

SHANKS CHEMICAL SERVICES LIMITED

Registered Number 934787

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003**



SHANKS CHEMICAL SERVICES LIMITED

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SHANKS CHEMICAL SERVICES LIMITED DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE PROSPECTS

The principal activities of the Company are the treatment and disposal of hazardous waste, solvent recycling, recycled liquid fuel blending and other related services.

TRADING RESULTS AND DIVIDEND

The loss on ordinary activities after taxation for the year ended 31 March 2003 was £3,167,000 (2002: £10,772,000 loss). The Directors recommend that no dividend be paid in respect of the year ended 31 March 2003 (2002: £Nil). The retained loss transferred from reserves for the year was £3,167,000 (2002: £10,772,000 loss).

DIRECTORS AND DIRECTORS' INTERESTS

The Directors' who held office during the year were as follows:

M C E Averill
C A Brown
D J Downes
A G Barton (Resigned 12 February 2003)
B Mulholland
A Ryan (Resigned 12 February 2003)
D Stockley

None of the Directors had a direct interest in the share capital of the Company. Messrs Averill and Downes are also Directors of Shanks Group plc and accordingly their interests in the share capital of that company are disclosed in its report and accounts. Mr Brown is also a Director of Shanks & McEwan (Environmental Services) Limited and his interests in the share capital of Shanks Group plc are shown in that company's report and accounts.

The interests of the remaining Directors in the share capital of Shanks Group plc are as follows:

Name of Director	As at 31 March 2002			As at 31 March 2003				
	Granted Price (p)	SAYE Share Save Options	Executive Options	Granted	Exercised/ lapsed	Market price at exercise date (p)	SAYE Share Save Options	Executive Options
B Mulholland	171.5	1,967	-	-	-	-	1,967	-
	199.0	-	4,000	-	-	-	-	4,000
	233.5	-	4,000	-	-	-	-	4,000
	180.0	-	4,000	-	-	-	-	4,000
	176.5	-	15,000	-	-	-	-	15,000
	145.0	-	-	15,000	-	-	-	15,000
D Stockley	176.5	-	4,000	-	-	-	-	4,000
	145.0	-	-	15,000	-	-	-	15,000
	116.0	-	-	8,495	-	-	8,495	-

The Directors had no interests in the shares of any other company in the Group.

SHANKS CHEMICAL SERVICES LIMITED

DIRECTORS' REPORT - continued

PAYMENT OF SUPPLIERS

It is the Company's payment policy in respect of all suppliers to settle agreed outstanding accounts in accordance with the terms and conditions agreed with suppliers when placing orders. The Company will abide by these terms of payment. At 31 March 2003 the Company's creditor days were 33 (2002: 32 days).

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 of the Company 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 the time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

EMPLOYMENT POLICIES

There is a continuing commitment in the Company to provide employees with information and undertake consultation on matters of concern to them with a view to ensuring an awareness of the financial and economic factors affecting the performance of the Company. The procedures adopted involve both formal and informal meetings with employees or their representatives.

Options have been granted under the Shanks Savings-Related Share Option and Executive Share Options Schemes.

It is the continuing policy of the Company to provide employment for disabled people and employees who become disabled provided it is practical to offer suitable work. The training, career development and promotion of disabled employees are undertaken whenever possible, in accordance with the needs of the individuals concerned.

SHANKS CHEMICAL SERVICES LIMITED
DIRECTORS' REPORT - continued

AUDITORS

Following the conversion of PricewaterhouseCoopers to a Limited Liability Partnership (LLP) on 1 January 2003, PricewaterhouseCoopers resigned as auditors on 30 January 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

P Kaye
Secretary
28 May 2003



Registered Office:
Astor House
Station Road
Bourne End
Bucks
SL8 5YP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHANKS CHEMICAL SERVICES LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' report.

