Cory Environmental (Central) Limited

Report and Financial Statements

31 December 2011

Registered No: 2773558

Registered No. 2773558

Directors

P A Gerstrom

R L Milnes-James

A M Holl

Secretary

S V Dixon

Independent Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

2 Coldbath Square

London EC1R 5HL

Bankers

Barclays Commercial Bank

Level 28

1 Churchill Place

London E14 5HP

Directors' report

The directors present their report with the financial statements of the company for the year ended 31 December 2011

Results and dividends

The results for the year and financial position of the company are as shown in the financial statements The company did not pay an interim dividend during the year (2010 £nil) The directors do not propose payment of a final dividend (2010 - £nil).

Principal activity

The principal activity of the company is that of the provision of environmental services Principal activities include the management and operation of landfills The company also seeks to enhance earnings through maximising methane gas power generation at all of its landfill sites predominantly through subcontractor arrangements

In the opinion of the directors the financial statements give a fair view of the development of the business during the period and of its position at the end of the year There have been no significant events outside the normal course of business since the balance sheet date

A comprehensive review of the state of affairs of the group, together with key performance indicators and risks and uncertainties, is contained in the report and financial statements of Viking Consortium Holdings Limited, the ultimate parent undertaking

Going concern

On 2 December 2011, the company's ultimate parent (Viking Consortium Holdings Limited) completed an agreement with the lenders of the Senior and Junior bank facilities, held by Viking Consortium Acquisitions Limited (VCAL) and Viking Consortium Borrower Limited (VCBL) respectively, to revise certain terms of the existing Senior and Junior facilities This agreement is relevant to the company as it is an obligor to the bank debt held by VCAL and VCBL

The agreement with the Senior and Junior lenders includes an extension to the existing maturity of the facilities to September 2015 and a commitment from the Shareholders to provide additional funding, in part to pay down existing Senior debt with the balance available to finance new projects Further to this, the Senior and Junior covenants were re-set for the period to September 2015

After making enquiries and having undertaken a detailed forward projection the directors have a reasonable expectation that the company and the group have adequate resources to continue for the foreseeable future to meet their obligations as they fall due and to continue to be compliant with its covenants Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Review of the business

A summary of the results and key performance indicators are shown in the table below

	2011 £million	*2010 £million*
Turnover	35 9	35 9
Operating profit	3 7	5 1
Average monthly number of employees	43	48

Turnover was consistentwith the previous year despite the impact of a planned increase in the rate of landfill tax charged on active waste from £48 per tonne to £56 per tonne in April 2011

Directors' report (continued)

Future developments

The directors aim to pursue policies conducive to the well being of the company, its employees and shareholders Opportunities to expand existing businesses and to branch out into new areas are kept under constant review, evaluated and implemented if financially and operationally feasible

Risk management

The company's operations expose it to a variety of risks that include competitive and market risks, legislative and planning risks, and financial risks such as credit risk and liquidity risk The company has in place a risk management programme that seeks to limit the adverse effects of these risks These risks and the policies in place to mitigate them are discussed in more detail in the financial statements of the ultimate parent company Viking Consortium Holdings Limited

Directors

The directors who served the company during the year are listed below

P A Gerstrom

R L Milnes-James

A M Holl

Appropriate directors' and officers' liability insurance cover is in place in respect of all the company's directors

Post balance sheet events

In the opinion of the directors there have been no material post balance sheet events

Policy on the payment of creditors

The company agrees terms with its creditors on an individual basis through negotiation and will pay invoices as they fall due

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting to reappoint Ernst & Young LLP as auditors

On behalf of the board

Mr R L Milnes-James
Director

25 April 2012
Date

Statement of director's 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 that 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; and
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006 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

Independent auditor's report
to the members of Cory Environmental (Central) Limited

We have audited the financial statements of Cory Environmental (Central) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 26 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 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

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are 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 (APB'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 directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

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 2011 and of its profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report (continued)

to the members of Cory Environmental (Central) 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

ERNST + YOUNG LLP

Matthew Seal (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date 25 APRIL 2012

Profit and loss account

for the year ended 31 December 2011

	Notes	*Year ended 31 December 2011 £'000*	*Year ended 31 December 2010 £'000*
Turnover	2	35,944	35,906
Cost of sales		(31,244)	(29,466)
Gross profit		4,700	6,440
Administrative expenses		(1,397)	(1,336)
Other operating income	3	479	-
Other operating charges	4	(56)	-
Operating profit	5	3,726	5,104
Profit on sale of tangible fixed asset		184	68
Interest receivable and similar income	8	-	33
Interest payable and similar charges	9	(538)	(531)
Profit on ordinary activities before taxation		3,372	4,674
Tax on profit on ordinary activities	10	(1,285)	(1,761)
Profit for the financial year		2,087	2,913

