



BDO Binder Hamlyn
Chartered Accountants

CLEANAWAY LIMITED AND
SUBSIDIARY COMPANIES

DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

for the year ended
31 December 1990



Company Number 806128



Altrincham Ayr Bacup Belfast Birmingham Bristol
Bury St Edmunds Cardiff Croydon Edinburgh
Enniskillen Glasgow Hartlepool Leamington Spa
Leeds London Manchester Middlesbrough Newbury
Newcastle Newmarket Norwich Nottingham Poole
Rochdale St Albans Saltcoats Stoke-on-Trent
Stranraer Wolverhampton

DIRECTORS' REPORT

for the year ended 31 December 1990

The directors submit their report and the audited financial statements for the year ended 31 December 1990.

ACTIVITIES

The principal activity of the group continues to be the transportation, treatment and disposal of domestic, commercial and industrial waste.

REVIEW OF THE BUSINESS

The group has continued to trade satisfactorily during the year. The group looks forward to continued expansion in waste management in the United Kingdom.

DIVIDENDS

Interim dividends of £6,800,000 were paid in the year. No final dividend is proposed.

SIGNIFICANT CHANGES IN FIXED ASSETS

The company's investment in fixed assets increased primarily due to an additional incineration plant. Further details of the movement in fixed assets are given in notes 5 and 6 to the financial statements.

INTERESTS IN LAND

The market value of interests in land is, in the opinion of the directors, not less in total than its book value. Since the group's interests in land are held for use in the business and are not specifically held for realisation, the directors consider that the cost of a full professional revaluation at frequent intervals would not be justified and hence no valuation of the group's interests in land has been carried out for the purposes of these financial statements.

DIRECTORS AND THEIR INTERESTS

Contracts

There were no contracts subsisting during or at the end of the year, either with the company or with any of its subsidiaries, in which any director was, or is, materially interested.

Shares

No director had at any time during the year any beneficial interest in the shares of the company or in the shares of its holding company Cleanaway Holdings Limited.

DIRECTORS' REPORT
for the year ended 31 December 1990 (continued)

DIRECTORS AND THEIR INTERESTS (continued)

The directors of the company during the year, and at the end of the year unless otherwise indicated, were as follows:

P A M Heath	-	Chairman
P T Williams	-	resigned 19 January 1990
D W Benjafield		
D M A Birtles	-	resigned 28 September 1990
P Overall		
P J Jansen	-	resigned 13 February 1990
A Jones		
P M Levett	-	appointed 19 January 1990
D S McGregor		
A J D Pawson	-	resigned 1 February 1990
J Walker	-	resigned 1 June 1990
D T Weir		
D E Cook	-	appointed 1 October 1990
A P R Dean	-	appointed 1 October 1990

SHARE CAPITAL

There were no changes in the authorised and allotted share capital of the company during the year.

CHARITABLE DONATIONS

During the year the group made donations of £3,950 to charities.

DISABLED PERSONS

It has been, and is, the group's policy to give full and fair consideration to the employment and development of disabled persons, having regard to their qualifications and abilities.

EMPLOYEE INVOLVEMENT

Through appropriate regular formal and informal communication, the group continued to provide employees with information regarding the financial, economic and other factors affecting its performance. Where decisions were reached which directly affected employees, the group developed the approach of advising and consulting them and their representatives.

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DIRECTORS' REPORT

for the year ended 31 December 1990 (continued)

AUDITORS

A resolution will be submitted to the annual general meeting of the company to re-appoint BDO Binder Hamlyn as auditors.

This report was approved by the Board on 16th May 1991.



