

ANTI-WASTE LIMITED

Report and Financial Statements

31 December 1999



REPORT AND FINANCIAL STATEMENTS 1999

| CONTENTS | Page |
|--|------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Statement of Directors' responsibilities | 3 |
| Auditors' report | 4 |
| Profit and loss account | 5 |
| Note of historical cost profits and losses | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 |

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M Huntington
P A Rackham
W A Trendell
T C Walsh

SECRETARY

A Waterhouse

REGISTERED OFFICE

3 Sidings Court
White Rose Way
Doncaster
DN4 5NU

BANKERS

Lloyds TSB Bank plc
Corporate & Institutional Banking
P O Box 787
6-8 Eastcheap
London
EC3M 1LL

SOLICITORS

Cunningham, John & Co
Fairstead House
7 Bury Road
Thetford
Norwich
IP24 3PL

AUDITORS

Deloitte & Touche
Chartered Accountants
Leda House
Station Road
Cambridge
CB1 2RN

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

ACTIVITIES

The principal activity of the company is the handling, recycling and disposal of waste materials.

REVIEW OF DEVELOPMENTS

The results of the company for the year are set out on page 5. In the opinion of the directors the company has traded satisfactorily during the year and profitability is expected to continue in the current year.

DIVIDENDS

A dividend payment of £1,350,000 has been made during the year (1998 - £1,500,000).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

J M Huntington (appointed 30 September 1999)
P A Rackham
P A Rackham Jnr (resigned 30 September 1999)
S R Stuteley (resigned 30 September 1999)
W A Trendell (appointed 30 September 1999)
T C Walsh

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

J M Huntington, P A Rackham and W A Trendell are directors of the parent company, Waste Recycling Group plc. Their interests in the share capital of the parent company are disclosed in the accounts of that company. The interests of other directors are disclosed in note 4.

CHARITABLE AND POLITICAL DONATIONS

During the year the company made charitable donations of £840 (1998 - £805). The company has also contributed £841,379 (1998 - £811,198) of its landfill tax liability to ENTRUST registered environmental bodies, as permitted by government regulations.

CREDITOR PAYMENT POLICY

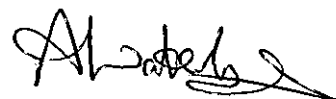
Whilst there is no formal creditor payment policy, it is the policy of the company to settle the terms of payment with all suppliers when agreeing the terms for the transactions as a whole and to abide by such terms.

The company's outstanding creditor days at the end of the year were 22 days.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



A Waterhouse
Secretary
17 October 2000

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 as at the end of the financial year 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.



ANTI-WASTE LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

17 October 2000

PROFIT AND LOSS ACCOUNT
 Year ended 31 December 1999

| | Note | 1999 £'000 | 1998 £'000 *restated |
|--|------|---------------|----------------------------|
| TURNOVER | 2 | 15,003 | 14,017 |
| Cost of sales | | (10,928) | (9,390) |
| GROSS PROFIT | | 4,075 | 4,627 |
| Administrative expenses | | (975) | (2,089) |
| OPERATING PROFIT | 3 | 3,100 | 2,538 |
| Interest receivable | | 34 | 64 |
| Interest payable and similar charges | 5 | (113) | (348) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 3,021 | 2,254 |
| Tax on profit on ordinary activities | 6 | (1,063) | (651) |
| PROFIT FOR THE FINANCIAL YEAR | | 1,958 | 1,603 |
| Dividends | 7 | (1,350) | (1,500) |
| RETAINED (LOSS) / PROFIT FOR THE FINANCIAL YEAR | 18 | 608 | 103 |

*Restated to reflect the impact of FRS 12, see note 1.

All results derive from continuing operations.

There are no recognised gains and losses for the current financial year or the preceding financial year other than as stated in the profit and loss account.

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 December 1999

| | 1999 £'000 | 1998 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before taxation | 3,021 | 2,254 |
| Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount | <u>53</u> | <u>53</u> |
| Historical cost profit on ordinary activities before taxation | <u>3,074</u> | <u>2,307</u> |
| Historical cost profit for the year after taxation and dividends | <u>11</u> | <u>156</u> |