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2011

The company has no recognised gains or losses other than those shown above

Balance sheet

at 31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	11	26,353	25,381
Current assets			
Stocks	13	21	19
Debtors	14	13,675	12,635
Cash at bank and in hand		4,852	5,006
		18,548	17,660
Creditors: amounts falling due within one year	15	(23,583)	(23,240)
Net current liabilities		(5,035)	(5,580)
Total assets less current liabilities		21,318	19,801
Provisions for liabilities	18	(11,801)	(12,371)
Preference share capital· redeemable after more than one year	16	(700)	(700)
Net assets		8,817	6,730
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account	20	8,717	6,630
Shareholders' funds	21	8,817	6,730

Mr R L Milnes-James
Director

25 April 2012
Date

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of preparation

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

Exemption from preparing consolidated financial statements

The financial statements contain information about Viking Consortium Borrower Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, Viking Consortium Holdings Limited, a company registered in England & Wales

Going concern

On 2 December 2011, the company's ultimate parent (Viking Consortium Holdings Limited) completed an agreement with the lenders of the Senior and Junior bank facilities, held by Viking Consortium Acquisitions Limited (VCAL) and Viking Consortium Borrower Limited (VCBL) respectively, to revise certain terms of the existing Senior and Junior facilities This agreement is relevant to the company as it is an obligor to the bank debt held by VCAL and VCBL

The agreement with the Senior and Junior lenders includes an extension to the existing maturity of the facilities to September 2015 and a commitment from the Shareholders to provide additional funding, in part to pay down existing Senior debt with the balance available to finance new projects Further to this, the Senior and Junior covenants were re-set for the period to September 2015

The financial statements have been prepared on a going concern basis as the parent company, Viking Consortium Holdings Limited, has indicated that it will provide the necessary funding to meet the company's financial commitments as they fall due They have also indicated that they, or companies which they control, will not call any loans payable by Cory Environmental (Central) Limited until such time as the company is able to meet all its financial obligations This support means that the company is reliant upon its parent and as such is subject to the same going concern risks as that of the Viking Consortium Holdings Limited group.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report in the financial statements of Viking Consortium Holdings Limited This Directors' Report also details principal risks and uncertainties of the group, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk

Cash flow statement exemption

The company has taken advantage of the exemption granted by FRS 1 (revised) whereby it is not required to publish its own statement of cash flows on the grounds that the ultimate parent undertaking produces publicly available group financial statements

Revenue recognition

(a) Turnover

Revenue is recognised when full performance of the service is rendered to the customer, this is considered to be when waste is delivered to one of the company's landfill sites and deposited by the customer. It represents the income receivable (including landfill tax and excluding value added tax, inter-company sales and trade discounts) in the ordinary course of business for services provided

(b) Interest

Revenue is recognised as interest accrues using the effective interest method.

Notes to the financial statements

at 31 December 2011

1. *Accounting policies (continued)*

Tangible assets

Fixed assets are initially recorded at cost The landfill void is filled in sections or "cells" Site costs incurred during the year in preparing a cell are capitalised and depreciated over the life of that cell once usage of it commences The provision for the company's minimum unavoidable costs in relation to the final landfill site restoration is capitalised as a fixed asset

Depreciation is not normally charged in respect of freehold land except in the case of landfill sites where depreciation is charged over the operational life of the site

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows

Freehold buildings	Over the life of the associated site
Long leasehold property	Over the life of the respective contract
Plant and machinery	3 to 40 years
Landfill site restoration	Over life of cell(s)
Cell preparation costs	Over life of cell(s)

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Stocks

Stock, principally raw materials and consumables, is stated at the lower of cost and net realisable value Cost includes, where appropriate, relevant overheads.

