

Finstop Limited

Directors' report and financial
statements

Registered number 3188850

31 December 2003



Contents

Statutory information	1
Directors' report	2
Statement of directors' responsibilities	3
Report of the independent auditors to the members of Finstop Limited	4
Profit and loss account	5
Balance sheet	6
Notes	7

Statutory information

Directors

JR Meredith
LJD Cassells
SN Hardman

Company secretary

A Waterhouse

Registered office

3 Sidings Court
White Rose Way
Doncaster
DN4 5NU

Auditors

KPMG LLP
1 Puddle Dock
London
EC4V 3PD

Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2003.

Principal activities

The company's principal activity is to act as the holding company for a subsidiary engaged in the business of stone quarrying, landfill management and electricity generation. The directors regard these activities as a single class of business.

Developments in the year

On 29 July 2003, the company's ultimate parent company and controlling party changed as a result of the acquisition of the entire issued share capital of Waste Recycling Group plc by Cholet Acquisitions Limited. The directors now consider that Terra Firma Capital Partners Holdings Limited is the company's ultimate controlling party and ultimate parent entity.

Results and dividends

The profit for the financial year amounted to £nil (2002: £3,000,000). The directors recommend a dividend of £nil (2002: £3,000,000) and thus £nil (2002: £nil) has been transferred to reserves.

Directors and their interests

The directors who held office during the year and since the year end were as follows:

HC Etheridge	(resigned 31 July 2003)
BJ Howarth	(resigned 31 July 2003)
NDA Sandy	(resigned 31 July 2003)
QR Stewart	(appointed 31 July 2003, resigned 30 September 2003)
PW Burns	(appointed 31 July 2003, resigned 30 September 2003)
R Prior	(appointed 8 September 2003, resigned 15 January 2004)
JR Meredith	(appointed 8 September 2003)
LJD Cassells	(appointed 15 January 2004)
SN Hardman	(appointed 16 August 2004)

None of the directors held an interest in the share capital of the company during the year.

Auditors

On 31 July 2003, Deloitte & Touche resigned as auditors to the company. On 31 July 2003 KPMG LLP were appointed by the directors in their place to fill the casual vacancy. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



A Waterhouse
Company Secretary

25 October 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 those 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 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Puddle Dock
London
EC4V 3PD
United Kingdom

Report of the independent auditors to the members of Finstop Limited

We have audited the financial statements on pages 5 to 8.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

26 October 2004

Profit and loss account
year ended 31 December 2003

	<i>Note</i>	2003	2002
		£000	£000
Income from shares in group companies		-	3,000
Profit on ordinary activities after taxation		-	3,000
Dividends	2	-	(3,000)
Profit retained for the financial year		-	-
Retained profit brought forward		-	-
Retained profit carried forward		-	-

The company did not trade during either the current or previous financial year. All results derive from the company's continuing activity as an investment holding company.

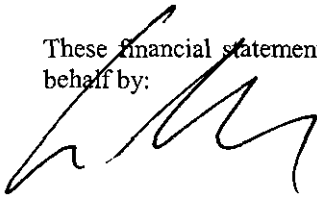
There are no recognised gains and losses in either the current or previous financial year other than as stated in the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been presented.

There are no movements in shareholders' funds in either the current or previous financial year other than the retained profit shown above. Accordingly, no reconciliation of movements in shareholders' funds is presented.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003 £000	2002 £000
Fixed assets			
Investments	3	16,696	16,696
		<hr/>	<hr/>
Creditors: amounts falling due within one year	4	(1,431)	(1,431)
		<hr/>	<hr/>
Total assets less current liabilities and net assets		15,265	15,265
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	5	15,265	15,265
		<hr/>	<hr/>
Shareholders' funds		15,265	15,265
		<hr/> <hr/>	<hr/> <hr/>
Analysis of shareholders' funds			
Equity		15,152	15,152
Non-equity		113	113
		<hr/>	<hr/>
Total shareholders' funds		15,265	15,265
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 25 October 2004 and were signed on its behalf by:



LJD Cassells
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow exemption

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 (Revised) from presenting a cash flow statement as it is a wholly owned subsidiary of a group which prepares a consolidated cash flow statement.

Group accounts

The company has claimed exemption from the preparation of consolidated financial statements under section 228 of the Companies Act 1985 as it is a subsidiary of a group which has prepared consolidated financial statements. Accordingly, these financial statements present information about the company and not the group.

Investments

Investments are stated at cost less provision for any impairment.

2 Dividends

	2003 £000	2002 £000
Equity		
No dividend paid in the year (2002: £0.198) per ordinary share of £1 each	-	2,970
No dividend paid in the year (2002: £0.002) per ordinary share of £0.01 each	-	30
	-	3,000
	-	3,000

3 Fixed asset investment

	2003 £000	2002 £000
Shares in subsidiary undertakings		
Cost and net book value	16,696	16,696
	16,696	16,696
	16,696	16,696

The company holds 100% of the issued share capital of Darrington Quarries Limited, a company which is registered in England and Wales. Its principal activities are that of quarrying, landfill management and electricity generation.

4 Creditors: amounts falling due within one year

	2003 £000	2002 £000
Amounts owed to subsidiary undertaking	1,431	1,431
	1,431	1,431
	1,431	1,431

Notes (continued)

5 Called up share capital

	2003 £000	2002 £000
<i>Authorised, allotted, called up and fully paid</i>		
15,002,269 ordinary shares of £1 each	15,002	15,002
15,000,000 ordinary shares of £0.01 each	150	150
75,000 deferred shares of £1 each	75	75
3,750,000 deferred shares of £0.01 each	38	38
	15,265	15,265
<i>Analysis of non-equity shares</i>		
75,000 deferred shares of £1 each	75	75
3,750,000 deferred shares of £0.01 each	38	38
	113	113

The deferred shares do not carry any rights to receive payment of dividends or any right to receive notice of, or to attend and vote at any general meeting of the company. On a return of assets on winding up, the deferred shares are entitled solely to repayment of amounts fully paid.

6 Contingent liabilities

The company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group.

7 Ultimate parent company

The directors regard Terra Firma Capital Partners Holdings Limited, a company registered in Guernsey, as the ultimate controlling party and the ultimate parent entity.

Cholet Holdings Limited is the parent company of the largest group of which the company is a member and for which group accounts are drawn up. Copies of Cholet Holdings Limited financial statements are available from 3 Sidings Court, White Rose Way, Doncaster DN4 5NU.