BALANCE SHEET
31 December 1999

| | Note | 1999 £'000 | 1998 £'000 *restated |
|--|------|-----------------|----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 30,860 | 22,845 |
| Investments | 9 | 1 | 1 |
| | | <u>30,861</u> | <u>22,846</u> |
| CURRENT ASSETS | | | |
| Stocks | 10 | 76 | 77 |
| Debtors (due within one year) | 11 | 4,212 | 3,657 |
| Debtors (due after more than one year) | 12 | - | 243 |
| Cash at bank and in hand - Escrow deposits | 13 | 804 | 619 |
| Cash at bank and in hand | | 1 | 3 |
| | | <u>5,093</u> | <u>4,599</u> |
| CREDITORS: amounts falling due within one year | 14 | <u>(15,206)</u> | <u>(5,026)</u> |
| NET CURRENT LIABILITIES | | <u>(10,113)</u> | <u>(427)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 20,748 | 22,419 |
| CREDITORS: amounts falling due after more than one year | 15 | (9,325) | (10,714) |
| PROVISIONS FOR LIABILITIES AND CHARGES | 16 | <u>(521)</u> | <u>(1,411)</u> |
| NET ASSETS | | <u>10,902</u> | <u>10,294</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 17 | 8,062 | 8,062 |
| Share premium account | 18 | 83 | 83 |
| Revaluation reserve | 18 | 2,709 | 2,762 |
| Profit and loss account | 18 | 48 | (613) |
| EQUITY SHAREHOLDERS' FUNDS | 19 | <u>10,902</u> | <u>10,294</u> |

*Restated to reflect the impact of FRS 12, see note 1.

These financial statements were approved by the Board of Directors on 17 October 2000.

Signed on behalf of the Board of Directors



W A Trendell

Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1999**1. ACCOUNTING POLICIES**

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

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties.

Consolidation

The company has claimed exemption from the preparation of group accounts on the grounds that it is a subsidiary of a larger group company that prepares consolidated accounts. The accounts present information about the company as an individual undertaking and not about its group.

Goodwill

Purchased goodwill arising in earlier years, totalling £3,395,000 representing the excess of the purchase price over the fair value of the net assets acquired, is set off against reserves in the year in which it arises.

Cash flow exemption

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

Turnover

Turnover represents invoiced sales of goods and services including landfill tax but excluding value added tax.

Tangible fixed assets

Freehold and leasehold properties and licence agreements are stated at original cost or subsequent valuation. Other tangible fixed assets are shown at cost. Depreciation is provided on tangible fixed assets in use at rates calculated to write off the cost, or revalued amount, less residual value of each asset as follows:

| | |
|---|---------------------------------------|
| Freehold buildings | - over 50 years |
| Freehold landfill sites, leasehold properties | - over the expected life of each site |
| Plant and equipment | - over 5 years |
| Motor vehicles | - over 4 years |

No depreciation is provided for in relation to freehold land.

Freehold landfill sites and leasehold properties include site engineering costs which are depreciated over the expected life of each site in proportion to the rate of landfill.

Investments

Investments are stated at cost less provision for any permanent diminution in value.

Stocks

Stocks have been stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the foreseeable future, calculated at the rate at which it is estimated that tax will be payable.

Finance leases

In respect of each finance lease the cost of the asset is capitalised and the cost, less residual value of the asset, is depreciated over the term of the lease. Rentals payable are apportioned between finance charge and leasing commitment. The total finance charge is allocated to accounting periods over the term of the lease at a constant periodic rate of charge on the remaining leasing commitment for each accounting period.

All other leases are operating leases and the relevant annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1999

1. ACCOUNTING POLICIES (continued)

Pension costs

Contributions in respect of the group's combined defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

Restoration and post closure monitoring costs

FRS 12 "Provisions, Contingent liabilities and Contingent Assets" published in September 1998, is mandatory for the company's financial statements for the year ended 31 December 1999. Comparative amounts have been restated accordingly. Full provision has been made for the net present value (NPV) of the company's minimum unavoidable costs, in respect of restoration liabilities at the company's landfill sites, which has been capitalised in tangible fixed assets. The company continues to provide for all after-care costs over the life of its landfill sites, based on the volumes of waste deposited in the year, since liabilities in relation to these costs increase as waste is deposited.

All long term provisions for restoration and after-care costs are calculated based on the NPV of estimated future costs. Current cost estimates are inflated at 3 per cent. and discounted at 5 per cent. to calculate the NPV. The effects of inflation and the unwinding of discount element on existing provisions are reflected as a financial item.

The implementation of FRS 12 increased tangible fixed assets and provisions by £1,204,000 at 1 January 1998 and by £1,411,000 at 1 January 1999. Had the previous accounting policy been applied in the current year the impact would have been to reduce reported tangible fixed assets by £1,299,000 at 31 December 1999. There is no impact on retained earnings at 1 January 1998 or on the reported profits for the current or preceding financial years, as the results are not materially different. To give a consistent presentation the element of the provision movement relating to inflation and discount amounting to £207,000 in the year ended 31 December 1998 has been reclassified in the profit and loss account from cost of sales to a financial item.

