

COPY FOR REGISTRAR OF COMPANIES

COMPANY No. 1954243

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
(Formerly RECHEM ENVIRONMENTAL SERVICES LIMITED)

REPORT & ACCOUNTS

Year ended 27 March 1993



**SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED**  
**(Formerly RECHEM ENVIRONMENTAL SERVICES LIMITED)**

**REPORT & ACCOUNTS**

**YEAR ENDED 27 MARCH 1993**

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**SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED**  
**(Formerly RECHEM ENVIRONMENTAL SERVICES LIMITED)**

**Directors**

**M C E Averill**

**D J Blane**

**A J N Fowler**

**G H Gracie**

**M R Hewitt**

**P H-Jones**

**P Kaye**

**G W Searle**

**Secretary and registered office**

**G H Gracie, Astor House, Station Rd., Bourne End, Buckinghamshire SL8 5YP**

**REPORT OF THE DIRECTORS**

The directors submit their report and statement of accounts for the year ended 27 March 1993.

**1. Principal activity**

The principal activity of the company was the provision of management services to Rechem International Limited.

**2. Profit and dividend**

	£000
Profit for the year after taxation	4,495
Dividends paid and proposed	<u>3,715</u>
Retained profit	<u><u>780</u></u>

**3. Directors**

The composition of the board at the date of this report is shown at the head of this report.

H L I Runciman resigned on 4 January 1993 and D F Wheeler on 27 March 1993.

D J Blane and P H-Jones were appointed on 19 May 1993.

The other directors served throughout the year.

The interests at 27 March 1993 of M R Hewitt and A J N Fowler in the shares of the ultimate parent company are shown in the accounts of the ultimate parent company, Shanks & McEwan Group PLC.

**SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED**  
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**REPORT OF THE DIRECTORS**

**3. Directors (continued)**

The interests of the other directors in the shares of the ultimate parent company, Shanks & McEwan Group PLC, including ordinary shares over which options have been granted on 27 March 1993 together with their interests on 28 March 1992, or date of appointment, if later, were as follows:

	Ordinary shares of 10p each		Share options	
	27.3.93	28.3.92	27.3.93	28.3.92
M C E Averill	-	-	74,478	31,549
G H Gracie	-	-	24,394	-
P Kaye	-	-	65,973	60,973
G W Searle	17,500	17,500	-	-

The directors had no interests in the shares of any other company in the group.

**4. Changes in fixed assets**

There were no significant changes in the fixed assets of the company during the year.

In the directors opinion there is no significant difference between the book and market value of the land.

**5. Health, safety and welfare at work of employees**

The board has continued with measures to ensure the health, safety and welfare at work of employees through training of staff, assessing the risks associated with substances hazardous to health and implementing appropriate safe working practices.

**6. Directors' and officers liability insurance**

Insurance cover for directors' and officers' liability is maintained under a policy effected by the ultimate parent company, Shanks & McEwan Group PLC.

**7. Post balance sheet events**

The company acquired the entire issued share capital of Shanks & McEwan (Technical Services) Limited from the ultimate parent company on 28 March 1993 (see note 18 to the accounts). This company in turn holds the entire issued share capital of Shanks & McEwan (Teesside) Limited.

The company changed its name to Shanks & McEwan (Environmental Services) Limited on 30 March 1993.

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
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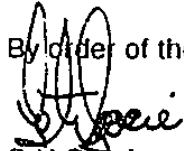
REPORT OF THE DIRECTORS

8. Elective resolution

By elective resolution the Company has dispensed with the following obligations of the Companies Act 1985:

- i) to appoint auditors annually pursuant to section 386.
- ii) to lay accounts and reports before the Company in general meeting pursuant to section 252.
- iii) the holding of an annual general meeting pursuant to section 366A.