Secretary

-
The Drive
Warley
Brentwood
Essex

**AUDITORS' REPORT
to the Members of Cleanaway Limited**

We have audited the financial statements on pages 5 to 22 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the Group at 31 December 1990 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Binder Hamlyn

21st Jan, 1991.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1990

	Notes	1990 £'000	1989 £'000
Turnover			
United Kingdom		90,798	80,537
Rest of Europe		1,922	1,920
		<hr/>	<hr/>
		92,720	82,457
Consumable stores and repairs		(9,270)	(7,724)
Staff costs		(23,305)	(19,954)
Depreciation		(9,240)	(8,477)
Other operating charges		(33,701)	(28,837)
		<hr/>	<hr/>
Operating profit		17,204	17,465
Interest payable		(5,108)	(2,437)
		<hr/>	<hr/>
Profit on ordinary activities before taxation 2		12,096	15,028
Tax on profit on ordinary activities 4		(4,750)	(5,622)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		7,346	9,406
Dividends - Paid		(6,800)	(10,100)
- Proposed		-	(5,400)
		<hr/>	<hr/>
		(6,800)	(15,500)
		<hr/>	<hr/>
		546	(6,094)
Retained profits brought forward		1,280	7,374
		<hr/>	<hr/>
Retained profits carried forward		1,826	1,280
		<hr/>	<hr/>


Of the profit on ordinary activities after taxation, £7,473,000 (1989: £9,406,000) has been dealt with in the financial statements of the holding company.

CONSOLIDATED BALANCE SHEET
as at 31 December 1990

	Notes	1990 £'000	1989 £'000
FIXED ASSETS			
Intangible assets	5a	731	590
Tangible assets	6a	61,572	47,849
		<hr/>	<hr/>
		62,303	48,439
CURRENT ASSETS			
Stocks	1	508	451
Debtors	8	22,342	20,509
Cash at bank and in hand		11	6
		<hr/>	<hr/>
		22,861	20,966
CREDITORS: amounts falling due within one year	9	(22,289)	(26,560)
		<hr/>	<hr/>
Net Current Assets/ (Liabilities)		572	(5,594)
		<hr/>	<hr/>
Total Assets less Current Liabilities		62,875	42,845
		<hr/>	<hr/>
CREDITORS: amounts falling due after more than one year	9	(49,993)	(31,788)
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(3,417)	(3,295)
Other provisions	12	(3,701)	(2,544)
		<hr/>	<hr/>
		5,764	5,218
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	13	1,481	1,481
Share premium account		704	704
Revaluation reserve		1,340	1,340
Other reserves		413	413
Profit and loss account		1,826	1,280
		<hr/>	<hr/>
		5,764	5,218
		<hr/>	<hr/>

The financial statements on pages 5 to 22 were approved by the Board on
16th May 1991.

Director




CLEANAWAY LIMITED



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BALANCE SHEET
as at 31 December 1990

	Notes	1990 £'000	1989 £'000
FIXED ASSETS			
Intangible assets	5b	418	590
Tangible assets	6b	60,119	47,849
Investments	7	1,876	511
		<hr/>	<hr/>
		62,413	48,950
CURRENT ASSETS			
Stocks	1	508	451
Debtors	8	22,492	20,509
Cash at bank and in hand		5	6
		<hr/>	<hr/>
		23,005	20,966
CREDITORS: amounts falling due within one year	9	(22,430)	(27,069)
		<hr/>	<hr/>
Net Current Assets/ (Liabilities)		575	(6,103)
Total Assets less Current Liabilities		<hr/>	<hr/>
		62,988	42,847
CREDITORS: amounts falling due after more than one year	9	(49,993)	(31,788)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(3,401)	(3,295)
Other provisions	12	(3,701)	(2,544)
		<hr/>	<hr/>
		5,893	5,220
CAPITAL AND RESERVES			
Called up share capital	13	1,481	1,481
Share premium account		704	704
Revaluation reserve		1,340	1,340
Profit and loss account		2,368	1,695
		<hr/>	<hr/>
		5,893	5,220
		<hr/>	<hr/>

The financial statements on pages 5 to 22 were approved by the Board on
16th May 1991.

