

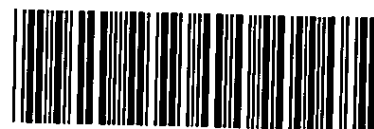
LC BET LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

Company Registration Number: 03985603

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COMPANIES HOUSE

LC BET LIMITED

DIRECTORS' AND ADVISORS FOR THE YEAR ENDED 31 DECEMBER 2006

Directors

B P Van Danzig
E Priestley

Secretary

L A Cullis

Registered Office

First Floor
Field House
Station Approach
Harlow
Essex
CM20 2EW

Auditors

Price Bailey LLP
500 Larkshall Road
Highams Park
London E4 9HH

Solicitors

EMW Law
Seebeck House
One Seebeck Place
Milton Keynes
MK5 8FR

Bankers

Barclays Bank
One Churchill Place
London
E14 5HP

LC BET LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors submit their report and financial statements for the year ended 31 December 2006

Business Review

LC Bet is a non-trading holding company

On the 4th July 2006 the company disposed of its investment in its wholly owned subsidiary Wastelink Services Limited

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review reflects that LC Bet Limited is a non trading holding company

On the 4th Jul 2006 the company disposed of its investment in its wholly owned subsidiary Wastelink Services Limited, this was to allow the group to concentrate on providing compliance services to companies obligated under producer responsibility legislation for both current and future legislation. The profit of £1,302,000 made on the disposal of this investment is reflected in the profit and loss account. The full results for the year are shown in the profit and loss account on page 5. The company made a retained profit for the year of £3,972,000 compared to a retained loss of £885,000 in 2005. This increase in retained profit reflects the profit made on the sale of the investment in Wastelink Services Limited along with the dividend of £3,992,000 received during the year.

During the year the company registered another trading company Electrolink Recycling Limited in order to form a compliance scheme under the Waste Electrical and Electronic Equipment Regulations 2006

The company continues to be a non-trading holding company as there are no proposed changes to the structure and activities of the company in the coming year

Directors

The directors had no beneficial interest in the share capital of the company at any time during the year

The directors of the company during the year and up to the date of this report are as follows

B P Van Danzig
E Priestley

LC BET LIMITED

DIRECTORS' REPORT CONTINUED

Statement of Directors' Responsibilities

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 the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss of the company for that period. In preparing these 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 UK 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 that 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.

Statement of disclosure of information to auditors

We, the directors, of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



L A Cullis

Secretary 22-10-07

LC BET LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF L C BET LIMITED

We have audited the financial statements of L C Bet Limited for the year ended 31 December 2006 set out on pages 5 to 11. 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 the directors and auditors

The Directors' responsibilities for preparing the financial statements 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 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

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 explanation 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

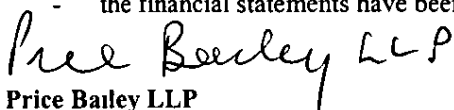
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 2006 and of its profit for the year then ended,
- the information given in the directors' report is consistent with the financial statements
- the financial statements have been properly prepared in accordance with the Companies Act 1985


Price Bailey LLP

31-10-07

Chartered Accountants
Registered Auditor

500 Larkshall Road
Highams Park
London
E4 9HH

LC BET LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	31 December 2006 £'000	31 December 2005 £'000
Cost of fundamental reorganisation	3	(164)	-
Profit on disposal of investment		1,302	-
Profit on ordinary activities before interest		1,138	-
Interest payable	4	(1,158)	(1,245)
Income from shares in group undertakings	5	3,992	-
Profit/(Loss) on ordinary activities before taxation	2	3,972	(1,245)
Tax on profit on ordinary activities	6	-	360
Retained profit/(loss) for the year	12	3,972	(885)

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

The notes on pages 7 to 11 form part of these accounts

LC BET LIMITED

BALANCE SHEET AT 31 DECEMBER 2006

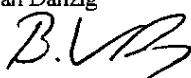
	Note	As at 31 December 2006 £'000	As at 31 December 2005 £'000
Fixed assets			
Investment in subsidiaries	7	13,101	13,939
Current assets			
Debtors	8	-	-
Cash at bank and in hand		-	-
Creditors amounts falling due within one year	9	(4,376)	(8,154)
Net current liabilities		(4,376)	(8,154)
Total assets less current liabilities		8,725	5,785
Creditors amounts falling due after more than one year	10	(11,068)	(12,100)
Net assets/(liabilities)		(2,343)	(6,315)
Capital and Reserves			
Called up share capital	11	-	-
Profit and loss account	12	(2,343)	(6,315)
Equity shareholders' deficits	13	(2,343)	(6,315)

The notes on pages 7 to 11 form part of these accounts

The accounts on pages 5 to 11 were approved by the Board of Directors on 22 October 2007 and were signed on its behalf by

B P Van Danzig

Director



LC BET LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

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

The directors of Wastepack Limited, a subsidiary of the company, have given assurances that they will not seek repayment of the inter-company creditor of £2,843,000 unless there are sufficient funds available

The directors have also obtained assurances from the shareholders that they will not seek payment of the loan note interest unless the company has sufficient funds to pay it