2. TURNOVER

All turnover was generated in the United Kingdom from the handling, recycling and disposal of waste materials.

3. OPERATING PROFIT

| | 1999 £'000 | 1998 £'000 |
|-------------------------------------|---------------|---------------|
| Operating profit is after charging: | | |
| Depreciation - owned assets | 1,642 | 1,780 |
| - assets held under finance leases | 195 | 248 |
| Auditors' remuneration - audit fees | 11 | 10 |
| - other fees | 4 | - |
| Operating lease rentals | 33 | 22 |

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1999

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid to any director in the year (1998: £nil).

Average number of persons employed by the company (including directors) in the year:

| | 1999 £'000 | 1998 £'000 |
|----------------|---------------|---------------|
| Operational | 50 | 44 |
| Administrative | 9 | 10 |
| | <u>59</u> | <u>54</u> |

Staff costs incurred during the year in respect of these employees were:

| | 1999 £'000 | 1998 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 919 | 789 |
| Social security costs | 82 | 77 |
| Other pension costs | 26 | 10 |
| | <u>1,027</u> | <u>876</u> |

Directors interests

The following non group directors had interests in the share capital of Waste Recycling Group plc at the beginning and end of the financial year by virtue of their holdings of share options in that company.

| | At 1 January 1999 No. | At 31 December 1999 No. |
|-----------|--------------------------------|----------------------------------|
| T C Walsh | 26,225 | 27,862 |

5. INTEREST PAYABLE AND SIMILAR CHARGES

| | 1999 £'000 | 1998 £'000 |
|---------------------------|---------------|---------------|
| Bank and other borrowings | 5 | 80 |
| Finance leases | 26 | 61 |
| Unwinding of discount | 82 | 207 |
| | <u>113</u> | <u>348</u> |

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 1999 £'000 | 1998 £'000 |
|---|---------------|---------------|
| UK corporation tax at 35.19% (1998 - 31%) | 987 | 665 |
| Deferred tax | (104) | - |
| Prior year movement - corporation tax | (375) | (14) |
| -- deferred tax | 327 | - |
| -- group relief | 228 | - |
| | <u>1,063</u> | <u>651</u> |

7. DIVIDENDS

| | 1999 £'000 | 1998 £'000 |
|--|---------------|---------------|
| On equity shares | | |
| Paid - 16.7p per ordinary share (1998 - 18.6p) | 1,350 | 1,500 |

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1999

8. TANGIBLE FIXED ASSETS

| | Freehold properties £'000 *restated | Short leasehold properties £'000 | Plant and equipment £'000 | Motor vehicles £'000 | Total £'000 *restated |
|---------------------|--|---|---------------------------------|----------------------------|-----------------------------|
| Cost or valuation | | | | | |
| At 1 January 1999 | 18,519 | 5,655 | 4,047 | 836 | 29,057 |
| Additions | 8,094 | 1,019 | 1,173 | 136 | 10,422 |
| Disposals | - | (75) | (641) | (121) | (837) |
| At 31 December 1999 | <u>26,613</u> | <u>6,599</u> | <u>4,579</u> | <u>851</u> | <u>38,642</u> |
| Depreciation | | | | | |
| At 1 January 1999 | 2,125 | 1,926 | 1,972 | 189 | 6,212 |
| Charge for the year | 1,005 | 102 | 543 | 187 | 1,837 |
| Disposals | - | (24) | (176) | (67) | (267) |
| At 31 December 1999 | <u>3,130</u> | <u>2,004</u> | <u>2,339</u> | <u>309</u> | <u>7,782</u> |
| Net book value | | | | | |
| At 31 December 1999 | <u>23,483</u> | <u>4,595</u> | <u>2,240</u> | <u>542</u> | <u>30,860</u> |
| At 31 December 1998 | <u>16,394</u> | <u>3,729</u> | <u>2,075</u> | <u>647</u> | <u>22,845</u> |

Included in the net book value of plant and equipment and motor vehicles is £378,000 (1998 - £861,000) in respect of assets held under finance leases.

| | 1999 £'000 | 1998 £'000 *restated |
|---------------------------------------|---------------|----------------------------|
| Freehold properties are stated at: | | |
| Open market value at 31 December 1993 | 4,100 | 4,100 |
| Cost | <u>22,513</u> | <u>14,419</u> |
| At 31 December 1999 | <u>26,613</u> | <u>18,519</u> |

Comparable amounts determined according to the historical cost convention for freehold properties:

| | 1999 £'000 | 1998 £'000 |
|---|----------------|----------------|
| Cost | 23,362 | 15,268 |
| Accumulated depreciation based on historical cost | <u>(2,813)</u> | <u>(1,861)</u> |
| Historical cost net book value | <u>20,549</u> | <u>13,407</u> |

All other assets are stated at historical cost.