Director

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 December 1990

	1990 £'000	1989 £'000
FUNDS GENERATED FROM OPERATIONS		
Profit from ordinary activities before taxation	12,096	15,028
Adjustment for items not involving the movement of funds		
Depreciation and depletion	9,240	8,477
Provision for pension costs	485	534
Site restoration provision	672	319
Profit on disposal of fixed assets	(141)	(257)
Total generated from operations	22,352	24,101
Dividends paid	(12,200)	(10,100)
Tax paid	(6,452)	(7,710)
Net funds generated from operations	3,700	6,291
FIXED ASSETS		
Cost of assets acquired *	23,570	20,802
Disposal proceeds	(607)	(601)
	22,963	20,201
ADDITIONAL/(REDUCED) WORKING CAPITAL		
Stocks	57	20
Debtors *	1,786	2,832
Creditors (excluding loans, overdrafts and corporation tax) *	(5,708)	(2,954)
	(3,865)	(102)
TOTAL FUNDS APPLIED	19,098	20,099
EXTERNAL FINANCE REQUIRED	(15,398)	(13,808)
EXTERNAL FINANCE		
Increase in bank loans and overdrafts	(11,398)	(14,608)
(Increase)/reduction in parent company loans	(4,000)	800
	(15,398)	(13,808)

* Effects of the acquisition of Wilden Lane Landfill Limited and Triton Transformer Services Limited are shown in note 15.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990

1. ACCOUNTING POLICIES

(a) Accounting basis

As in previous years, the financial statements have been prepared under the historical cost convention, except to the extent that certain fixed assets are stated at valuation as shown in note 6.

(b) Group financial statements

The financial statements incorporate the results of the parent company and its subsidiaries for the year ended 31 December 1990. As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements.

(c) Intangible fixed assets

Goodwill arising on the acquisition of business concerns is the excess of the consideration paid over the fair value of assets acquired. Such goodwill is written off over a period not exceeding its useful economic life (see note 5).

(d) Tangible fixed assets

The group's business is such that it involves the continual acquisition and disposal of land and property. Consequently, profits and losses from sales of land and property surplus to operating requirements are not considered to be extraordinary items and are included in the profit on ordinary activities before taxation.

Depreciation of fixed assets is provided on a straight-line basis to write the assets down to their estimated residual values over their estimated useful lives. Freehold and leasehold property interests are depreciated on the basis of the shorter of the site life or the length of the lease or site licence. Freehold land which does not relate to landfill operations is not depreciated. Other fixed assets are depreciated as follows:

Freehold buildings - other	2%
Plant, machinery and vehicles	20%
with the exception of:	
Containers	10% to 14%
Private cars	25%
Tugs and barges	10%

(e) Stocks

Stocks of consumable stores are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

1. ACCOUNTING POLICIES (continued)

(f) Deferred taxation

Provision is made for deferred taxation where it is thought reasonably probable that a liability will crystallise in the foreseeable future. The provision is calculated on the liability basis using the rates of corporation tax expected to apply on taxation deferred by accelerated capital allowances and other timing differences, less tax recoverable in future periods from other timing differences.

(g) Site restoration provision

Provision is made out of revenue to cover the future cost of restoration of landfill sites.

(h) Pensions

The pension cost charged to the profit and loss account is calculated by the actuary so as to spread the cost of pensions over the employees' working lives with the group.

(i) Leases

Assets held under finance leases are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated as outlined above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of rental payments is charged to the profit and loss account over the period of the lease so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rental payments under operating leases are charged to profit and loss account on a straight-line basis over the term of the lease.