By order of the board



G H Gracie  
Secretary

23 June 1993

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
(Formerly RECHEM ENVIRONMENTAL SERVICES LIMITED)

REPORT OF THE AUDITORS

TO THE MEMBERS OF SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED

We have audited the accounts on pages 5 to 13 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 27 March 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MOORES ROWLAND

Chartered Accountants  
Registered Auditors  
25 Bothwell Street  
Glasgow G2 6NL

23 June 1993

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
(Formerly RECHEM ENVIRONMENTAL SERVICES LIMITED)

PROFIT AND LOSS ACCOUNT

YEAR ENDED 27 MARCH 1993

		1993	1992
	Note	£000	£000
TURNOVER	2	2,296	2,641
Administrative expenses		<u>1,126</u>	<u>1,911</u>
TRADING PROFIT		1,170	730
Income from group companies		<u>3,715</u>	<u>5,056</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2,3	4,885	5,786
Taxation	5	<u>390</u>	<u>270</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,495	5,516
Dividends	6	<u>3,715</u>	<u>5,056</u>
RETAINED PROFIT FOR THE YEAR	14	<u><u>780</u></u>	<u><u>460</u></u>

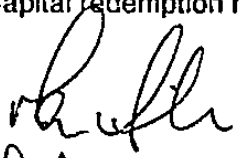
The notes on pages 7 to 13 form part of these accounts

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
(Formerly RECHEM ENVIRONMENTAL SERVICES LIMITED)

BALANCE SHEET

27 MARCH 1993

		1993	1992
	Note	£000	£000
<b>FIXED ASSETS</b>			
Tangible assets	7	2,280	2,298
Investments	8	<u>1,765</u>	<u>1,765</u>
		4,045	4,063
<b>CURRENT ASSETS</b>			
Debtors	9	<div style="border: 1px solid black; padding: 2px;">4,915</div>	<div style="border: 1px solid black; padding: 2px;">6,716</div>
CREDITORS: amounts falling due within within one year	10	<div style="border: 1px solid black; padding: 2px;">2,883</div>	<div style="border: 1px solid black; padding: 2px;">5,482</div>
NET CURRENT ASSETS		<u>2,032</u>	<u>1,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,077	5,297
PROVISION FOR LIABILITIES AND CHARGES	11	<u>60</u>	<u>60</u>
		<u>6,017</u>	<u>5,237</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	537	537
Share premium account	13	3,002	3,002
Profit and loss account	14	2,378	1,598
Capital redemption reserve	15	<u>100</u>	<u>100</u>
		<u>6,017</u>	<u>5,237</u>

  
M O E Averill

Director

  
G H Gracie

Director

23 June 1993

The notes on pages 7 to 13 form part of these accounts

**SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED**  
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**NOTES ON THE ACCOUNTS**

**1. Accounting policies**

**(i) Basis of presentation**

The accounts have been prepared using the historical cost convention and in accordance with applicable Accounting Standards.

As the company is a wholly owned subsidiary undertaking of Shanks & McEwan Group PLC, registered in Scotland, group accounts have not been prepared as permitted by the Companies Act 1985 and the accounts contain information about the company as an individual undertaking.

**(ii) Turnover**

Turnover represents the value of work executed and goods and services supplied by the company during the period excluding, where applicable, value added tax.

**(iii) Fixed assets**

Depreciation is provided on assets other than land in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost or valuation of the assets.

The estimated lives are:

Buildings : 50 years

**(iv) Deferred taxation**

Provision is made under the liability method for taxation deferred in respect of accelerated capital allowances and other timing differences but only to the extent that it is thought reasonably probable that an actual liability will arise in the foreseeable future.

**(v) Pensions**

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the period benefiting from the employees' services.

**2. Turnover and profit**

Turnover and profit on ordinary activities before taxation is derived from providing property and management services to group companies.

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
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## NOTES ON THE ACCOUNTS

1993  
£000

1992  
£000

3. Profit on ordinary activities before  
taxation

The profit is stated after charging:

Depreciation of tangible fixed assets  
Auditor's remuneration

18  
2

18  
2

4. Directors and other employees

Number

Number

The average weekly number of persons  
employed by the company during the  
year was as follows:

Waste management

12

15

Staff costs comprise:

£000

£000

Wages and salaries

335

458

Social security costs

35

48

Other pension costs

42

60

412

566

The remuneration of the directors  
was as follows:

Fees

-

-

Other emoluments

174

216

174

216

Particulars of director's remuneration  
excluding pension contributions:

Chairman

-

-

Highest paid director

72

58

Other directors

Number

Number

£ 0 to £ 5000

4

4

£ 20001 to £ 25000

1

-

£ 25001 to £ 30000

-

2

£ 30001 to £ 35000

-

1

£ 40001 to £ 45000

-

1

£ 45001 to £ 50000

1

-

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
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NOTES ON THE ACCOUNTS

