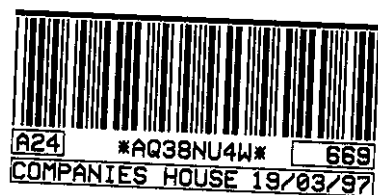


930757

**REPORT AND ACCOUNTS**  
**ARNOLD WASTE DISPOSAL LIMITED**  
**SEPTEMBER 30, 1996**



# **ARNOLD WASTE DISPOSAL LIMITED**

---

**DIRECTORS**

N D A Sandy  
S N Vivian  
S R Fernley (Appointed 29.03.1996)  
I P Tyler (Resigned 29.03.1996)

**SECRETARY**

S R Fernley (Appointed 29.03.1996)  
I P Tyler (Resigned 29.03.1996)

**AUDITORS**

Ernst & Young  
Chartered Accountants  
One Bridewell Street  
Bristol  
BS1 2AA

**REGISTERED OFFICE**

The Ridge  
Chipping Sodbury  
Bristol  
BS17 6AY

**COMPANY NUMBER**

930757

# **ARNOLD WASTE DISPOSAL LIMITED**

---

## **DIRECTORS' REPORT**

The directors present their report and the audited accounts for the year ended September 30, 1996.

## **PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS**

The company's principal activity continued to be the disposal of domestic and industrial waste.

The company had another successful year, with increased selling prices, combined with tight cost controls.

## **FIXED ASSETS**

The directors are of the opinion that the market value of the freehold land is at least equal to the value shown in the balance sheet.

Details of the company's fixed assets are shown in note 7 on page 13 of the accounts.

## **FINANCIAL RESULTS**

The results for the year are shown in the profit and loss account on page 6.

The profit for the year, after taxation amounted to £1,491,641.

The Directors do not recommend the payment of a Dividend for the year.

## **DIRECTORS' INTERESTS**

The only declarable interests were in the ordinary share capital of Hanson PLC, the ultimate parent undertaking, as follows:

## **DIRECTORS' SHARE OPTIONS**

### **Executive Share Options**

	Balance 01/10/95	Granted during year	Balance 30/09/96	Weighted Average Exercise Price on Balance held at 30/09/96 (pence)	Range of Exercisable Dates on Balance of Options held 30/09/96
N D A Sandy	92,000	36,000	128,000	221.6	1/95-12/2005

Options granted during the year were at a subscription price of 189.5p per share.  
There were no options exercised during the year.

## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **Hanson Sharesave Plan**

	At 30 September 1996			At 30 September 1995		
	Ordinary Share Options	Average Option Price	Latest Exercise Date	Ordinary Share Options	Average Option Price	Latest Exercise Date
N D A Sandy	5800	1.87	1999	10,487	174.7	1999

As a result of the demerger of certain businesses by Hanson Plc on 1 October 1996, the number of options granted will be adjusted to reflect the revised share price.

### **DIRECTORS' INTERESTS IN ORDINARY SHARES**

	At 30 September 1996		At 30 September 1995	
	Ordinary Shares	Contingent Rights in Ordinary Shares	Ordinary Shares	Contingent Rights in Ordinary Shares
N D A Sandy	11884	3927	7,197	3927

The market price of Hanson ordinary shares at 30 September 1996 was 156.75p and the range during the year was 152.25p to 211.50p.

The interest of S N Vivian and S R Fernley in the Ordinary Share Capital of Hanson Plc are as disclosed in the Accounts of ARC Limited.

### **ANNUAL GENERAL MEETING**

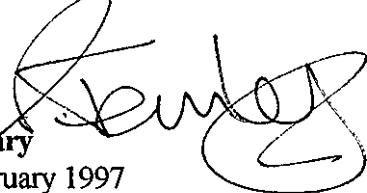
An Elective Resolution was passed at an Extraordinary General Meeting, held on August 5, 1992, to dispense with the need to hold Annual General Meetings in the future.

### **AUDITORS**

Under Section 386 of the Companies Act 1985, the company has dispensed with the obligation to re-appoint auditors annually.

**By Order of the Board**

Secretary  
28 February 1997



## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, 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 accounts;
- ~ prepare the accounts 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 accounts comply with the Companies Act. 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.

# **ARNOLD WASTE DISPOSAL LIMITED**

---

## **REPORT OF THE AUDITORS**

### **to the Members of Arnold Waste Disposal Limited**

We have audited the accounts on pages 6 to 17 which have been prepared under the historical cost convention as modified by the revaluation of certain assets and on the basis of the accounting policies set out on page 9.

#### Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

#### Basis of 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 accounts and disclosures in the accounts. It also includes an assessment of significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

#### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at September 30, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ewart & Young.*

Chartered Accountants  
Registered Auditor  
Bristol

28 February 1997

## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **PROFIT AND LOSS ACCOUNT**

For the year ended September 30, 1996

	<b>NOTES</b>	<b>1996</b>	<b>1995</b>
TURNOVER	2	<u>2,111,201</u>	<u>2,260,377</u>
PROFIT BEFORE INTEREST	3	1,491,641	1,529,601
Interest receivable		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,491,641</u>	<u>1,529,601</u>
Taxation	6	-	(122,000)
Profit after Taxation		1,491,641	1,407,601
Dividends		<u>-</u>	<u>(1,100,000)</u>
RETAINED PROFIT FOR THE YEAR		<u>1,491,641</u>	<u>307,601</u>

### **STATEMENT OF TOTAL RECOGNISED GAIN AND LOSSES**

There were no recognised gains and losses other than the profit for the period.

## **ARNOLD WASTE DISPOSAL LIMITED**

### **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,491,641	1,407,601
Dividends	_____ -	<u>(1,100,000)</u>
	1,491,641	307,601
Opening shareholders' funds	<u>4,963,212</u>	<u>4,655,611</u>
Closing shareholders' funds	<u>6,454,853</u>	<u>4,963,212</u>



# **ARNOLD WASTE DISPOSAL LIMITED**

---

## **BALANCE SHEET** at September 30, 1996

	<b>NOTES</b>	<b>1996</b> <b>£</b>	<b>1995</b> <b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>992,772</u>	<u>905,804</u>
<b>CURRENT ASSETS</b>			
Stocks	8	3,082	4,812
Debtors	9	7,225,341	5,614,661
Cash at bank and in hand		<u>2,364</u>	<u>12,377</u>
		7,230,787	5,631,850
<b>CREDITORS: due within one year</b>	10	<u>(396,837)</u>	<u>(350,636)</u>
<b>NET CURRENT ASSETS</b>		<u>6,833,950</u>	<u>5,281,214</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,826,722</u>	<u>6,187,018</u>
<b>FINANCED BY</b>			
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	<u>1,371,869</u>	<u>1,223,806</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	236,811	236,811
Share premium account	13	28,560	28,560
Revaluation reserve	13	623,958	623,958
Profit and loss account		<u>5,565,524</u>	<u>4,073,883</u>
		<u>6,454,853</u>	<u>4,963,212</u>
		<u>7,826,722</u>	<u>6,187,018</u>

**Approved by the Board**

*N.O.A. J. Ford*

**Director**  
28 February 1997

# **ARNOLD WASTE DISPOSAL LIMITED**

---

## **NOTES TO THE ACCOUNTS**

at September 30, 1996

### **1. ACCOUNTING POLICIES**

a) *Accounting convention*

The accounts have been prepared in accordance with applicable accounting standards, using the historical cost convention adjusted for revaluations of certain fixed assets.

b) *Deferred tax*

Deferred tax is provided on timing differences using the liability method where, in the opinion of the directors, a liability is expected to arise in the foreseeable future.

c) *Depreciation of tangible fixed assets*

Depreciation is charged primarily on a straight line basis, designed to write off the cost or valuation of assets (after deducting government grants) over their useful lives as follows:-

Freehold Buildings	-	up to 50 years
Freehold Land	-	over the life of the void
Plant and vehicles	-	4-20 years

Provision for void depletion is based on tonnage deposited during the year.

d) *Stocks*

Stocks and work in progress are valued at the lower of cost, which includes appropriate production and other overheads, and net realisable value.

f) *Pensions*

The Company participates in a defined benefits pension scheme, operated by a fellow subsidiary undertaking, ARC Limited, which requires contributions to be made to a separately administered fund. Contributions to this fund are charged to the profit and loss account so as to spread the cost of pensions over the employee's working lives within the company. Variations in pension costs, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees.

The benefits of amortisation of variations in pension costs are effected in the accounts of ARC Limited or fellow subsidiary undertakings as appropriate.

## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **NOTES TO THE ACCOUNTS**

at September 30, 1996

#### **2. TURNOVER**

Turnover represents the value of goods and services supplied to customers, excluding value added tax. All turnover is within the United Kingdom and mainly relates to the principal activity, being the disposal of domestic and industrial waste.

#### **3. PROFIT BEFORE INTEREST**

Profit before interest is shown after charging:	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Cost of sales	588,980	681,758
Administration costs	<u>47,652</u>	<u>49,018</u>
	<u>636,632</u>	<u>730,776</u>

Included in the above costs are:

Hire of plant and machinery	24,220	24,066
Depreciation of tangible fixed assets	186,405	207,735
Auditors' remuneration	<u>340</u>	<u>2560</u>

Non-audit fees paid to Ernst & Young amount to Nil.

## **ARNOLD WASTE DISPOSAL LIMITED**

### **NOTES TO THE ACCOUNTS**

at September 30, 1996

#### **4. EMPLOYEE COSTS AND INFORMATION**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Wages and salaries	131,688	123,562
Social security	9,710	9,150
Pension costs	-	518
	<u>141,398</u>	<u>133,230</u>

This includes the total emoluments of the directors as disclosed in note 5.

	<b>1996</b>	<b>1995</b>
	<b>No</b>	<b>No</b>
The average number of employees of the company during the year was:	<u>7</u>	<u>7</u>

#### **5. EMOLUMENTS OF DIRECTORS**

No remuneration was paid to the directors of the Company during the year.

