

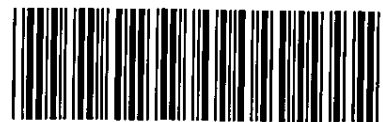
INDUSTRIAL & ENVIRONMENTAL SERVICES Limited

REPORT AND ACCOUNTS 2008

31 March 2008

Registered number: 2697054

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Industrial and Environmental Services Limited

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Industrial and Environmental Services Limited

Company Information

Directors	G B A Aubertin E A Snaith
Company Secretary	E A Snaith
Registered office	Shieling House Invincible Road Farnborough Hants GU14 7QU
Registered number	2697054
Auditors	Mazars LLP Chartered accountants and registered auditors Tower Bridge House St Katharine's Way LONDON E1W 1DD

Industrial and Environmental Services Limited

Directors' Report

The directors have pleasure in submitting their report and the audited accounts for the year ended 31 March 2008

Principal Activities and Business Review

The company is a holding company, with one subsidiary, Trehir Development Company Limited. The accounts have been prepared on a going concern basis, notwithstanding the deficiency in net current liabilities. The directors consider it appropriate to prepare the financial statements on the going concern basis as they do not expect the existing parental support to be withdrawn although the parent undertaking has not formally confirmed its willingness to continue to provide support.

Results and Dividends

The loss on ordinary activities after taxation for the year was £202,000 (year ended 31 March 2007 loss £364,000). The directors do not propose to recommend the payment of a dividend on the issued ordinary share capital of the company in respect of the year ended 31 March 2008 (year ended 2007 nil).

Directors and Interests in Shares

The directors who served at the date of this report are set out on page 2. None of the directors held any beneficial interest in the shares of the company during the year.

Directors Indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them that relate to anything done or omitted, or alleged to have been done or omitted by them as officers or employees of the Company. Appropriate directors and officers liability insurance cover is in place in respect of all directors and officers of the Company.

Statement as to disclosure of information to Auditors

The directors have taken all the necessary steps to make us aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant information of which the Company's auditors are unaware.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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,
- state whether applicable United Kingdom 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 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 any other irregularities.

Industrial and Environmental Services Limited

Directors' Report *(continued)*

Auditors

Mazars LLP have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting

By order of the Board



E A Snaith

Director

28 August 2008

Industrial and Environmental Services Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL AND ENVIRONMENTAL SERVICES LTD

We have audited the financial statements of Industrial and Environmental Services Ltd for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and related notes. 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 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 misstatement.

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.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation of financial support from the parent undertaking. Although financial support has been received to date, the parent undertaking has declined to provide written confirmation that this financial support will continue. We do not expect preparation of the accounts on a basis other than the going concern basis to result in material adjustments. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Industrial and Environmental Services Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL AND ENVIRONMENTAL SERVICES LTD (*continued*)

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 March 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Mazars LLP

Mazars LLP
Chartered Accountants and Registered Auditors
Tower Bridge House
St Katharine's Way
London
E1W 1DD

2 September 2008

Industrial and Environmental Services Limited

Profit and Loss account

for the year ended 31 March 2008

	<i>Note</i>	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Turnover		-	-
Operating costs		(203)	(114)
Other operating income		143	40
Exceptional items	2	-	147
Operating (loss) / profit		(60)	73
Interest receivable from group undertakings		317	252
Other financial expense	3	(380)	(622)
Loss on ordinary activities before taxation	4	(123)	(297)
Tax on loss on ordinary activities	6	(79)	(67)
Retained loss on ordinary activities after taxation	12	(202)	(364)

The company had no recognised gains or losses other than the loss for the year. The loss for the year has arisen from continuing operations.

The result for the year has been calculated on the historical cost basis.

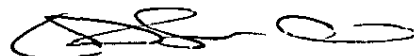
Industrial and Environmental Services Limited

Balance Sheet

at 31 March 2008

	Note	31 March 2008 £000	31 March 2008 £000	31 March 2007 £000	31 March 2007 £000
Current assets					
Debtors amounts due within one year	8	246		36	
Cash		1		-	
		247		36	
Creditors amounts falling due within one year	9	(2,362)		(1,949)	
Net current liabilities			(2,115)		(1,913)
Total assets less current liabilities			(2,115)		(1,913)
Capital and reserves					
Called up share capital	10		3,067		3,067
Profit and loss account	11		(5,182)		(4,980)
	12		(2,115)		(1,913)

Approved by the board on 28 August 2008 and signed on their behalf by



E A Snaith
Director

Industrial and Environmental Services Limited

Notes to accounts

1 Accounting policies

The following accounting policies have been applied consistently throughout the year and the preceding year

Basis of accounting

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

Going concern

The accounts have been prepared on a going concern basis, notwithstanding the deficiency in net current liabilities. The directors consider it appropriate to prepare the financial statements on the going concern basis as they do not expect the existing parental support to be withdrawn although the parent undertaking has not formally confirmed its willingness to continue to provide support