	1993 £000	1992 £000
5. Taxation		
Taxation charge based on the profits of the year is made up as follows:		
UK Corporation tax at 33% (1992:33%)	<u>390</u>	<u>270</u>
6. Dividends		
Interim paid	1,238	—
Final proposed	<u>2,477</u>	<u>5,056</u>
	<u>3,715</u>	<u>5,056</u>

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
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NOTES ON THE ACCOUNTS

7. Tangible fixed assets

	Land and Buildings
	£000
Cost:	
At 29 March 1992 and 27 March 1993	<u>2,446</u>
Depreciation:	
At 29 March 1992	148
Charge for year	<u>18</u>
At 27 March 1993	<u>166</u>
Net book amount:	
At 27 March 1993	<u>2,280</u>
Consisting of:	
Freehold	1,959
Long leasehold	<u>321</u>
At 29 March 1992	<u>2,293</u>
Consisting of:	
Freehold	1,964
Long leasehold	<u>334</u>

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
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NOTES ON THE ACCOUNTS

8. Investments

Investments in subsidiary undertakings

Shares at cost: £000

At 29 March 1992 and 27 March 1993 1,765

The company holds 100% of the equity of the following company:

Name of company	Registered in	Class of share	Business
Rechem International Limited	England	Ordinary	Waste Incineration

The directors are of the opinion that the value of investments in and amounts owing from subsidiary undertakings is not less than the aggregate amounts at which they are stated in the accounts.

1993	1992
£000	£000

9. Debtors

Amounts owed by parent and fellow subsidiary undertakings	2,236	2,236
Amounts owed by subsidiary undertakings	<u>2,679</u>	<u>4,480</u>
	<u>4,915</u>	<u>6,716</u>

10. Creditors: amounts falling due within one year

Accruals	-	53
Corporation tax payable	406	373
Proposed dividend	<u>2,477</u>	<u>5,056</u>
	<u>2,883</u>	<u>5,482</u>

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
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NOTES ON THE ACCOUNTS

11. Provision for liabilities and charges

£000

Deferred taxation:

At 29 March 1992 and at 27 March 1993

60

The deferred taxation provision together with the full potential liability for all timing differences is made up as follows:

	1993	1992
	Total	Total
	Potential	Potential
	Liability	Liability
	Provision	Provision
	£000	£000
Accelerated capital allowances	<u>60</u>	<u>60</u>
	151	153
12. Called up share capital	1993	1992
	£000	£000
Authorised:		
35,000,000 ordinary shares of 2p	<u>700</u>	<u>700</u>
Allotted and fully paid		
26,841,120 ordinary shares of 2p	<u>537</u>	<u>537</u>
13. Share premium account		£000
At 29 March 1992 and 27 March 1993		<u>3,002</u>
14. Profit and loss account		
At 29 March 1992		1,598
Transfer for the year		<u>780</u>
At 27 March 1993		<u>2,378</u>

SHANKS & McEWAN (ENVIRONMENTAL SERVICES) LIMITED  
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NOTES ON THE ACCOUNTS

£000

15. Capital redemption reserve

At 29 March 1992 and 27 March 1993

100

16. Pension commitments

The company operated a pension scheme which provided benefits based upon contributions. The scheme was closed in June 1992 and members were offered the opportunity of transferring to the Shanks & McEwan Group PLC Retirement Benefits Scheme, which provides benefits based upon final salary.

The assets are held separately from those of group companies and are invested by professional investment managers.

The pension costs are determined by a qualified actuary on the basis of triennial valuation using the Projected Unit Method.

Details of the latest actuarial value of the scheme on 6 April 1992 are given in the accounts of Shanks & McEwan Group PLC.

The pensions charge for the year was £7,504 (1992:£Nil) in respect of the deferred benefits scheme and £20,952 (1992:£60,000) in respect of the deferred contributions scheme.

17. 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, subsidiary and fellow subsidiary companies.

The Directors are of the opinion that claims for compensation made against a subsidiary by third parties have no foundation.

18. Post balance sheet events

The company acquired the entire issued share capital of a fellow subsidiary, Shanks & McEwan (Technical Services) Limited, on 28 March 1993 for a consideration of £2,086,000 representing its net asset value.

The company changed its name from Rechem Environmental Services Limited to Shanks & McEwan (Environmental Services) Limited on 30 March 1993.

18. Ultimate parent company

The company's ultimate parent company is Shanks and McEwan Group PLC, a company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks & McEwan Group PLC, 22 Woodside Place, Glasgow G3 7QY