#### **6. TAXATION**

Based on the profit for the year:

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax at 33% (1994-33%)	-	-
Prior year charge	<u>-</u>	<u>122,000</u>
	<u>-</u>	<u>122,000</u>

## **ARNOLD WASTE DISPOSAL LIMITED**

### **NOTES TO THE ACCOUNTS**

at September 30, 1996

There is no taxation charge for the current year. The taxable profit is reduced by group relief claimed from a group undertaking without payment. The prior year charge relates to adjustments arising in previous years. No provision for deferred tax is considered necessary.

If deferred taxation had been provided in full the provisions required to date would have been as follows:-

	1996 £	1995 £
Tax allowances in excess of related depreciation	20,000	8,000
Other timing differences	<u>(20,000)</u>	<u>(8,000)</u>
	<u>-</u>	<u>-</u>

No provision has been made for taxation which may arise in the event of assets being realised at their revalued amounts as the likelihood of any material liability arising is remote.

## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **NOTES TO THE ACCOUNTS** at September 30, 1996

#### **7. TANGIBLE FIXED ASSETS**

	<b>Freehold Land and Buildings</b>	<b>Plant and Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cost or valuation:			
At October 1, 1995	1,009,549	429,787	1,439,336
Capital expenditure	-	278,926	278,926
Disposals	<u>-</u>	<u>(36,829)</u>	<u>(36,829)</u>
At September 30, 1996	<u>1,009,549</u>	<u>671,884</u>	<u>1,681,433</u>
Depreciation:			
At October 1, 1995	325,601	207,931	533,532
Charge for year	96,645	89,760	186,405
On disposals	<u>-</u>	<u>(31,276)</u>	<u>(31,276)</u>
At September 30, 1996	<u>422,246</u>	<u>266,415</u>	<u>688,661</u>
Net book value at October 1, 1995	<u>683,948</u>	<u>221,856</u>	<u>905,804</u>
Net book value at September 30, 1996	<u>587,303</u>	<u>405,469</u>	<u>992,772</u>

The historical cost of freehold land shown at valuation amounts to £146,820 as at September 30, 1996 and the accumulated depreciation thereon would have been £103,058. The fixed assets were revalued by the Directors on August 26, 1993.

## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **NOTES TO THE ACCOUNTS**

at September 30, 1996

#### **8. STOCKS**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<u>3,082</u>	<u>4,812</u>

In the Directors' opinion the replacement value of stock does not differ significantly from the balance sheet.

#### **9. DEBTORS**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Due within one year:		
Trade debtors	301,342	279,146
Due from parent undertakings and fellow subsidiaries	6,536,259	4,935,150
Taxation recoverable	386,082	386,065
Prepayments and accrued income	<u>1,658</u>	<u>14,300</u>
	<u>7,225,341</u>	<u>5,614,661</u>

## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **NOTES TO THE ACCOUNTS**

at September 30, 1996

10. **CREDITORS: due within one year**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Trade creditors	90,175	23,592
Amounts due to parent undertaking and fellow subsidiaries	-	33,020
Other creditors including taxation and social security	186,866	255,637
Accruals and deferred income	<u>119,796</u>	<u>38,387</u>
	<u>396,837</u>	<u>350,636</u>

11. **PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Restoration and Environmental £</b>
At October 1, 1995	1,453,806
Provisions made	182,270
Provisions utilised	<u>(96,820)</u>
At September 30, 1996	<u>1,539,256</u>
Amounts falling due within one year	167,387
Amounts falling due after one year	<u>1,371,869</u>
At September 30, 1996	<u>1,539,256</u>



## **ARNOLD WASTE DISPOSAL LIMITED**

---

### **NOTES TO THE ACCOUNTS**

at September 30, 1996

#### **12. CALLED UP SHARE CAPITAL**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Authorised:		
2,291,646 Ordinary Shares of 10p each	229,165	229,165
2,083,540 Ordinary Shares of 1p each	<u>20,835</u>	<u>20,835</u>
	<u>250,000</u>	<u>250,000</u>
Allotted and fully paid:		
2,291,646 Ordinary Shares of 10p each	229,165	229,165
764,644 Ordinary Shares of 1p each	<u>7,646</u>	<u>7,646</u>
	<u>236,811</u>	<u>236,811</u>

#### **13. OTHER RESERVES**

	<b>Share Premium Account</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At September 30, 1995 and At September 30, 1996	<u>28,560</u>	<u>623,958</u>	<u>652,518</u>

# **ARNOLD WASTE DISPOSAL LIMITED**

---

## **NOTES TO THE ACCOUNTS**

at September 30, 1996

### **14. ULTIMATE PARENT UNDERTAKING**

The parent undertaking of the Group of undertakings for which group accounts are drawn up and of which the company is a member is Hanson PLC (registered in England and Wales).

Copies of Hanson PLC's accounts can be obtained from:

1 Grosvenor Place  
London  
SW1X 7JH