

CAEAU NEWYDD LIMITED

**Report and Financial Statements
31 March 2005**



REPORT AND FINANCIAL STATEMENTS 2005

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OFFICERS AND PROFESSIONAL ADVISERS**DIRECTORS**

R W S Knight (deceased 12 July 2004)

S M Knight

C H Knight

L Knight

SECRETARY AND REGISTERED OFFICE

S M Knight

The Estate Office

Tytheaston Court

Tytheaston

Bridgend

Mid Glamorgan

CF32 0NE

BANKERS

Barclays Bank Plc

Cardiff Business Centre

Cardiff

ACCOUNTANTS

Deloitte & Touche LLP

Chartered Accountants

Cardiff

DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES

The principal activities of the company are landfill operations and the recovery and sale of methane gas.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The profit and loss account for the year is set out on page 4. Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

DIVIDENDS

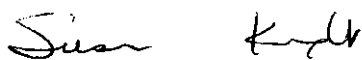
The directors do not recommend the payment of a dividend (2004 - £nil).

DIRECTORS AND THEIR INTERESTS

The current directors of the company, who served throughout the financial year unless stated otherwise, are as shown on page 1. R W S Knight died on 12 July 2004.

The directors held no interests in the ordinary shares of the company at the beginning and end of the financial year.

Approved by the Board of Directors
and signed on behalf of the Board



S M Knight
Director

Date 24/11/05

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Fitzalan Court
Newport Road
Cardiff CF24 0TS

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INDEPENDENT ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF CAEAU NEWYDD LIMITED

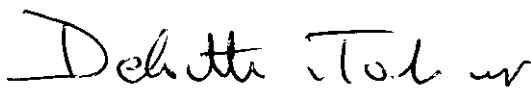
In accordance with the engagement letter dated 20 October 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the profit and loss account, the balance sheet and the related notes 1 to 14, from the accounting records and information and explanations you have given to us.

This report is made to the company's directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's directors that we have done so, and state those matters that we have agreed to state to them in this 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 directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 March 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the financial statements.



Deloitte & Touche LLP
Chartered Accountants
Cardiff

Date 1 Dec 2005

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2005

	Note	2005 £	2004 £
TURNOVER: – continuing operations	2	17,809	13,013
Administration expenses		(6,346)	(8,391)
Operating profit and profit on ordinary activities before taxation		11,463	4,622
Tax on profit on ordinary activities	5	64	(1,995)
Retained profit for the year	10	<u>11,527</u>	<u>2,627</u>

There have been no recognised gains and losses for the current financial year or the prior financial period other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

BALANCE SHEET

At 31 March 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	6	20,000	20,000
CURRENT ASSETS			
Cash at bank and in hand		116	-
Debtors	7	18,136	350
		18,252	350
CREDITORS: amounts falling due within one year	8	(23,998)	(17,623)
NET CURRENT LIABILITIES		(5,746)	(17,273)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,254</u>	<u>2,727</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	14,154	2,627
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	<u>14,254</u>	<u>2,727</u>

These annual accounts have not been audited because the company is entitled to the exemption provided by section 249A(1) of the Companies Act 1985 and it's members have not required the company to obtain an audit of these accounts in accordance with section 249B(2).

The directors acknowledge their responsibilities for ensuring the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of it's profit or loss for the financial year in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 24/11/.....2005

Signed on behalf of the Board of Directors



S M Knight - Director

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 March 2005****1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the financial year and the prior financial period, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Freehold land is not depreciated

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. TURNOVER

Turnover consists entirely of sales made in the United Kingdom.

3. DIRECTORS' EMOLUMENTS

The directors, who were the only employees of the company, received no remuneration during the financial year or the prior financial period.

NOTES TO THE FINANCIAL STATEMENTS

For the year to 31 March 2005

5. TAX ON PROFIT ON ORDINARY ACTIVITIES	2005	2004
	£	£
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 19% (2004 – 19%)	<u>1,931</u>	<u>1,995</u>
Adjustment in respect of earlier years	<u>(1,995)</u>	<u>-</u>
	<u>(64)</u>	<u>1,995</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19%.
The actual tax charge of the current and the previous year differs from the standard rate for the reasons set out in the following reconciliations:

	2005	2004
	£	£
Profit on ordinary activities before tax	<u>11,463</u>	<u>4,622</u>
Tax on profit on ordinary activities before tax at 19%	2,178	878
Factors affecting charge for the year:		
Expenses not deductible for tax	-	1,214
Adjustment in respect of earlier years	(1,995)	-
Marginal rate relief	(247)	(97)
	<u>(64)</u>	<u>1,995</u>

6. TANGIBLE ASSETS	Total
Freehold Land	£
Cost	
At 1 April 2004 and 31 March 2005	<u>20,000</u>

7. DEBTORS	2005	2004
	£	£
Trade debtors	17,809	-
Corporation tax	64	-
VAT	263	350
	<u>18,136</u>	<u>350</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Corporation tax	-	1,995
Accountancy fees	1,763	2,350
Amount owing to parent company	22,235	13,278
	<u>23,998</u>	<u>17,623</u>

9. CALLED UP SHARE CAPITAL

	2005	2004
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. RESERVES

Profit and loss account	£
At 1 April 2004	2,627
Profit for the financial year	11,527
At 31 March 2005	<u>14,154</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Opening shareholders' funds	2,727	-
Share issue	-	100
Profit for the financial year	11,527	2,627
Closing shareholders' funds	<u>14,254</u>	<u>2,727</u>

12. RELATED PARTY TRANSACTIONS

Tytheaston Properties Limited has provided a loan to the company, the balance outstanding at the year end being £22,235 (2004 - £13,278).

13. ULTIMATE CONTROLLING PARTY

The company is wholly owned by Tytheaston Properties Limited, a company with common directors