

LC BET LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



LC BET LIMITED

COMPANY INFORMATION

DIRECTORS

B P Van Danzig
E Priestley (resigned 22/12/2010)

COMPANY SECRETARY

L A Cullis

COMPANY NUMBER

03985603

REGISTERED OFFICE

Field House
Station Approach
Harlow
Essex
CM20 2EW

AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Dashwood House
69 Old Broad Street
London
EC2M 1QS

BANKERS

Clydesdale Bank Plc
35 Regent Street
Piccadilly Circus
London
SW1Y 4ND

SOLICITORS

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

LC BET LIMITED

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LC BET LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The director presents his report and the financial statements for the year ended

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

PRINCIPAL ACTIVITIES

During the year the principal activity of the company continued to be that of a holding company.

BUSINESS REVIEW

LC Bet is a non-trading holding company.

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, interim holding company.

It is the directors' opinion that the company accounts should be read in conjunction with those of the ultimate group holding company, The Wastepack Group Ltd, and its subsidiary companies, in order to fully understand the nature of the group and its financial position.

RESULTS

The loss for the year, after taxation, amounted to £1,107,000 (2009 - loss £1,107,000).

DIRECTORS

The directors who served during the year were

B P Van Danzig
E Priestley (resigned 22/12/2010)

LC BET LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
PROVISION OF INFORMATION TO AUDITORS**

The director at the time when this director's report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf 27 September 2011



B P Van Danzig
Director

LC BET LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LC BET LIMITED

We have audited the financial statements of LC Bet Limited for the year ended 31 December 2010, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 DIRECTOR AND AUDITORS

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LC BET LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LC BET LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Howard Sears FCCA (Senior statutory auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Dashwood House
69 Old Broad Street
London
EC2M 1QS

30 September 2011

LC BET LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
Interest payable and similar charges	4	(1,107)	(1,107)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,107)	(1,107)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR	10	(1,107)	(1,107)

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 7 to 10 form part of these financial statements

LC BET LIMITED
REGISTERED NUMBER: 03985603

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£000	2010 £000	2009 £000
FIXED ASSETS				
Investments	5		13,101	13,101
CURRENT ASSETS				
Debtors	6	-	85	
CREDITORS: amounts falling due within one year	7	(8,596)	(7,574)	
NET CURRENT LIABILITIES			(8,596)	(7,489)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,505	5,612
CREDITORS: amounts falling due after more than one year	8		(11,068)	(11,068)
NET LIABILITIES			(6,563)	(5,456)
CAPITAL AND RESERVES				
Called up share capital	9		-	-
Profit and loss account	10		(6,563)	(5,456)
SHAREHOLDERS' DEFICIT	11		(6,563)	(5,456)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

27 September 2011

B. Van Danzig

B P Van Danzig
 Director

The notes on pages 7 to 10 form part of these financial statements

LC BET LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The company balance sheet is technically insolvent. However the investor loan note holders have formally resolved that they will not redeem the loan notes or unpaid interest thereon, if such action would cause the company to be unable to continue as a going concern

It is therefore appropriate to continue to prepare the financial statements on the going concern basis

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment

2. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2009 - £NIL)

3. DIRECTOR'S REMUNERATION

	2010 £000	2009 £000
Emoluments	324	270

The emoluments disclosed above were paid by the subsidiary company Wastepack Limited

4. INTEREST PAYABLE

	2010 £000	2009 £000
On investor loan notes	1,107	1,107

LC BET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

5. FIXED ASSET INVESTMENTS

Investments
in subsidiary
companies
£000

COST OR VALUATION

At 1 January 2010 and 31 December 2010

13,101

The directors' do not believe that any permanent impairment of its investments in subsidiary undertakings has occurred

The directors' also believe that the effect on the company balance sheet if any such impairment did exist would, in effect, be immaterial, because the substance of any such impairment would also be to increase the subordination of the debt and accrued interest owed to the Investor Loan Note holders which are included in creditors due within and in more than one year (notes 7 and 8)

Redemption of the loan notes and accrued interest will not be demanded by the Investor Loan Note holders until such time as the company is in funds, which realistically will only occur if the investments are realised

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Wastepack Limited	Ordinary	100 %
Electrolink Recycling Limited	Ordinary	100 %

Name	Business	Registered office
Wastepack Limited	Waste recycling compliance scheme	Caledonia Exchange, 19A Canning Street, Edinburgh, EH3 8HE
Electrolink Recycling Limited	WEEE regulations compliance scheme	Caledonia Exchange, 19A Canning Street, Edinburgh, EH3 8HE

The aggregate of the share capital and reserves as at 31 December 2010 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Wastepack Limited	3,688	109
Electrolink Recycling Limited	577	197

6. DEBTORS

	2010 £000	2009 £000
Amounts owed by group undertakings	-	85

LC BET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

**7. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £000	2009 £000
Amounts owed to group undertakings	3,859	3,096
Accrued investor loan note interest	4,737	4,478
	<u>8,596</u>	<u>7,574</u>

**8 CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010 £000	2009 £000
Investor loan notes	<u>11,068</u>	<u>11,068</u>

As stated in note 5 the value of the Investor Loan Notes is inextricably linked to the valuation of the company's fixed asset investments

As stated in note 11 the Investor Loan Note holders have formally resolved not to redeem them if such action would cause the company to be unable to continue as a going concern

9. SHARE CAPITAL

	2010 £000	2009 £000
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary share of £1	<u>-</u>	<u>-</u>

10. RESERVES

	Profit and loss account £000
At 1 January 2010	(5,456)
Loss for the year	(1,107)
At 31 December 2010	<u>(6,563)</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2010 £000	2009 £000
Opening shareholders' deficit	(5,456)	(4,349)
Loss for the year	(1,107)	(1,107)
Closing shareholders' deficit	<u>(6,563)</u>	<u>(5,456)</u>

LC BET LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

12. RELATED PARTY TRANSACTIONS

At the year end the Investor Loan Notes (note 8) were due to B P Van Danzig £5,423,320 (2009 £5,423,320), Duke Street Capital £nil (2009 £5,644,680) and The Pishiobury Limited Funded Unapproved Retirement Benefit Scheme £5,644,680 (2009 £nil)

At the year end the company owed loan note interest (note 7) to B P Van Danzig £2,736,745 (2009 £2,194,413), Duke Street Capital £nil (2009 £2,283,532) and The Wastepack Group Ltd £2,000,000 (2009 £nil)

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of The Wastepack 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 Second Floor, Field House, Station Approach, Harlow, Essex CM20 2EW

The Wastepack Group Limited is controlled by B P Van Danzig