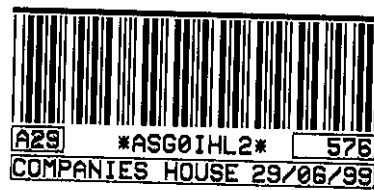


Company Registered Number: 2206141

CAIRD ENVIRONMENTAL LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998



CAIRD ENVIRONMENTAL LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1998

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of the provision of waste management services.

RESULTS AND DIVIDEND

Results for the year are set out in the Profit and Loss Account on page 5. No dividend is proposed (1997 - £nil).

TANGIBLE FIXED ASSETS

Changes in tangible fixed assets are shown in note 9.

INVESTMENTS

Movements in investments in subsidiary undertakings during the year are shown in note 10.

DIRECTORS

The directors of the company during the year were :

S.J. Hynes
D.R. Flynn
D.T. Weir
D.A. Lusher (appointed 1 January 1999)

DIRECTORS' INTERESTS

The directors had no beneficial interests in the share capital of the company.

The beneficial interests in the ordinary shares of Caird Group PLC of those persons who were directors of the company at 31 December 1998 but not directors of Caird Group PLC were as follows:

25p Ordinary Shares			<i>25p Ordinary Shares under option as at 31 December</i>		
			1997	Granted	1998
D R Flynn	-	(a)	30,000	-	30,000
		(b)	20,000	-	20,000
		(c)	20,000	-	20,000
		(d)	-	20,000	20,000
			<u>70,000</u>	<u>20,000</u>	<u>90,000</u>
S J Hynes	-	(a)	30,000	-	30,000
		(b)	20,000	-	20,000
		(c)	30,000	-	30,000
		(d)	-	20,000	20,000
			<u>80,000</u>	<u>20,000</u>	<u>100,000</u>

CAIRD ENVIRONMENTAL LIMITED

DIRECTORS' REPORT

(continued)

Share options are held under the Caird Executive Share Option Scheme and have been re-stated following the sub-division of shares in November 1998.

Options are exercisable between the following dates:

- (a) 9 May 1999 and 8 May 2006
- (b) 8 October 1999 and 7 October 2006
- (c) 6 September 2000 and 5 September 2007
- (d) 30 June 2001 and 29 June 2008

No options were exercised during the year or in the previous year and there have been no changes in the directors' interest from 31 December 1998 to the date hereof.

EMPLOYEE INVOLVEMENT

The company encourages the development of employee involvement. Employees are kept informed about the company's development by periodic circulars and bulletins on notice boards.

EMPLOYMENT OF DISABLED PERSONS

The company's policy in respect of disabled persons is the same as that relating to all other employees in matters of recruitment, training, career development and promotion. Where employees become disabled in the course of their employment the company will endeavour to continue to provide employment.

EQUAL OPPORTUNITIES

The company's objective is to treat all its employees fairly and to avoid any form of discrimination in employment. Its policy is to provide equal opportunities for men and women in the areas of recruitment, selection for promotion and training and it requires that its employees observe this policy and avoid any form of discrimination on any grounds.

PAYMENT OF SUPPLIERS

It is the company's payment policy, in respect of all suppliers, to settle agreed outstanding accounts in accordance with terms and conditions agreed with suppliers when placing orders subject to satisfactory performance of suppliers. At 31 December 1998, the company's trade creditors outstanding represented approximately 40 days' purchases (1997- 37 days).

YEAR 2000

The company is working to ensure that all its business operations are as ready as they reasonably can be with regard to the impact of the year 2000 date change

A risk assessment has been performed to determine the impact of the issue on all the company's activities. Action plans have been developed and resources allocated to ensure the key risks are addressed in advance of critical dates without disruption to the underlying business activities.

Solutions to the majority of key risks have been implemented by 31 December 1998 and the remainder should be completed in the first half of 1999. The costs of implementing the changes required by Year 2000 have been taken to profit as they have occurred during the year and are not significant.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD


D.R.FLYNN
DIRECTOR

22 April 1999

CAIRD ENVIRONMENTAL 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 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 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.

REPORT OF THE AUDITORS, ERNST & YOUNG,
TO THE MEMBERS OF
CAIRD ENVIRONMENTAL LIMITED

We have audited the accounts on pages 5 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and on the basis of the accounting policies set out on pages 8 to 10.