*Restated to reflect the impact of FRS 12, see note 1.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1999

9. INVESTMENTS HELD AS FIXED ASSETS

| | 1999 £'000 | 1998 £'000 |
|--|---------------|---------------|
| Cost | | |
| At 1 January 1999 and 31 December 1999 | 1 | 1 |

Investments comprise the following:

| Name | Country of registration | Proportion of ordinary capital held | Nature of business |
|----------------------------------|----------------------------|--|-------------------------------------|
| Anti-Rubbish Limited | England | 100% | Dormant |
| Anti-Waste (Restoration) Limited | England | 100% | Restoration and monitoring services |

10. STOCKS

| | 1999 £'000 | 1998 £'000 |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 76 | 77 |

11. DEBTORS (DUE WITHIN ONE YEAR)

| | 1999 £'000 | 1998 £'000 |
|------------------------------------|---------------|---------------|
| Trade debtors | 2,510 | 2,215 |
| Amounts owed by group undertakings | 777 | 1,289 |
| Prepayments and accrued income | 925 | 153 |
| | 4,212 | 3,657 |

12. DEBTORS (DUE AFTER MORE THAN ONE YEAR)

| | 1999 £'000 | 1998 £'000 |
|--------------------------------|---------------|---------------|
| Prepayments and accrued income | - | 243 |

13. CASH AT BANK AND IN HAND - ESCROW DEPOSITS

Escrow deposits represent amounts held in bank accounts in the name of Anti-Waste Limited and various county councils. The company is contracted to deposit further sums in respect of site restoration and post-closure monitoring costs based on the tonnage of waste disposal. Because these funds have restricted use they are disclosed separately as Escrow deposits in the balance sheet.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 1999 £'000 | 1998 £'000 |
|------------------------------------|---------------|---------------|
| Bank overdraft | 11,633 | 562 |
| Trade creditors | 1,288 | 604 |
| Amounts owed to group undertakings | - | 1,147 |
| Corporation tax | 558 | 779 |
| Other taxes and social security | 964 | 998 |
| Accruals and deferred income | 497 | 629 |
| Obligations under finance leases | 266 | 307 |
| | 15,206 | 5,026 |

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1999

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 1999 £'000 | 1998 £'000 |
|----------------------------------|---------------|---------------|
| Amount owed to group company | 9,108 | 10,226 |
| Obligations under finance leases | - | 226 |
| Accruals and deferred income | 217 | 262 |
| | <u>9,325</u> | <u>10,714</u> |

- (a) The amount owed to the group company is not subject to agreed repayment terms. The group company has confirmed that it will not be called for repayment within 12 months of the balance sheet date. Accordingly, it has been disclosed as due after more than one year.

| | 1999 £'000 | 1998 £'000 |
|---|---------------|---------------|
| (b) Accruals and deferred income is due as follows: | | |
| Between one and two years | 50 | 50 |
| Between two and five years | 167 | 200 |
| After five years | - | 12 |
| | <u>217</u> | <u>262</u> |
| (c) Obligations under finance leases are repayable in instalments as follows: | | |
| Within one year | 266 | 307 |
| Between two and five years | - | 154 |
| After five years | - | 72 |
| | <u>266</u> | <u>533</u> |

16. PROVISIONS FOR LIABILITIES AND CHARGES

| | Deferred taxation £'000 | Restoration and aftercare £'000 (* restated) | Total £'000 |
|---------------------------------------|-------------------------------|--|----------------|
| At 1 January 1999 | - | 1,411 | 1,411 |
| Transfer from profit and loss account | 222 | 39 | 261 |
| Unwinding of discount | - | 82 | 82 |
| Expended in year | - | (1,233) | (1,233) |
| At 31 December 1999 | <u>222</u> | <u>299</u> | <u>521</u> |

* restated to reflect the impact of FRS12, see note 1. The balance at 1 January 1999 was previously reported as £Nil.

The deferred tax provision arises in respect of capital allowances in advance of depreciation. There is no unprovided deferred tax.