(j) Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The following items have been included in arriving at the group's profit on ordinary activities before taxation:

	1990		1989	
	£'000	£'000	£'000	£'000
INCOME				
Profit on sale of fixed assets		141		257
Rent receivable, less outgoings		17		13
		<hr/>		<hr/>
EXPENDITURE				
Directors' emoluments (note 3)		617		516
Auditors' remuneration		67		60
Operating leases, plant and machinery	1,956		1,522	
Operating leases, other	807		862	
	<hr/>	2,763	<hr/>	2,384
Depreciation and depletion of assets:				
Freehold land and buildings	275		153	
Leasehold, land and buildings - over fifty years	25		23	
under fifty years	1,088		1,161	
Plant, machinery and vehicles - finance leases	97		-	
others	7,523		6,946	
Goodwill	232		194	
	<hr/>	9,240	<hr/>	8,477
		<hr/>		<hr/>

	Group	
	1990	1989
	£'000	£'000
STAFF COSTS		
Wages and salaries	21,054	18,012
Social security costs	1,490	1,283
Other pension costs	661	659
	<hr/>	<hr/>
	23,205	19,954
	<hr/>	<hr/>
Average number of employees	1,275	1,245
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

3. DIRECTORS' EMOLUMENTS	1990 £'000	1989 £'000
Aggregate emoluments are made up of:		
Salaries and pension contributions	617	508
Fees	—	8
	<hr/>	<hr/>
Emoluments of the chairman and highest paid director	£	£
Emoluments for the year	92,119	90,284
Deferred bonus (in respect of the three years ended 31 December 1990)	27,500	—
	<hr/>	<hr/>
	£119,619	£ 90,284
	<hr/>	<hr/>
Emoluments of other directors	Number	Number
£ 0 - £ 5,000	4	5
£ 5,001 - £10,000	—	1
£10,001 - £15,000	2	—
£35,001 - £40,000	1	—
£50,001 - £55,000	—	1
£55,001 - £60,000	—	1
£60,001 - £65,000	*2	—
£65,001 - £70,000	*1	3
£70,001 - £75,000	*1	1
£85,001 - £90,000	*1	—
£90,001 - £95,000	*1	—
	<hr/>	<hr/>

*Emoluments in 1990 include deferred bonuses in respect of the three years ended 31 December 1990.

4. TAXATION

	1990 £'000	Group 1989 £'000
The charge consists of:		
United Kingdom corporation tax at 35%	4,390	5,595
Overseas taxes	235	260
Provision for deferred taxation	125	(233)
	<hr/>	<hr/>
	4,750	5,622
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

5. INTANGIBLE ASSETS: GOODWILL AND CONCESSIONS

	Concessions £'000	Goodwill £'000	Total £'000
(a) Group			
Cost			
At 31 December 1989	125	2,241	2,366
Additions	-	373	373
At 31 December 1990	125	2,614	2,739
Accumulated depreciation			
At 31 December 1989	125	1,651	1,776
Charge for the year	-	232	232
At 31 December 1990	125	1,883	2,008
Net book amount			
At 31 December 1990	-	731	731
At 31 December 1989	-	590	590

The cost of goodwill is amortised over the following periods:

	1990 £'000	1989 £'000
5 years or less	1,486	1,113
10 years	1,128	1,128
	2,614	2,241

(b) Company			
	Concessions £'000	Goodwill £'000	Total £'000
Cost			
At 31 December 1990 and 1989	125	2,241	2,366
Accumulated depreciation			
At 31 December 1989	125	1,651	1,776
Charge for the year	-	172	172
At 31 December 1990	125	1,823	1,948
Net book amount			
At 31 December 1990	-	418	418
At 31 December 1989	-	590	590

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

5. INTANGIBLE ASSETS: GOODWILL AND CONCESSIONS (continued)

(b) Company (continued)

The cost of goodwill is amortised over the following periods:

	1990 £'000	1989 £'000
5 year or less	1,113	1,113
10 years	1,128	1,128
	<hr/>	<hr/>
	2,241	2,241
	<hr/>	<hr/>