Respective responsibilities of directors and auditors

As described on page 3 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.

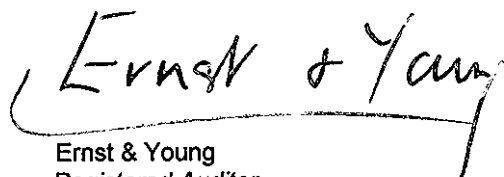
Basis of opinion

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 amounts and disclosures in the accounts. It also includes an assessment of the 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 as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', is written over a horizontal line.

Ernst & Young
Registered Auditor
Liverpool

22 April 1999

CAIRD ENVIRONMENTAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
Turnover	2	14,816,957	13,472,283
Cost of sales		(8,315,917)	(7,525,213)
Gross profit		6,501,040	5,947,070
Operating expenses		(3,046,037)	(2,786,897)
Central administration			
Ongoing		(987,984)	(1,042,642)
Investments in subsidiaries		-	(25,604)
Operating profit	3	2,467,019	2,091,927
Exceptional items			
Reorganisation provisions no longer required	6	-	607,414
Profit on ordinary activities before interest	2	2,467,019	2,699,341
Interest	7	(45,966)	(188,723)
Profit on ordinary activities before taxation		2,421,053	2,510,618
Taxation	8	(279,255)	(260,571)
Profit for the financial year		2,141,798	2,250,047

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

Movements on reserves are set out in note 20

CAIRD ENVIRONMENTAL LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 1998

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Reported profit on ordinary activities before taxation	2,421,053	2,510,618
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	15,831	18,414
Historical cost profit on ordinary activities before taxation	<u>2,436,884</u>	<u>2,529,032</u>
Historical cost profit for the financial year	<u>2,157,629</u>	<u>2,268,461</u>

CAIRD ENVIRONMENTAL LIMITED

BALANCE SHEET

AT 31 DECEMBER 1998

	Notes	1998	1997
		£	£
ASSETS EMPLOYED			
Fixed assets			
Tangible assets	9	19,997,640	18,990,265
Investments	10	1,372,959	1,372,959
		<u>21,370,599</u>	<u>20,363,224</u>
Current assets			
Disposal assets	11	2,611,989	2,595,184
Stocks	12	535,354	460,261
Debtors	13	10,857,270	13,418,462
Cash at bank and in hand		509,632	247,924
		<u>14,514,245</u>	<u>16,721,831</u>
Creditors : amounts falling due within one year	14	<u>(8,026,061)</u>	<u>(13,295,059)</u>
Net current assets		6,488,184	3,426,772
Total assets less current liabilities		<u>27,858,783</u>	<u>23,789,996</u>
FINANCED BY			
Creditors : amounts falling due after more than one year	15	7,315	72,752
Holding company loan	16	62,640,285	60,726,758
Provisions for liabilities and charges			
Deferred tax	17	164,721	85,822
		<u>62,812,321</u>	<u>60,885,332</u>
Capital and reserves			
Called up share capital	18	2	2
Revaluation reserve	19	241,469	257,300
Profit and loss account	20	(35,195,009)	(37,352,638)
Equity shareholders' funds	22	<u>(34,953,538)</u>	<u>(37,095,336)</u>
		<u>27,858,783</u>	<u>23,789,996</u>

These accounts were approved by the Board of Directors and signed on their behalf on 22 April 1999

by

D.R.FLYNN

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1 ACCOUNTING POLICIES

Accounting Convention

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain freehold land and buildings, and in accordance with Applicable Accounting Standards. Group accounts have not been prepared as the company is a wholly owned subsidiary of Caird Group PLC.

The principal accounting policies, which are applied consistently throughout the Caird Group are as follows:

(a) Depreciation

The cost of tangible fixed assets except freehold land is depreciated to estimated residual value by equal annual instalments over the following estimated useful lives:

Freehold buildings	25 to 50 years
Leasehold land and buildings	Period of lease
Plant and equipment	3 to 15 years

Landfill sites are stated at cost or valuation less amounts written off. Depreciation is provided to the extent that the net capacity of each site is utilised in the period. Costs incurred on the development of sites prior to their becoming operational are capitalised. Such expenditure is amortised over the life of the asset to which it relates, commencing when the asset becomes operational.