The directors consider that in preparing these financial statements they have taken into account all information that could reasonably be expected to be available

Accordingly the financial statements have been prepared on the going concern basis and do not include any adjustments that would result if the company were not able to continue as a going concern

b) Cash flow statement

The ultimate UK parent undertaking has presented in its consolidated financial statements a group cash flow statement drawn up in accordance with the provisions of Financial Reporting Standard 1 (FRS1) Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement

c) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date and which could give rise to an obligation to pay more or less taxation in the future An asset is recognised to the extent that the transfer of economic benefits in future is certain Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantially enacted at the balance sheet date

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditor's remuneration costs of £2,000 (2005 £2,000) are borne by another group company

Director's costs are borne by another group company in 2006 and 2005

Profit on sale of subsidiary in the year was £1,552,000 (2005 £Nil)

3 COST OF FUNDAMENTAL REORGANISATION

	31 December 2006 £'000	31 December 2005 £'000
Costs previously borne by subsidiary	164	-

There are costs which would previously have been recharged to Wastelink Services Limited Due to the sale of this company they were not recharged

LC BET LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

4 INTEREST PAYABLE

	31 December 2006 £'000	31 December 2005 £'000
Investor and vendor loan note interest payable	1,158	1,245

5 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	31 December 2006 £'000	31 December 2005 £'000
Dividends receivable	3,992	-

6 TAXATION

	31 December 2006 £'000	31 December 2005 £'000
Current tax		
UK corporation tax on losses of the year	-	-
Amount received in respect of Group Relief	-	360
Total current tax credit	-	360
Tax reconciliation		
Profit/(Loss) on ordinary activities before tax	3,972	(1,245)
Tax on profit/(loss) on ordinary activities at 30% (2005 30%)	1,192	(374)
Inter Group dividend (non taxable)	(1,198)	-
Profit on sale of subsidiary (non taxable)	(391)	-
Group relief	-	374
Losses carried forward	397	-
Amount received in respect of Group Relief	-	360
Current tax credit for the year	-	360

LC BET LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

7 FIXED ASSET INVESTMENTS

	As at 31 December 2006 £'000	As at 31 December 2005 £'000
Investment in subsidiary		
As at 1 January 2006	13,939	13,939
Additions	1	-
Disposals	(839)	-
As at 31 January 2006	13,101	13,939

During the year the company sold its 100% shareholding in Wastelink Services Ltd a company registered in the United Kingdom who provide environmental and recycling services

At 31 December 2006, the wholly owned subsidiaries of the company were

Name	Country of registration	Principal activity	Types of share held
Wastepack Limited	United Kingdom	Packaging -material compliance scheme and recycle broker	Ordinary
Electrolink Recycling Limited	United Kingdom	Waste electrical and electronic equipment compliance scheme	Ordinary

8 DEBTORS

	As at 31 December 2006 £'000	As at 31 December 2005 £'000
Amounts falling due within one year		
Other debtors	-	-

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 December 2006 £'000	As at 31 December 2005 £'000
Amounts owed to group undertakings	2,843	6,944
Other creditors	1,533	1,210
	4,376	8,154

LC BET LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

10 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	As at 31 December 2006 £'000	As at 31 December 2005 £'000
Investor loan notes	11,068	12,100

During the year the company redeemed investor loan notes to the value of £1,032,000

The remaining unsecured investor loan notes are redeemable in 2009 unless previously purchased or redeemed. Interest is accruing at 10% per annum payable in six monthly arrears.

11 CALLED UP SHARE CAPITAL

	Authorised As at 31 December 2005 and 31 December 2006 £'000	Issued and fully paid up As at 31 December 2005 and 31 December 2006 £'000
1,000 Ordinary £1 shares	1	-

12 PROFIT AND LOSS ACCOUNT

	As at 31 December 2006 £'000	As at 31 December 2005 £'000
At 1 January 2006	(6,315)	(5,430)
Retained loss for the year	3,972	(885)
At 31 December 2006	(2,343)	(6,315)

LC BET LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

13 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS DEFICITS

	As at 31 December 2006 £'000	As at 31 December 2005 £'000
Retained profit/(loss) for the year	3,972	(885)
Net increase/(decrease) to shareholders' funds	3,972	(885)
Shareholders' deficit brought forward	(6,315)	(5,430)
Shareholders' deficit carried forward	(2,343)	(6,315)

14 RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary, advantage has been taken of the exemption afforded by FRS 8 not to disclose any related party transactions with members of the group, its associates and joint ventures

15 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of The Wastepack Group Limited (formerly known as The Wastelink Group Limited), its immediate parent undertaking, a company incorporated in the United Kingdom, and the smallest group of which the company is a member and for which group accounts are prepared. Copies of its consolidated financial statements are available from Field House, Station Approach, Harlow, Essex CM20 2EW

B P Van Danzig and Duke Street IV Limited, a company incorporated in the United Kingdom, control The Wastepack Group Limited (formerly known as The Wastelink Group Limited)

Copies of the statutory accounts for Duke Street IV Limited can be obtained from Almack House, 28 King Street, London, SW1Y 6XA.