Development costs

Externally incurred development costs are written off to the profit and loss account as incurred except where an asset has been created that justifies the carrying value of the expenditure Externally incurred pre-contract costs are treated in line with UITF34 "Pre-Contract Costs", whereby directly attributable costs incurred after the group's appointment as Sole Preferred Bidder are capitalised and written off over the life of the contract

All internal development costs are written off to profit and loss account as incurred, except where costs can be clearly identified as attributable to a specific development project and that project is likely to materialise, then those costs will be capitalised

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Interest-bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

Pensions

The company operates the following defined contribution pension schemes

- The Cory Environmental Voyager Replacement Pension,
- The Cory Environmental Odyssey Replacement Pension,
- The Cory Environmental Nestor Replacement Pension, and
- The Cory Environmental Pension Scheme

These are run on behalf of the employees and operated by Cory Environmental Management Limited in the United Kingdom Contributions to the schemes are charged to the profit and loss account when payable

Aftercare provision

A provision is maintained against commitments in respect of the future maintenance of landfill sites, which will crystallise over a period estimated to be in the order of 30 years following closure, based on discounted forecast cash flows An assessment of these future costs is made periodically, and the rate of provision adjusted to reflect current estimates regarding remaining site lives and annual post-closure costs Provision for all such costs is charged to the profit and loss account on the basis of usage of void space The unwinding of the discount is charged to the profit and loss account as a finance charge

Landfill restoration

Full provision is made for future value of the group's minimum unavoidable costs in relation to restoration liabilities at its landfill sites for each cell as usage commences for that cell This is capitalised as a fixed asset and depreciated over the life time of the cell(s)

Insurance provisions

The company maintains insurance policies with significant excesses, below which claims are borne by the company Full provision is made for the estimated costs of claims or losses arising from past events falling outside the limits of these policies

Liabilities and damages

Full provision is made for onerous contracts If in the opinion of the directors, there is a likelihood of claims arising from third parties, these are provided for in the accounts

2. Turnover

Turnover, which is stated net of value added tax, relates to the company's principal continuing activity, which the directors consider constitutes a single class of business. The geographical origin and destination of turnover was the United Kingdom

Notes to the financial statements

at 31 December 2011

3. Other operating income

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
Rental income	24	-
Clay aggregate sales	199	-
Release of landfill tax provision	256	-
	479	-

4. Other operating charges

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
Planning cost site extension	56	-

5. Operating Profit

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
This is stated after charging		
Operating lease rentals – vehicles, plant and equipment	62	40
Operating lease rentals – land and buildings	64	62
Release of landfill tax provision	-	(1,085)
Depreciation	2,306	3,755
Auditors' remuneration	29	22

Notes to the financial statements

at 31 December 2011

6. Directors remuneration

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
Aggregate remuneration in respect of qualifying services	156	129
Aggregate contributions to money purchase pension schemes	12	11

	2011 No.	2010 No
Number of directors accruing benefits under money purchase scheme	1	1

In 2011, one director received remuneration from the company for his services to the company during the year (2010· one director) The remuneration of the remaining directors for services to the group are paid by a parent company and are disclosed in that company's financial statements The remuneration disclosed in these financial statements are in respect of one director only

7. Staff costs

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
Wages and salaries	1,395	1,257
Social security costs	160	138
Other pension costs	48	45
	1,603	1,440

The average monthly number of employees during the year was as follows·

	Year ended 31 December 2011 No	*Year ended 31 December 2010 No*
Operations	20	24
Administration	23	24
	43	48

Notes to the financial statements

at 31 December 2011

8. Interest receivable and similar income

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Interest receivable	-	12
Rental income	-	21
	-	33

9. Interest payable and similar charges

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Interest payable to fellow group undertakings	325	299
Unwinding of discount on aftercare provision (note 18)	213	232
	538	531

10. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Current tax	1,394	
UK corporation tax on profit in the year		1,871
Adjustments in respect of prior years	4	(75)
UK corporation tax (note 10(b))	1,398	1,796
Deferred tax credit (note 10(c))	(113)	(35)
Tax on profit on ordinary activities	1,285	1,761

Notes to the financial statements

at 31 December 2011

10. Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher (2010. higher) than the standard rate of corporation tax in the UK of 26 5% (2010 - 28%) The difference is explained below

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
Profit on ordinary activities before tax	3,372	4,674
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	893	1,308
Effects of		
Expenses not deductible for tax purposes	198	377
Depreciation in advance of capital allowances	95	64
Other timing differences	208	122
Adjustments in respect of prior years	4	(75)
Current tax charge (note 10(a))	1,398	1,796

(c) Deferred tax

Deferred taxation recognised in the financial statements is as follows

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
Decelerated Capital Allowances	610	543
Other timing differences	2,473	2,427
Deferred tax asset (note 14)	3,083	2,970