(b) Investments in subsidiaries

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

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

(c) Advance Corporation Tax

Advance corporation tax on dividends paid and proposed is carried forward to the extent that it can be recovered. Advance corporation tax in excess of this is written off as part of the taxation charge for the year.

(d) Goodwill

Goodwill representing the excess cost of acquiring businesses and assets over their fair value is written off as a movement on reserves.

(e) Deferred taxation

Deferred taxation is provided using the liability method in respect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(f) Pensions

Pension contributions are charged to the Profit and Loss Account in the period in which they become payable in respect of defined contribution schemes.

(g) Turnover

Turnover, all of which occurred in the United Kingdom, represents external charges for waste management services and sales of materials extracted or recycled from landfill sites during the course of development or operation. Landfill tax is excluded from turnover. Direct costs incurred in relation to sales of materials are charged to the Profit and Loss Account.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises material, labour and attributable overheads.

(i) Leases

Assets acquired under finance leases are capitalised and depreciated in the same manner as owned tangible fixed assets. Obligations under finance leases are included in creditors. Rentals payable under finance leases are allocated between capital, which reduces the outstanding obligation, and interest, which is charged to Profit and Loss Account on a basis which produces a constant periodic rate of charge on the outstanding obligation.

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

(j) Cashflow Statement

The company is exempt from the requirement to include a cashflow statement in these accounts, as it is a wholly owned subsidiary of Caird Group PLC, whose consolidated accounts include a cashflow statement dealing with the cash flows of the group.

2 SEGMENTAL ANALYSIS

	1998	1997
	£	£
Turnover		
Continuing operations		
Waste management services :		
Landfill	6,761,939	6,854,546
Special waste	8,041,983	6,603,844
Other	13,035	13,893
	<u>14,816,957</u>	<u>13,472,283</u>

	1998	1997
	£	£
Profit on ordinary activities before interest		
Waste management services:		
Landfill	2,674,843	2,582,611
Special Waste	780,160	577,562
	<u>3,455,003</u>	<u>3,160,173</u>
Central administration costs		
Ongoing	(987,984)	(1,042,642)
Investments in subsidiaries	-	(25,604)
Non-operating exceptional items	-	607,414
	<u>2,467,019</u>	<u>2,699,341</u>

3 OPERATING PROFIT

Operating profit on ordinary activities is stated after charging/(crediting) :	1998	1997
	£	£
Depreciation	1,971,426	1,778,223
Auditors' remuneration - audit services	35,000	34,000
Operating lease charges - plant and machinery	625,571	517,173
Profit on sale of assets	(23,994)	5,710
Increase in provision against amounts due from subsidiary undertakings	1,157	7,578
Increase in provision for diminution in value of investments in subsidiaries	-	18,026
Release of provision for diminution in value of investments in subsidiaries de-registered	-	-
	<u> </u>	<u> </u>

Total auditors' remuneration for non audit services was £63,000 (1997 - £55,000).

CAIRD ENVIRONMENTAL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

4 EMPLOYMENT COSTS

The average number of employees (including directors) by activity :

	1998	1997
	Number	Number
Administration and management	29	29
Landfill	39	36
Special waste	101	90
	<u>169</u>	<u>155</u>

Employee costs :

	1998	1997
	£	£
Wages and salaries	2,799,088	2,699,489
Social security costs	265,334	233,217
Other pension costs	93,994	88,996
	<u>3,158,416</u>	<u>3,021,702</u>

5 DIRECTORS' REMUNERATION

Directors' emoluments in respect of management of the company :

	1998	1997
	£	£
Emoluments including benefits in kind	341,250	326,829
Pension contributions	11,305	16,730
	<u>352,555</u>	<u>343,559</u>

Highest paid director

Emoluments including benefits in kind	170,249	165,582
Pension contributions	9,100	8,610
	<u>179,349</u>	<u>174,192</u>

The directors are members of a money purchase pension scheme

6 EXCEPTIONAL ITEMS

Exceptional items have been credited to the profit and loss account as detailed below :

	1998	1997
	£'000	£'000
Reorganisation provisions no longer required	<u>-</u>	<u>607</u>