6. TANGIBLE ASSETS

	Land and buildings £'000	Plant, machinery and vehicles £'000	Total £'000
(a) Group			
Cost or valuation			
At 31 December 1989	18,267	66,594	84,861
Capital expenditure	10,466	12,731	23,197
Disposals	-	(2,807)	(2,807)
	<hr/>	<hr/>	<hr/>
At 31 December 1990	28,733	76,518	105,251
Accumulated depreciation			
At 31 December 1989	6,469	30,543	37,012
Disposals	-	(2,341)	(2,341)
Charge for year	1,388	7,620	9,008
	<hr/>	<hr/>	<hr/>
At 31 December 1990	7,857	35,822	43,679
Net book amount			
At 31 December 1990	20,876	40,696	61,572
	<hr/>	<hr/>	<hr/>
At 31 December 1989	11,798	36,051	47,849
	<hr/>	<hr/>	<hr/>

Included in plant and machinery are assets with a net book value of £693,000 held under finance leases.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

6. TANGIBLE ASSETS (continued)

(a) Group (continued)

Total cost and net book value of group land and buildings shown above at a valuation of £28,733,000 (1989: £18,267,000) is analysed as follows:

(i) Assets at cost

	1990		1989	
	Cost	Net book value	Cost	Net book value
	£'000	£'000	£'000	£'000
Freehold	8,176	6,575	4,946	3,635
Leasehold over 50 years	7,158	6,709	1,529	1,105
Leasehold under 50 years	11,609	6,068	10,092	5,549
	<u>27,033</u>	<u>19,352</u>	<u>16,567</u>	<u>10,289</u>

(ii) Assets at 1971 valuation

	1990		1989	
	Valuation	Net book value	Valuation	Net book value
	£'000	£'000	£'000	£'000
Freehold	1,700	1,494	1,700	1,509

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

6. TANGIBLE ASSETS (continued)

	Land and buildings £'000	Plant, machinery and vehicles £'000	Total £'000
(b) Company			
Cost or valuation			
At 31 December 1989	18,267	66,594	84,861
Capital expenditure	9,282	12,264	21,546
Disposals	-	(2,777)	(2,777)
At 31 December 1990	27,549	76,081	103,630
Accumulated depreciation			
At 31 December 1989	6,469	30,543	37,012
Disposals	-	(2,331)	(2,331)
Charge for year	1,248	7,582	8,830
At 31 December 1990	7,717	35,794	43,511
Net book amount			
At 31 December 1990	19,832	40,287	60,119
At 31 December 1989	11,798	36,051	47,849

Included in plant and machinery are assets with a net book value of £693,000 held under finance leases.

Total cost and net book value of company land and buildings shown above at a valuation of £27,549,000 (1989: £18,267,000) is analysed as follows:

(i) Assets at cost

	1990		1989	
	Cost £'000	Net book value £'000	Cost £'000	Net book value £'000
Freehold	6,992	5,561	4,946	3,635
Leasehold over 50 years	7,158	6,709	1,529	1,105
Leasehold under 50 years	11,699	5,068	10,092	5,549
	25,849	18,338	16,567	10,289

(ii) Assets at 1971 valuation

	1990		1989	
	Valuation £'000	Net book value £'000	Valuation £'000	Net book value £'000
Freehold	1,700	1,494	1,700	1,509

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

7. INVESTMENTS

	£'000
Shares in subsidiary companies at cost	
At 31 December 1989	1,850
Additions	1,365
	<hr/>
At 31 December 1990	3,215
<u>Less: Provisions</u>	<u>(1,339)</u>
	<hr/>
At 31 December 1990	<u>1,876</u>

The company's subsidiaries at 31 December 1990 were as follows:

Subsidiary	Country of Incorporation	<u>Share of equity held by</u>	
		The company	A subsidiary
A G Homes Refuse Disposal Limited*	Great Britain	100%	
Land Reclamation Company Limited *	Great Britain	100%	
Cleanaway (Bristol) Limited*	Great Britain	100%	
Cleanaway (N.I.) Limited*	Northern Ireland	100%	
Industrial Waste Disposals (South Wales) Limited*	Great Britain	100%	
Easibins Limited*	Great Britain	100%	
T Ivory & Sons Limited*	Great Britain	100%	
W R Cunis (Waste Disposal) Limited*	Great Britain		100%
Cleanaway (UK) Limited*	Great Britain	100%	
Purle Limited*	Great Britain	100%	
Byland Environmental Limited*	Great Britain	100%	
Triton Transformer Services Limited	Great Britain	100%	
Wilden Lane Landfill Limited	Great Britain	100%	

* These companies did not trade during 1990.