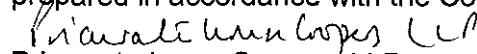
Basis of audit opinion

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 affairs of the Company at 31 March 2003 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
28 May 2003

**SHANKS CHEMICAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003**

	<u>Note</u>	<u>2003</u> £'000	<u>2002</u> £'000
TURNOVER	2	31,704	32,917
Cost of sales		(29,347)	(32,914)
		<hr/>	<hr/>
GROSS PROFIT		2,357	3
Administrative expenses		(4,350)	(4,255)
		<hr/>	<hr/>
OPERATING LOSS	3	(1,993)	(4,252)
Exceptional loss on disposal of fixed assets	6	(654)	-
Exceptional cost on closure of operations	6	-	(8,405)
		<hr/>	<hr/>
LOSS BEFORE INTEREST AND TAXATION		(2,647)	(12,657)
Net interest payable	7	(1,921)	(2,122)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,568)	(14,779)
Taxation	8	1,401	4,007
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE FINANCIAL YEAR	16	(3,167)	(10,772)
		<hr/> <hr/>	<hr/> <hr/>

All of the above relates to continuing activities.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2003**

The Company has no recognised gains or losses other than the loss for the year.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2003**

There is no material difference between the reported result for the year and those that would be reported under the historical cost convention.

SHANKS CHEMICAL SERVICES LIMITED
BALANCE SHEET AS AT 31 MARCH 2003

	<u>Note</u>	<u>2003</u> £'000	<u>2002</u> £'000
FIXED ASSETS			
Tangible fixed assets	9	29,812	31,804
Investments	10	3,012	3,012
		<hr/>	<hr/>
		32,824	34,816
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	11	603	740
Debtors	12	13,744	15,566
Cash at bank and in hand		937	559
		<hr/>	<hr/>
		15,284	16,865
		<hr/>	<hr/>
CREDITORS: amounts falling due within one year	13	(41,338)	(39,726)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(26,054)	(22,861)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,770	11,955
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES	14	(2,945)	(4,963)
		<hr/>	<hr/>
NET ASSETS		3,825	6,992
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	15	2,632	2,632
Share premium account	16	14,311	14,311
Profit and loss account	16	(13,118)	(9,951)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	17	3,825	6,992
		<hr/>	<hr/>

Approved by the Board of Directors on 28 May 2003.



D J Downes
Director

SHANKS CHEMICAL SERVICES LIMITED
NOTES TO THE ACCOUNTS for the year ended 31 March 2003

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards. As the Company is a wholly owned subsidiary of Shanks Group plc, group financial statements have not been prepared as permitted by s228 of the Companies Act 1985 and the financial statements contain information about the Company as an individual undertaking.

(b) Turnover

Turnover represents the invoiced value of waste streams processed and other services provided excluding value added tax. Turnover is recognised when processing occurs or when the service is provided.

(c) Fixed assets

(i) Owned assets:

Depreciation is provided on assets other than land to write off their cost by equal annual instalments over their estimated useful economic lives. The estimated lives are:

Buildings	50 years
Plant and machinery	3 to 12 years

(ii) Leased assets:

Where the Company has substantially all the risks and rewards of ownership of a leased asset, it is treated as a finance lease. Leased assets are included in tangible fixed assets as the total of the capital elements of payments during the lease term and the corresponding obligation is included in creditors. Depreciation is provided to write off the assets over the shorter of the lease term or expected useful life.

Rentals paid under operating leases are charge to the profit and loss account, as incurred over the term of the lease.

(d) Government grants

Capital grants are allocated to a deferred grants account and released to profit evenly over the estimated useful lives of the assets concerned.

(e) Stocks

Stocks of consumables are valued at the lower of cost and estimated net realisable value.

(f) Deferred taxation

Deferred taxation is provided in full in respect of timing differences arising between the treatment of certain items for taxation and accounting purposes. Deferred tax assets in respect of trading tax losses are only recognised where the tax losses are expected to be recovered. Deferred taxation provisions have not been discounted.

SHANKS CHEMICAL SERVICES LIMITED
NOTES TO THE ACCOUNTS for the year ended 31 March 2003

1 ACCOUNTING POLICIES - continued

(g) Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the expected working lives of the pension scheme members currently in service. Any differences between the actuarial valuation of the scheme and the value of assets in the scheme are charged or credited to the profit and loss account over the expected working lives of the scheme members. Differences and payments to the scheme are treated as assets or liabilities in the balance sheet.