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

7 INTEREST

	<u>1998</u>	<u>1997</u>
	£	£
Interest payable :		
on bank loans and overdrafts	21,354	150,996
on other loans	-	471
on finance leases	<u>26,519</u>	<u>38,425</u>
	47,873	189,892
Interest receivable	<u>(1,907)</u>	<u>(1,169)</u>
	<u>45,966</u>	<u>188,723</u>

8 TAXATION

	<u>1998</u>	<u>1997</u>
	£	£
The tax charge is made up as follows:		
Based on the profit for the year		
corporation tax at 33%	504,018	567,226
deferred tax	114,018	53,489
advance corporation tax surrendered by holding company	<u>(313,662)</u>	<u>(360,144)</u>
	304,374	260,571
Tax under/over provided in previous years		
corporation tax	10,000	-
deferred tax	<u>(35,119)</u>	<u>-</u>
	<u>(25,119)</u>	
	<u>279,255</u>	<u>260,571</u>

No tax charge is required in relation to the exceptional items in 1997

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

9 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and equipment £	Total £
Cost or valuation			
At 1 January 1998	34,607,288	8,258,214	42,865,502
Additions	2,567,302	660,409	3,227,711
Disposals	(321,117)	(207,009)	(528,126)
At 31 December 1998	<u>36,853,473</u>	<u>8,711,614</u>	<u>45,565,087</u>
Depreciation			
At 1 January 1998	18,936,133	4,939,104	23,875,237
Charge for the year	1,264,153	707,273	1,971,426
Disposals	(79,804)	(199,412)	(279,216)
At 31 December 1998	<u>20,120,482</u>	<u>5,446,965</u>	<u>25,567,447</u>
Net book value			
At 31 December 1998	<u>16,732,991</u>	<u>3,264,649</u>	<u>19,997,640</u>
At 31 December 1997	<u>15,671,155</u>	<u>3,319,110</u>	<u>18,990,265</u>

The historical cost of the land and buildings is as follows:

	£
At 31 December 1998	<u>34,506,677</u>
At 31 December 1997	<u>32,260,492</u>

The cost of land and buildings includes £16,992 (1997 - £420,407) which is not depreciated and capitalised interest of £6,000 (1997 - £6,000). Legal title to some of the Caird Group's properties is held by group companies other than those in which the beneficial interest is vested, pending transfer of registered ownership.

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

9 TANGIBLE FIXED ASSETS (continued)

The net book value of land and buildings comprise :	1998	1997
	£	£
	£,000	£,000
Freehold	14,579	14,655
Short Leasehold	2,154	1,016
	<u>16,733</u>	<u>15,671</u>

Fixed assets amounting to a net book value of £124,000 (1997 - £254,000) were held under finance leases. The depreciation charge for the year on those assets was £130,000 (1997 - £138,000).

10 INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
At 1 January 1998 and 31 December 1998	<u>3,029,151</u>
Less provision	
At 1 January 1998 and 31 December 1998	<u>1,656,192</u>
Total investment	
At 31 December 1998	<u>1,372,959</u>
At 31 December 1997	<u>1,372,959</u>

The following companies were subsidiaries of Caird Environmental Limited at 31 December 1998. All holdings are 100% of the Ordinary shares of those companies and are held directly.

All companies operate in their country of registration, and were engaged in the provision of waste management and related industrial services.

<u>Company</u>	<u>Country of Registration</u>
Atlas Clensol Limited	England
Caird Commercial Vehicles Limited	England
Caird Industrial Services Limited	England
Caird Treatment Centres Limited	England
Hirt Combustion Engineers Limited	England
Norfolk Environmental Developments Limited	England

11 DISPOSAL ASSETS

Arising from the strategic review undertaken during 1993 and a further review in 1995 certain fixed assets have been designated surplus to requirements in view of their non income producing status or lack of development. These assets are held for disposal and on such designation were transferred to the category of Disposal Assets on the balance sheet.