Wilden Lane Landfill Limited was acquired on 31 January 1990. Triton Transformer Services Limited was acquired on 7 March 1990. These two companies are involved in the treatment and disposal of waste.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

8. DEBTORS	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Trade debtors	18,771	15,897	18,544	15,897
Other debtors	1,194	2,520	1,183	2,520
Prepayments and accrued income	2,330	2,092	2,330	2,092
Amounts owed by subsidiaries	-	-	435	-
Corporation tax	47	-	-	-
	<u>22,342</u>	<u>20,509</u>	<u>22,492</u>	<u>20,509</u>

9. CREDITORS	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
(a) Amounts falling due within one year				
Bank loans and overdrafts	1,557	3,811	1,557	3,811
Trade creditors	3,483	3,572	3,472	3,572
Amounts owed to subsidiaries	-	-	638	509
Other creditors	917	763	904	763
Corporation tax	2,090	3,867	2,031	3,867
Other taxes and social security	1,234	1,181	1,226	1,181
Unpaid dividend	4	5,404	4	5,404
Accruals and deferred income	13,004	7,962	12,593	7,962
	<u>22,289</u>	<u>26,560</u>	<u>22,430</u>	<u>27,069</u>

Bank loans and overdrafts include £343,416 secured by way of mortgage on certain fixed assets.

(b) Amounts falling due after more than one year	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Bank loans	38,687	25,030	38,687	25,030
Amounts due to parent company	10,750	6,750	10,750	6,750
Other creditors repayable within 5 years	556	8	556	8
	<u>49,993</u>	<u>31,788</u>	<u>49,993</u>	<u>31,788</u>

Bank loans include £686,791 of loan secured by way of mortgage on certain fixed assets. The rest of the medium-term finance has been provided by banks by way of revolving unsecured loans and acceptance credit facilities. Though the individual bills and loans drawn are due within 12 months, the company has options, for periods which do not exceed five years, to replace them.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

10. PENSION COSTS

The group operates a number of pension schemes providing benefits based on final pensionable pay. The pension schemes are set up under trust and the assets of the schemes are therefore held separately from those of the group.

The pension cost charged to the profit and loss account is calculated by the actuary so as to spread the cost of pensions over the employees' working lives with the group. The pension costs are based on an actuarial valuation which was completed with an effective date of 6 April 1989. The actuarial methods used were the projected unit and the attained age methods.

The most significant assumptions, for their effect on the pension costs, are those relating to the rate of return on the investments of the schemes and the rate of increase in pay. It was assumed that, over the long term, the yield earned on investments would exceed the rates of pay by 2.0% per year and that dividend income will grow at the rate of 5.25% per annum. The schemes are funded using the assumptions and actuarial methods as described above.

The net pension cost charged to the profit and loss account for the year was £660,609 (1989: £658,570). This cost was after a reduction of £579,000 (1989: £249,000) in respect of the amortisation of over-funding and related interest. This amortisation is over the average remaining service lives of pensioned employees.

The total market value of the schemes' assets was £13,556,729 at the valuation date and the actuarial value of those assets represented approximately 134% of the benefits accrued for service to that date. None of the schemes had a deficiency on a current funding level.