(h) Unprocessed waste

The accrual for the cost of treating unprocessed waste is calculated at the higher of sales value and processing cost.

(i) Foreign currencies

Balance sheet items in foreign currencies are translated into sterling at the year end exchange rates or at the rate contracted if forward cover has been arranged. Exchange differences on these and any other trading transactions in foreign currency are dealt with in the profit and loss account.

2 SEGMENTAL INFORMATION

	<u>2003</u> £'000	<u>2002</u> £'000
Analysis of turnover by customer location:		
United Kingdom	29,669	31,118
Europe	433	889
Rest of the World	1,602	910
	<hr/>	<hr/>
	31,704	32,917
	<hr/>	<hr/>

The turnover and operating profit are wholly attributable to the Company's business of waste management. All of the Company's turnover and operating profit relates to continuing operations and derives from the United Kingdom.

SHANKS CHEMICAL SERVICES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued****3 OPERATING LOSS ON ORDINARY ACTIVITIES**

	<u>2003</u> £'000	<u>2002</u> £'000
The loss is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	2,871	4,270
Costs in respect of operating leases:		
- hire of plant and machinery	225	297
- property rentals	332	327
Management charge from ultimate parent company	700	700
Auditors' remuneration	44	41
Gain on foreign exchange	4	-
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS

The total emoluments of the Directors paid by the Company, including pension contributions, were as follows:

	<u>2003</u> £'000	<u>2002</u> £'000
Aggregate emoluments	352	303
Emoluments of the highest paid Director	146	102
	<u> </u>	<u> </u>

Retirement benefits are accruing to all the Directors under a defined benefit pension scheme.

5 EMPLOYEE INFORMATION

The average number of people employed by the Company in waste management during the year was 363 (2002: 361). Staff costs comprise:

	<u>2003</u> £'000	<u>2002</u> £'000
Wages and salaries	8,590	9,018
Social security costs	664	740
Other pension costs	843	902
	<u> </u>	<u> </u>
	10,097	10,660
	<u> </u>	<u> </u>

SHANKS CHEMICAL SERVICES LIMITED
NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued

6 NON-OPERATING EXCEPTIONAL ITEMS

	<u>2003</u> £'000	<u>2002</u> £'000
Loss on fixed asset property disposals	654	-
Site closure provision	-	2,948
Impairment of tangible fixed assets	-	5,457
	<hr/> 654	<hr/> 8,405
	<hr/> <hr/>	<hr/> <hr/>

The 2002 exceptional costs arose on the closure of operations at the Pontypool site. There is no tax attributable to the loss on fixed asset property disposals in 2003. The tax effect of the 2002 Pontypool closure costs was to increase the current tax credit by £416,000 and the deferred tax credit by £2,105,000.

7 NET INTEREST PAYABLE

	<u>2003</u> £'000	<u>2002</u> £'000
Interest payable on loans and bank borrowings repayable within five years	286	335
Interest payable on intergroup borrowings	1,635	1,787
	<hr/> 1,921	<hr/> 2,122
	<hr/> <hr/>	<hr/> <hr/>

SHANKS CHEMICAL SERVICES LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued****8 TAXATION**

The taxation credit/(charge) based on the loss of the year is made up as follows:

	<u>2003</u> £'000	<u>2002</u> £'000
Corporation tax at 30% (2002: 30%)		
- current year	302	2,690
- prior year	482	-
Deferred taxation		
- current year	772	1,317
- prior year	(155)	-
	<u>1,401</u>	<u>4,007</u>

The tax credit for the period is lower than the United Kingdom standard rate of corporation tax of 30% (2002: 30%). The differences are explained below:

	<u>2003</u> £'000	<u>2002</u> £'000
Loss on ordinary activities before taxation	<u>4,568</u>	<u>14,779</u>
Tax credit based on UK tax rate	1,370	4,434
Tax effect of the following items:		
Non-payment for Group Relief	-	(450)
Expenses not deductible for tax purposes	(99)	(138)
Adjustment to tax charge in respect of prior periods	482	-
Non-taxable loss on fixed asset disposal	(197)	-
Other timing differences	(772)	(1,156)
	<u>784</u>	<u>2,690</u>
Corporation tax credit for the period		

SHANKS CHEMICAL SERVICES LIMITED
NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued

9 TANGIBLE FIXED ASSETS

	Freehold & buildings £'000	Long lease- hold land & buildings £'000	Plant & machinery £'000	Total £'000
<u>Cost:</u>				
At 1 April 2002	2,015	5,293	78,134	85,442
Additions	-	-	3,096	3,096
Disposals	(2,015)	-	(316)	(2,331)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	-	5,293	80,914	86,207
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation:</u>				
At 1 April 2002	109	2,629	50,900	53,638
Charge for the year	5	112	2,754	2,871
Disposals	(114)	-	-	(114)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	-	2,741	53,654	56,395
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net book value:</u>				
At 31 March 2003	-	2,552	27,260	29,812
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	1,906	2,664	27,234	31,804
	<hr/>	<hr/>	<hr/>	<hr/>

10 INVESTMENTS

Shares in subsidiary undertakings at cost:	£'000
At 1 April 2002 and 31 March 2003	3,012
	<hr/>

The Company had the following investment in subsidiary undertakings:

<u>Name of company</u>	<u>Country of registration</u>	<u>Type of business</u>	<u>Type of shares held</u>	<u>Proportion held</u>
Lothian PLC	England	Holding company	Ordinary £1	100%
			Ordinary 'A' £1	100%
			Redeemable Preference £1	100%

The Directors are of the opinion that the value of investments in subsidiary undertakings is not less than the aggregate amounts at which they are recorded in the balance sheet.

SHANKS CHEMICAL SERVICES LIMITED
NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued

11 STOCKS

	<u>2003</u> £'000	<u>2002</u> £'000
Raw materials	603	740
	<u> </u>	<u> </u>

12 DEBTORS

	<u>2003</u> £'000	<u>2002</u> £'000
Trade debtors	6,449	9,505
Amounts owed by Group undertakings	4,411	4,030
Other debtors	1,882	3
Prepayments and accrued income	218	122
Corporation tax receivable	784	1,906
	<u> </u>	<u> </u>
	13,744	15,566
	<u> </u>	<u> </u>

13 CREDITORS: amounts falling due within one year

	<u>2003</u> £'000	<u>2002</u> £'000
Trade creditors	2,708	2,890
Amounts owed to Group undertakings	30,579	30,015
Other creditors	1,469	1,363
Other taxation and social security	165	201
Accruals and deferred income	5,353	4,609
Unprocessed waste	1,064	648
	<u> </u>	<u> </u>
	41,338	39,726
	<u> </u>	<u> </u>

SHANKS CHEMICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued

14 PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation £'000	Reorganisation costs £'000	Total £'000
At 1 April 2002	3,074	1,889	4,963
Released during the year	(617)	-	(617)
Utilised during the year	-	(1,401)	(1,401)
	<hr/>	<hr/>	<hr/>
At 31 March 2003	2,457	488	2,945
	<hr/>	<hr/>	<hr/>

The deferred tax provision is made up as follows:

	<u>2003</u> £'000	<u>2002</u> £'000
Capital allowances	2,457	3,122
Other timing differences	-	(48)
	<hr/>	<hr/>
	2,457	3,074
	<hr/>	<hr/>

The reorganisation provision relates to the restructuring of Company operations.