17. CALLED UP SHARE CAPITAL

| | 1999 £'000 | 1998 £'000 |
|--------------------------------------|---------------|---------------|
| Authorised: | | |
| 8,100,000 ordinary shares of £1 each | <u>8,100</u> | <u>8,100</u> |
| Called up, allotted and fully paid: | | |
| 8,061,500 ordinary shares of £1 each | <u>8,062</u> | <u>8,062</u> |

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1999

18. MOVEMENT IN RESERVES

| | Share premium account £'000 | Revaluation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|-----------------------------------|--------------------------------------|---------------------------------|--|----------------|
| At 1 January 1999 | 83 | 2,762 | (613) | 2,232 |
| Loss for the year | - | - | 608 | 608 |
| Transfer from revaluation reserve | - | (53) | 53 | - |
| At 31 December 1999 | 83 | 2,709 | 48 | 2,840 |

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 1999 £'000 | 1998 £'000 |
|---|---------------|---------------|
| Profit for the financial year | 1,958 | 1,603 |
| Dividends | (1,350) | (1,500) |
| Net (reduction) / addition to shareholders' funds | 608 | 103 |
| Opening shareholders' funds | 10,294 | 10,191 |
| Closing shareholders' funds | 10,902 | 10,294 |

20. CONTINGENT LIABILITIES

- a) The company has entered into unlimited cross-guarantees with its bankers relating to the borrowings of other group companies. At 31 December 1999 the bank borrowings of other group companies amounted to £6,385,000 (1998 - £2,471,000).
- b) The company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group.

21. CAPITAL COMMITMENTS

| | 1999 £'000 | 1998 £'000 |
|---------------------------------|---------------|---------------|
| Contracted for but not provided | 4,038 | 641 |

22. PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are paid based upon the recommendation of a qualified actuary. The annual contributions under this scheme amounted to £26,000 (1998 - £10,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 1999

23. OPERATING LEASE COMMITMENTS

At 31 December 1999, the company had annual commitments in respect of land and buildings under non-cancellable operating leases as follows:

| | 1999 £'000 | 1998 £'000 |
|--|---------------|---------------|
| Operating leases which expire | | |
| In the second to fifth years inclusive | - | 18 |
| In over five years | 38 | 4 |
| | <u>38</u> | <u>22</u> |

24. ENVIRONMENTAL COMMITMENTS

As explained in note 13 to the accounts, the company is contracted to make deposits into escrow accounts to guarantee the successful site restoration and provide for post-closure monitoring costs in respect of four of its sites. A total of £2,940,095 is contracted to be deposited over the useful life of the sites which is expected to be in excess of twenty years and subject to certain conditions. Costs in respect of these procedures will be met from these funds and on satisfactory monitoring of each of the sites for the relevant period, the balance will be returned to the company. Provision is made in respect of the sums deposited to the extent that the costs of restoration are foreseeable and expected to materialise. Provision is not made in respect of contingent costs or remote events.

25. ULTIMATE PARENT COMPANY

The ultimate parent company and immediate controlling party of Anti-Waste Limited is Waste Recycling Group plc, a company which is registered in England and Wales. Copies of group accounts of Waste Recycling Group plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

26. DIRECTORS' INTERESTS IN TRANSACTIONS AND RELATED PARTY TRANSACTIONS

(a) During the year the company continued the arrangements in which Mr P A Rackham and Mr P A Rackham Jnr had an interest by virtue of their management responsibilities and shareholdings in the companies noted below:

- (i) An agreement with Paul Rackham Limited for the rental of office space at an actual rental of £20,000 per annum. This lease expired on 31 December 1999 and was replaced by a new lease for a term of twelve years from 1 January 2000 at an annual rental of £34,440. The lease can be terminated by the company after 31 December 2004 by giving twelve months notice.
- (ii) A short term arrangement with Paul Rackham Limited for rental of additional office space for £5,400.
- (iii) Provision of labour and steel fabrication for construction projects by Paul Rackham Limited, totalling £35,943.
- (iv) The provision of short term consultancy services of S R Stuteley and P A Rackham Jnr as employees of Paul Rackham Limited at a total cost of £31,884, including expenses.

In connection with the above there are amounts totalling £21 (1998 - £5,658) included within debtors due within one year and £4,396 (1998 - £7,808) included within creditors due within one year.

(b) In the ordinary course of business, the company has traded with its ultimate parent company Waste Recycling Group plc together with its subsidiaries. The company is exempt from disclosing details of these transactions because copies of Waste Recycling Group plc group financial statements are publicly available.