Notes to the financial statements

at 31 December 2011

10. Tax (continued)

	Year ended 31 December 2011 £'000	*Year ended 31 December 2010 £'000*
Deferred tax asset at beginning of year	2,970	2,934
Credit to profit and loss account	61	76
Adjustment in respect to prior years	52	(40)
Deferred tax asset at end of year	3,083	2,970

(d) Corporate tax rate change

During the period, the Finance Act 2011 was enacted and included legislation to reduce the main rate of corporation tax to 25% with effect from 1 April 2012 As this change was substantively enacted at the balance sheet date, deferred tax is recognised at 25% in the current period

As announced in the 2012 Budget, the headline rate of UK corporation tax will be reduced from 26% to 24% with effect from 1 April 2012, and subsequently reduced 1% per financial year to 22% with effect from 1 April 2014 If legislation is passed in accordance with the announced changes, the impact on the company's closing deferred tax position would be a reduction in the net deferred tax asset of approximately £370k The actual impact would be dependent on the deferred tax position at that time

Notes to the financial statements

at 31 December 2011

11. Tangible assets

	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000	Totals £'000
Cost:				
At 31 December 2010	35,349	17,723	4,893	57,965
Additions	614	881	1,840	3,335
Transfers*	35	-	1,154	1,189
Disposals	-	-	(1,656)	(1,656)
At 31 December 2011	35,998	18,604	6,231	60,833
Depreciation:				
At 31 December 2010	19,065	10,928	2,591	32,584
Charge for the period	1,053	529	724	2,306
Transfers*	-	-	791	791
Disposal	-	-	(1,201)	(1,201)
At 31 December 2011	20,118	11,457	2,905	34,480
Net book value:				
At 31 December 2011	15,880	7,147	3,326	26,353
At 31 December 2010	16,284	6,795	2,302	25,381

*These transfers are made to and from companies within the Cory Environmental Management Limited group of companies.

12. Investments

The company has an investment of £1 00 in Parkhill Waste Management Limited This is a dormant company

13. Stocks

	2011 £'000	2010 £'000
Raw materials	21	19

The difference between purchase price or production cost of stocks and their replacement cost is not material

Notes to the financial statements

at 31 December 2011

14. Debtors: amounts falling due within one year

	2011 *£'000*	*2010* *£'000*
Trade debtors	6,789	5,557
Amounts owed by group undertakings	2,965	2,745
Other debtors	20	20
Social security and other taxes	5	5
Deferred tax asset (note 10c)	3,083	2,970
Prepayments and accrued income	813	1,338
	13,675	12,635

Amounts owed by group undertakings are unsecured with no fixed date of repayment Interest is charged on outstanding balances at rates in the range of 2 7% to 3 3% during the year (2010. 2 5% to 3 1%).

15. Creditors: amounts falling due within one year

	2011 *£'000*	*2010* *£'000*
Trade creditors	564	720
Amounts owed to fellow group undertakings	13,146	12,052
Corporation tax	1,398	1,796
Social security and other taxes	5,651	5,939
Other creditors	1,614	1,611
Accruals and deferred income	1,210	1,122
	23,583	23,240

Amounts owed to group undertakings are unsecured with no fixed date of repayment Interest is charged on outstanding balances at rates in the range of 2 7% to 3 3% during the year (2010· 2 5% to 3.1%)

Notes to the financial statements

at 31 December 2011

16. Creditors: amounts falling due after more than one year

	2011	*2010*
	£'000	*£'000*
Preference share capital redeemable after more than one year	700	700

The preference shares are due in more than one year, and are repayable otherwise than by instalments

The preference share capital as shown in the balance sheet comprises 700,000 10% non-cumulative redeemable (at no fixed date) preference shares of £1 each, currently redeemable at par All the preference shares have been allotted, called up and fully paid There were no allotments during the year

The interest charge on the preference shares has been waived Holders of redeemable preference shares are entitled to one vote for each share held at any general meeting

17. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		*Plant and equipment*	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Expiring				
Within one year	57	60	43	33
Between one and five years	288	287	29	29
In more than five years	192	249	-	-
	537	596	72	62

Leases of land and buildings are typically subject to rent reviews at specified intervals

Notes to the financial statements

at 31 December 2011

18. Provisions for liabilities

	Landfill Restoration	*Aftercare*	*Other*	*Insurance*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
At 31 December 2010	4,538	5,979	1,841	13	12,371
Charged to profit and loss account	-	1,086	-	14	1,100
Unwinding of discount (note 9)	-	213	-	-	213
Capitalised	396	-	-	-	396
Utilised	(627)	(172)	(1,210)	(14)	(2,023)
Released (Note 3)	-	-	(256)	-	(256)
At 31 December 2011	4,307	7,106	375	13	11,801