15 SHARE CAPITAL

	<u>2003</u> £'000	<u>2002</u> £'000
Authorised:		
At 1 April 2002:		
4,000,000 (2002: 934,830) Ordinary Shares of £1 each	4,000	935
Increase in the year:		
Nil (2002: 3,065,170) Ordinary Shares of £1 each	-	3,065
	<hr/>	<hr/>
At 31 March 2003:		
4,000,000 (2002: 4,000,000) Ordinary Shares of £1 each	4,000	4,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
At 1 April 2002:		
2,632,110 (2002: 877,370) Ordinary Shares of £1 each	2,632	877
Increase in the year:		
Nil (2002: 1,754,740) Ordinary Shares of £1 each	-	1,755
	<hr/>	<hr/>
At 31 March 2003:		
2,632,110 (2002: 2,632,110) Ordinary Shares of £1 each	2,632	2,632
	<hr/>	<hr/>

SHANKS CHEMICAL SERVICES LIMITED
NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued

16 RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 April 2002	14,311	(9,951)
Retained loss for the year	-	(3,167)
	<hr/>	<hr/>
At 31 March 2003	14,311	(13,118)
	<hr/>	<hr/>

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2003</u> £'000	<u>2002</u> £'000
Loss on ordinary activities after taxation	(3,167)	(10,772)
Proceeds of shares issued during the year	-	15,000
	<hr/>	<hr/>
Net movement in equity shareholders' funds	(3,167)	4,228
Opening equity shareholders' funds	6,992	2,764
	<hr/>	<hr/>
Closing equity shareholders' funds	3,825	6,992
	<hr/>	<hr/>

18 CAPITAL COMMITMENTS

The amount of capital expenditure authorised by the Directors for which no provision has been made in the financial statements is:

	<u>2003</u> £'000	<u>2002</u> £'000
Expenditure contracted for	377	3,196
	<hr/>	<hr/>

19 COMMITMENTS UNDER OPERATING LEASES

	<u>2003</u> £'000	<u>2002</u> £'000
Leases expiring:		
Within one year	55	94
Between two and five years	576	355
Over five years	292	213
	<hr/>	<hr/>
	923	662
	<hr/>	<hr/>

SHANKS CHEMICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2003 - continued

20 PENSION COMMITMENTS - current SSAP 24 basis

The Company along with other companies in the Shanks Group, participates in funded pension arrangements providing benefits based on final salary. The assets are held separately from those of the group companies and are invested by professional investment managers. The contributions are determined by a qualified actuary on the basis of a triennial valuation using the Projected Unit Method. The pension charge for the year was £843,000 (2002: £902,000). Details of the latest actuarial value of the scheme on 5 April 2000 are given in the accounts of Shanks Group plc.

21 PENSION COMMITMENTS - FRS 17 basis

Whilst the Company continues to account for pension costs in accordance with SSAP 24 - Accounting for pension costs, under FRS 17 - Retirement Benefits the transitional disclosures set out below are required.

The employees of the Company participate in the Group pension scheme, which is a funded, managed, defined benefit scheme, the costs of which are fully provided in accordance with the regular recommendations of a professionally qualified independent actuary. The Company is unable to identify the share of the underlying assets and liabilities of the Group scheme that relates to its business and is permitted under FRS 17 to treat this scheme as a defined contribution scheme. Full disclosures relating to the Group pension schemes are contained in the financial statements of Shanks Group plc.

22 CONTINGENT LIABILITIES

The Company has granted to its bankers an unlimited guarantee and a right of set off against amounts outstanding on advances to its parent and fellow subsidiary undertakings. The Company has in normal course of business given guarantees and performance bonds relating to the Company's own contracts.

23 RELATED PARTY TRANSACTIONS

As permitted by FRS8, the Company, being a wholly owned subsidiary of another company which prepares a statement of related party transactions has not prepared such a statement itself.

24 CASH FLOW STATEMENT

As permitted by paragraph 8(c) of FRS1 (revised 1996), the Company, being a wholly owned subsidiary of another company which prepares a cash flow statement including that of this Company, has not prepared such a statement itself.

25 IMMEDIATE & ULTIMATE PARENT COMPANY

The immediate holding company is Shanks Environmental Services Limited. The ultimate parent company is Shanks Group plc, a company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks Group plc, Astor House, Station Road, Bourne End, Buckinghamshire, SL8 5YP.