Exemptions applied

As the company is wholly owned by Novasaur SAS which publishes consolidated financial statements in which it is included, it is not required to prepare a cashflow statement or to disclose details of transactions with entities belonging to the group. Nor is it required to prepare group accounts. These accounts present information about the parent company and not the group

2 Exceptional items

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Release of provision for completed landfill site	-	147

3 Other financial expense

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Provision against loan to subsidiary undertaking	(380)	(622)

4 Loss on ordinary activities is stated after charging

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Auditors remuneration - statutory audit	3	3

5 Directors and employees

The company did not employ any staff during the year (year ended 31 March 2007 nil)

The directors received no remuneration for their services during the year (year ended 31 March 2007 nil)

Industrial and Environmental Services Limited

Notes to accounts (continued)

6 Taxation

a) Analysis of charge in year

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Current tax:		
UK Corporation tax (charge)/credit on profits at 30% (2007 30%)	(79)	(67)
Tax on profits on ordinary activities	(79)	(67)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	12 months ended 31 March 2008 £000	12 months ended 31 March 2007 £000
Loss on ordinary activities before tax	(123)	(297)
Loss on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 30%	(37)	(89)
Effects of		
Expenses not deductible for tax purposes	145	13
Imputed loan interest	(29)	
Other timing differences	-	143
Current tax charge for year	79	67

c) Factors that may affect future tax charges

As the company is part of the SAUR UK Group, it is anticipated that any future tax charges arising from activities will be surrendered as group relief. There is uncertainty as at 31 March 2008 that group relief will be available to cover any tax credit that may arise from activities.

Industrial and Environmental Services Limited

Notes to accounts (continued)

7 Investments

The Company holds 81% of the ordinary share capital of TREHIR DEVELOPMENT COMPANY Limited ("Trehir"), a company incorporated in Great Britain and registered in England and Wales, which operates a refuse disposal landfill site. The net liabilities of Trehir at 31 March 2008 were £3,205,000 (2007 £2,742,000). For the year ended 31 March 2008 Trehir reported a retained loss of £463,000 (2007 loss of £250,000). The company's cost of investment of £70,000 was written down to nil in 2000.

	12 months ended 31 March 2008 £000
Cost	
At 1 April 2007 and 31 March 2008	70
Provision	
At 1 April 2007 and 31 March 2008	(70)
Net book value	
At 31 March 2008	Nil
At 31 March 2007	Nil

8 Debtors

	31 March 2008 £000	31 March 2007 £000
Amounts due from parent and fellow subsidiary undertakings	246	36

9 Creditors: amounts falling due within one year

	31 March 2008 £000	31 March 2007 £000
Amounts owed to parent and fellow subsidiary undertakings	2,313	1,910
Other taxes and social security	20	37
Accruals and deferred income	29	2
	2,362	1,949

10 Called up share capital

	31 March 2008 £000	31 March 2007 £000
Authorised, called up, allotted and fully paid Ordinary shares of £1 each	3,067	3,067

Industrial and Environmental Services Limited

Notes to accounts *(continued)*

11 Profit and loss account

	£000
At 1 April 2007	(4,980)
Loss for the year	(202)
At 31 March 2008	(5,182)

12 Reconciliation of movement in shareholders' funds

	31 March 2008 £000	31 March 2007 £000
Opening shareholders' funds	(1,913)	(1,549)
Loss for the year	(202)	(364)
Closing shareholders' funds	(2,115)	(1,913)

13 Pensions

The company is a participating employer in the Ecovert Pension Scheme. There was no pension cost for the year as the company has no employees. No pension contributions are expected to be made in the next 12 months. Details of the Scheme, including the basis on which actuarial valuations have been carried out, are included in the accounts of Ecovert Group Limited.

The employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. An updated valuation of the scheme at 31 March 2008 indicated that the scheme was 81 per cent funded. The Ecovert Pension Scheme had a deficit of £1,551,000 as at 31 March 2008 but the company has no liability for any of this deficit as the principal employer has assumed full liability for the scheme deficit.

14 Post Balance Sheet Events

After the balance sheet date, an agreement has been reached between the company and Caerphilly County Borough Council (Caerphilly) in relation to the transfer of the shares held in Trehir Development Company Limited. This transfer is governed by the terms of the Shareholders Agreement.

At the date of transfer of the shares, the shareholders loan to Trehir will be waived. This is expected to take place during 2008/9.

15 Ultimate parent undertaking

The smallest group of companies into which results of the company are consolidated is that headed by SAUR International SA. The largest group of companies into which the results of the company are consolidated is that headed by Novasaur SAS, which is also the company's ultimate undertaking and controlling party. Both parent undertakings are incorporated in France. The financial statements of Novasaur SAS may be obtained from Atlantis, 1 Avenue Eugene Freyssinet, 78064 St Quentin en Yvelines, Cedex, France.