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SHANKS & McEWAN (CAMDEN) LIMITED
(Registered Number 2162677)

REPORT AND ACCOUNTS

YEAR ENDED 28 MARCH 1998



SHANKS & McEWAN (CAMDEN) LIMITED

CONTENTS

	Page
DIRECTORS' REPORT	1-2
AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE ACCOUNTS	6-7

SHANKS & McEWAN (CAMDEN) LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended 28 March 1998.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE PROSPECTS

The principal activity of the Company is the development of the property and rental to Group undertakings.

TRADING RESULTS AND DIVIDEND

The profit on ordinary activities before taxation for the year ended 28 March 1998 was £NIL.
(1996:£877,000)

The Directors do not recommended that a dividend be paid in respect of the year ended 28 March 1998.
(1997 : £Nil). The profit transferred to reserves for the year was £Nil (1997 : £877,000).

DIRECTORS

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

M C E Averill
D J Downes

DIRECTORS' INTERESTS

None of the Directors had a direct interest in the share capital of the Company.

All Directors were also Directors of Shanks and McEwan Group PLC and their interests in that Company's share capital are disclosed in the Group accounts.

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

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.

SHANKS & McEWAN (CAMDEN) LIMITED

DIRECTORS' REPORT (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

AUDITORS

Following the merger of Price Waterhouse and Coopers & Lybrand on 1st July 1998, Price Waterhouse, resigned in favour of the new firm, PricewaterhouseCoopers and the directors appointed PricewaterhouseCoopers to fill the casual vacancy created by the resignation. A resolution to appoint PricewaterhouseCoopers as auditors of the company will be proposed at the Annual General Meeting.

By Order of the Board



D J Downes
Director
23rd July 1998

Registered Office:
Woodside House
Church Street
Woburn Sands
Milton Keynes
Buckinghamshire
MK17 8TA

AUDITORS' REPORT TO THE MEMBERS OF
SHANKS & McEWAN (CAMDEN) LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on pages 1 and 2 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 report our opinion to you.

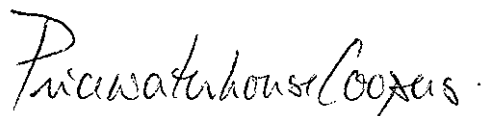
Basis of Opinion

We conducted our audits in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates and judgements made by the directors in preparing the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and prepared 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 company's affairs as at 28 March 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

23 July 1998

SHANKS & McEWAN (CAMDEN) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 MARCH 1998**

	<u>1998</u> £'000	<u>1997</u> £'000
TURNOVER	-	-
Cost of sales	-	-
GROSS PROFIT	-	-
Income from group companies	-	-
OPERATING PROFIT	-	-
Exceptional item (Note 2)	-	877
PROFIT BEFORE INTEREST	-	877
Interest payable	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		877
Taxation	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION (Note 6)	-	877

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 28 MARCH 1998

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

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 28 MARCH 1998

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

The notes on pages 6 to 7 form part of these financial statements.

SHANKS & McEWAN (CAMDEN) LIMITED

BALANCE SHEET - 28 MARCH 1998

	<u>1998</u> £'000	<u>1997</u> £'000
CURRENT ASSETS		
Amounts due from parent undertaking	<u>977</u>	<u>977</u>
CAPITAL AND RESERVES		
Called up share capital (Note 4)	2260	2,260
Profit and loss account (Note 5)	(1,283)	(1,283)
	<u>977</u>	<u>977</u>

APPROVED BY THE BOARD ON
23 July 1998



D J Downes
DIRECTOR

The notes on pages 6 to 7 form part of these financial statements.

SHANKS & McEWAN (CAMDEN) LIMITED

NOTES TO THE ACCOUNTS - 28 MARCH 1998

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, and in accordance with applicable UK Accounting Standards.

2. EXCEPTIONAL ITEM

This item relates to the repayment of the overdraft outstanding at 30 March 1996 by Shanks & McEwan Group PLC. This amount has then been recognised as an exceptional profit as no amount is owed to Shanks & McEwan Group PLC by the Company. It is considered that this transaction is exceptional due to size and incidence.

3. EMOLUMENTS OF DIRECTORS

The salaries of the Directors were paid by other Shanks & McEwan Group undertakings and no remuneration was paid or is payable by Shanks & McEwan (Camden) Limited.

The Directors estimate that no emoluments, paid by other Shanks & McEwan Group undertakings relate to services provided to the Company.

4. CALLED UP SHARE CAPITAL

	<u>1998</u> £'000	<u>1997</u> £'000
Authorised 2,500,000 ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>
Allotted and fully paid 2,260,000 ordinary shares of £1 each	<u>2,260</u>	<u>2,260</u>

5. RESERVES

	<u>Profit and loss</u> £'000
At 29 March 1997	(1,283)
Profit for the year	-
At 28 March 1998	<u>(1,283)</u>

SHANKS & McEWAN (CAMDEN) LIMITED

NOTES TO THE ACCOUNTS - 28 MARCH 1998 (Continued)

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u> £'000	<u>1997</u> £'000
Total recognised gains and losses for the year	-	877
Opening shareholders' funds	<u>-</u>	<u>100</u>
Closing shareholders' funds	<u>-</u>	<u>977</u>

7. RELATED PARTY TRANSACTIONS

In accordance with FRS8, the Company, being a wholly owned subsidiary of another company which prepares a statement of related party transactions including that of this company, has not prepared such a statement itself.

8. CASH FLOW STATEMENT

In accordance with paragraph 8(c) of FRS1, the company, being the wholly owned subsidiary of another company which prepares a cash flow statement including that of this company, has not prepared such a statement itself.

9. ULTIMATE PARENT COMPANY

The Company's immediate holding company is Shanks & McEwan (Southern Waste Services) Limited. The ultimate parent Company is Shanks & McEwan Group PLC, a Company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks & McEwan Group PLC, Astor House, Station Road, Bourne End, Buckinghamshire, SL8 5YB.

The ultimate parent company has undertaken to provide the company with the necessary financial and other support, to any extent required to, to enable the company to meet its future trading obligations.