11. DEFERRED TAXATION

	Group £'000	Company £'000
Balance at 31 December 1989	3,295	3,295
On acquisition of subsidiary	(3)	-
Transferred from profit and loss account	125	106
	<hr/>	<hr/>
Balance at 31 December 1990	3,417	3,401
	<hr/>	<hr/>

The provision is analysed as follows:

	Group Provided and Potential		Company Provided and Potential	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Accelerated capital allowances	5,135	4,459	5,119	4,459
Other timing differences	(1,718)	(1,125)	(1,718)	(1,125)
Tax losses	-	(39)	-	(39)
	<hr/>	<hr/>	<hr/>	<hr/>
	3,417	3,295	3,401	3,295
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

12. OTHER PROVISIONS

	Pension £'000	Site restoration £'000	Total £'000
Group and company			
At 31 December 1989	534	2,010	2,544
Expenditure during year	-	(584)	(584)
Further provision	485	1,256	1,741
	<hr/>	<hr/>	<hr/>
At 31 December 1990	1,019	2,682	3,701
	<hr/>	<hr/>	<hr/>

The site restoration provision represents provision made for the cost of restoring landfill sites.

13. CALLED UP SHARE CAPITAL

	1990 £'000	1989 £'000
Authorised		
7,500,000 shares of 20p each	1,500	1,500
	<hr/>	<hr/>
Allotted and fully paid		
673,140 new ordinary shares of 20p each	135	135
6,731,405 deferred shares of 20p each	1,346	1,346
	<hr/>	<hr/>
	1,481	1,481
	<hr/>	<hr/>

14. PROFIT AND LOSS ACCOUNT

	£'000
Company	
Balance at 1 January 1990	1,695
Retained profit for the year	673
	<hr/>
Balance at 31 December 1990	2,368
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

15. ACQUISITIONS

The entire share capitals of two companies incorporated in Great Britain, Wilden Lane Landfill Limited and Triton Transformer Services Limited, were acquired by Cleanaway Limited on 30 January 1990 and 6 March 1990 respectively. The following table sets out the fair value of assets and liabilities acquired. No adjustments to book values were considered necessary on consolidation to determine fair values.

	Wilden Lane Landfill Limited £'000	Triton Transformers Services Limited £'000	Total £'000
Tangible fixed assets	549	624	1,173
Debtors	73	83	156
Creditors	(51)	(286)	(337)
Fair value of assets acquired	571	421	992
Goodwill on acquisition	-	373	373
Cash consideration	571	794	1,365

16. CONTINGENT LIABILITIES

At 31 December 1990 there were contingent liabilities of £1,126,796 (1989: £1,107,986) in respect of performance bonds given by the company.

17. FINANCIAL COMMITMENTS

Included within creditors are the following amounts under finance leases.

	Group and Company	
	1990	1989
(a) Finance Leases		
Due within 1 year	78	-
Due within 2-5 years	637	-
	715	-

CLEANAWAY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1990 (continued)

17. FINANCIAL COMMITMENTS (continued)

(b) Operating leases

The group is committed to the following payments under operating leases in 1991:

	Land and buildings £'000	Others £'000	Total £'000
Expiry within 1 year	21	-	21
Expiry within 2-5 years	67	185	252
Expiry over 5 years	755	-	755
	<hr/>	<hr/>	<hr/>
	843	185	1,028
	<hr/>	<hr/>	<hr/>

(c) Other commitments

The group and company are committed to the following payments under contracts

	£'000
Within 1 year	630
Within 2-5 years	630
	<hr/>
	1,260
	<hr/>

18. FUTURE CAPITAL EXPENDITURE

The board of directors of Cleanaway Limited has approved the following capital expenditure for which no provision has been made in these financial statements:

	1990 £'000	1989 £'000
Authorised and contracted	4,403	2,413
Authorised but not contracted	2,723	1,661
	<hr/>	<hr/>
	7,126	4,074
	<hr/>	<hr/>

19. ULTIMATE HOLDING COMPANY

The directors regard Cleanaway Holdings Limited, a company incorporated in Great Britain, as the ultimate holding company. Cleanaway Holdings Limited is jointly owned by subsidiaries of GKN plc and Brambles Industries Limited of Australia.