Landfill restoration provision is the future value of the minimum incremental costs to restore land after a specific cell's capacity is fully utilised and the cell is sealed Full provision is made when the cell is brought into use

The aftercare provision is the estimated cost of future maintenance of landfill sites following closure The costs are estimated for a period of thirty years following closure The aftercare provision is based on a number of assumptions, including a forecast of costs based on current legislative requirements, an inflation rate and a rate of discount to calculate a net present value of the provision Any changes to these assumptions as a result of factors such as a change in the regulatory environment or economic developments, will impact the level of provision required. Consequently, the provision is kept under review and adjustments made when necessary

Other provisions include the potential claims and associated legal costs which have been recorded in the current year and are expected to crystallise in the short term

The insurance provision is in respect of the costs of claims which are not insured externally, and fall below the excess threshold of the group's insurance policies. Claims can take several years to be settled

Notes to the financial statements

at 31 December 2011

19. Allotted and issued share capital

	2011 £'000	2010 £'000
Authorised		
100,000 ordinary shares of £1 each	100	100

	No	2011 £'000	No.	2010 £'000
Allotted, called up and fully paid				
Ordinary shares of £1 each	100,000	100	100,000	100

The authorised share capital in 2011 and 2010 is 100,000 shares of £1 each Ordinary shares entitle the holders to one vote for each share held at any general meeting

20. Reserves

	Company profit and loss account £'000
At 31 December 2010	6,630
Dividends declared and paid	-
Profit for the year	2,087
At 31 December 2011	8,717

21. Reconciliation of shareholders' funds and movement on reserves

	2011 £'000	2010 £'000
Profit for the financial year	2,087	2,913
Dividends paid	-	-
Other reserves movement	-	-
Net addition to shareholders' funds	2,087	2,913
Opening shareholders' funds	6,730	3,817
Closing shareholders' funds	8,817	6,730

Notes to the financial statements

at 31 December 2011

22. Contingent liabilities

	2011 *£'000*	*2010* *£'000*
Letters of credit held in favour of the Environment Agency	12,707	11,455
Bonds held in favour of local borough councils	827	827

The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant No such current proceedings are expected to have a material effect on the company

One of the conditions to obtaining a landfill permit is to satisfy the Environment Agency that adequate financial provision is made to satisfy the potential aftercare cost once a site has closed In order to satisfy this condition the company commits to a letter of credit or similar financial instrument

The company, as a subsidiary of Viking Consortium Holdings Limited, is a member guarantor in respect of the obligations contained within the finance documents of Viking Consortium Acquisition Limited and cross guarantees the performance and obligations of other companies within the group

The company cross guarantees certain other obligations to other group companies including

	2011 *£'000*	*2010* *£'000*
Parent company acquisition bank debt	284,985	349,256
Letters of credit held in favour of the Environmental Agency and local authorities	23,580	25,015
Letters of credit for Riverside	17,500	17,500
Other letters of credit	1,967	1,626
Parent company guarantees	63,053	64,487
Performance guarantees/bonds held in favour of local authorities	17,412	18,029

23. Pension commitments

The company participates in the following defined contribution pension schemes

- The Cory Environmental Voyager Replacement Pension,
- The Cory Environmental Odyssey Replacement Pension,
- The Cory Environmental Nestor Replacement Pension, and
- The Cory Environmental Pension Scheme

These are run on behalf of the employees and operated by Cory Environmental Management Limited in the United Kingdom.

The assets of the schemes are held separately from those of the company in independently administered funds.

The total pension cost charge includes contributions payable by the company to the funds and amounted to £47,602 (2010 £45,447)

Notes to the financial statements

at 31 December 2011

24. Related party transactions

The company has taken advantage of the exemption available under FRS 8 from disclosing related party transactions with members of the group headed by Viking Consortium Holdings Limited on the grounds that 100% of the voting rights are controlled within that group and the company is included in consolidated financial statements

25. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Cory Environmental (Central Holdings) Limited Cory Environmental Management Limited is the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared The company's ultimate parent undertaking and controlling party is Viking Consortium Holdings Limited, which is the parent undertaking of the largest group of which the company is a member for which group financial statements are prepared Copies of the financial statements of Cory Environmental Management Limited and Viking Consortium Holdings Limited can be obtained from 2 Coldbath Square, London, EC1R 5HL

26. Post Balance Sheet Events

In the opinion of the directors there have been no material post balance sheet events