Total current tax	<u>-</u>	<u>-</u>

6. DIVIDENDS

The following dividends have been paid or proposed in respect of the year:

	2008 £000	2007 £000
Dividends paid on ordinary shares	<u>-</u>	<u>400</u>
Proposed dividends on ordinary shares not accrued for in these accounts	<u>-</u>	<u>-</u>

NEW ACRES LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2008

7. INTANGIBLE FIXED ASSETS

	PPC Licence £000
COST	
At 1 January 2008	75
Additions	-
At 31 December 2008	<u>75</u>
DEPRECIATION	
At 1 January 2008	5
Charge for the year	3
At 31 December 2008	<u>8</u>
NET BOOK VALUE	
At 31 December 2008	<u>67</u>
At 31 December 2007	<u>70</u>

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £000	Site Development £000	Total £000
COST			
At 1 January 2008 and at 31 December 2008	<u>9</u>	<u>79</u>	<u>88</u>
DEPRECIATION			
At 1 January 2008	9	39	48
Charge for the year	-	3	3
At 31 December 2008	<u>9</u>	<u>42</u>	<u>51</u>
NET BOOK VALUE			
At 31 December 2008	<u>-</u>	<u>37</u>	<u>37</u>
At 31 December 2007	<u>-</u>	<u>40</u>	<u>40</u>

9. DEBTORS

	2008 £000	2007 £000
Trade debtors	102	167
Amounts owed by group undertakings	951	1,025
Prepayments and accrued income	9	7
	<u>1,062</u>	<u>1,199</u>

NEW ACRES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008****10. CREDITORS: Amounts falling due within one year**

	2008	2007
	£000	£000
Amounts due to group undertakings	148	548
Accruals and deferred income	15	13
	<u>163</u>	<u>561</u>

11. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£000	£000
Amounts owed to group undertakings	-	-
	<u>-</u>	<u>-</u>

12. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was:

	2008	2007
	£000	£000
Provision brought forward	1	1
Movement in the provision	-	-
Provision carried forward	<u>1</u>	<u>1</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	<u>1</u>	<u>1</u>

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, from disclosing transactions with entities that are part of the group on the grounds that it is a subsidiary whose voting rights are controlled within the group and consolidated accounts for that group have been prepared.

14. SHARE CAPITAL**Authorised share capital:**

	2008	2007
	£000	£000
10,000 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£000	No	£000
Ordinary shares of £1 each	<u>10,000</u>	<u>10</u>	<u>10,000</u>	<u>10</u>

NEW ACRES LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2008**

15. PROFIT AND LOSS ACCOUNT

	2008	2007
	£000	£000
Balance brought forward	845	893
Profit for the year	216	352
Dividends paid	-	(400)
	<u>1,061</u>	<u>845</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008	2007
	£000	£000
Profit for the financial year	216	352
Dividends paid	-	(400)
	<u>216</u>	<u>(48)</u>
Opening equity shareholder's funds	855	903
Closing equity shareholder's funds	<u>1,071</u>	<u>855</u>

17. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Michelmersh Brick Holdings plc, a company registered in England and Wales. The ultimate controlling party is E J S Gadsden. A copy of the parent company's consolidated accounts may be obtained from the registered office of the company.

18. CONTINGENCIES

The bank holds a cross guarantee between the company, its fellow subsidiaries and the parent company, dated 23 March 2006. At the year-end the total group bank borrowings were £16,905,000 (2006 - £15,539,000).