CAIRD ENVIRONMENTAL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998
 (continued)

12 STOCKS	1998	1997
	£	£
Raw materials and consumables	4,529	4,205
Work in progress	459,172	414,923
Finished goods	71,653	41,133
	535,354	460,261

13 DEBTORS	1998	1997
	£	£
Trade debtors	3,395,347	2,875,113
Amounts owed by parent and fellow subsidiary undertakings	852,801	852,801
Amounts owed by subsidiary undertakings	5,406,137	8,906,316
Other debtors	846,173	382,211
Prepayments	356,812	402,021
	10,857,270	13,418,462

14 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	1998	1997
	£	£
Trade creditors	1,603,926	1,481,155
Amounts owed to parent and fellow subsidiary undertakings	1,556,511	1,556,511
Amounts owed to subsidiary undertakings	853,858	5,397,318
Group relief payable	430,411	430,411
Corporation tax	369,513	257,158
Other taxes and social security costs	458,134	473,954
Finance leases	111,380	248,710
Other creditors	1,164,239	1,735,280
Accruals	794,659	1,031,132
Arising from fundamental reorganisation	683,430	683,430
	8,026,061	13,295,059

15 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998	1997
	£	£
Finance leases	7,315	72,752

Finance leases are secured against items of plant and equipment and bear interest at market rates.

	1998	1997
	£	£
Due between 1 and 2 years		
Finance leases	7,315	72,752

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

16 HOLDING COMPANY LOAN

The holding company, Caird Group PLC, has confirmed that it will not require repayment of amounts due totalling £62,640,285 (1997 - £ 60,726,758) in the foreseeable future and that it will continue to provide funding for acquisitions and for working capital requirements of the company and its subsidiaries to the extent that these are not met by external borrowings. For this reason the balance due to the holding company has been shown separately from amounts due to group companies which are included in creditors falling due within one year.

17 DEFERRED TAXATION

	Accelerated capital allowances	Advance corporation tax	Total
At 1 January 1998	233,594	(147,772)	85,822
Charged to profit and loss account in the year	222,352	(143,453)	78,899
At 31 December 1998	<u>455,946</u>	<u>(291,225)</u>	<u>164,721</u>

The full potential liability to deferred tax has been provided as the directors have concluded, on the basis of reasonable assumptions, that it is probable that the liability will crystallise in the foreseeable future.

No provision is made for the liability to corporation tax on capital gains estimated at £80,000 (1997 - £80,000) which would arise if certain land and buildings were to be sold at their revalued amounts due to the availability of capital losses.

18 CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
200,000 Ordinary shares of 25p each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid:		
8 Ordinary shares of 25p each	<u>2</u>	<u>2</u>

19 REVALUATION RESERVE

	1998 £	1997 £
At 1 January	257,300	275,714
Additional depreciation on revalued assets transferred to Profit and Loss Account	(15,831)	(18,414)
At 31 December	<u>241,469</u>	<u>257,300</u>

The revaluation reserve relates to a freehold landfill site which was valued by directors in 1990 at open market value based upon a professional valuation by surveyors, as part of a fair value review following acquisition.

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

20 PROFIT AND LOSS ACCOUNT

£

At 1 January 1998	(37,352,638)
Profit for the year	2,141,798
Additional depreciation on revalued assets transferred from Revaluation Reserve	15,831
At 31 December 1998	<u>(35,195,009)</u>

21 PENSION ARRANGEMENTS

Eligible employees of the company participate in the Caird Group Pension Scheme.
The scheme is a defined contribution scheme.

During the year the company made contributions of £88,022 (1997 - £88,022) to the scheme.
No contributions were outstanding at 31 December 1998 or 1997.

22 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>1998</u>	<u>1997</u>
	£	£
Opening shareholders' funds	(37,095,336)	(39,345,383)
Profit for the year	2,141,798	2,250,047
Closing shareholders' funds	<u>(34,953,538)</u>	<u>(37,095,336)</u>

23 OPERATING LEASE COMMITMENTS

The company's commitments in respect of operating leases of plant are as follows :

	<u>1998</u>	<u>1997</u>
	£	£
Amounts payable next year where leases expire :		
Within one year	113,192	26,951
Within two to five years	469,979	564,450
	<u>583,171</u>	<u>591,401</u>

CAIRD ENVIRONMENTAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(continued)

24 CAPITAL COMMITMENTS

	<u>1998</u>	<u>1997</u>
	£	£
Contracts placed for expenditure on fixed assets not provided for in the accounts	<u>221,000</u>	<u>221,000</u>

25 CONTINGENT LIABILITIES

The company also has bonds, indemnities and guarantees outstanding in favour of its bankers of £635,000 (1997 - £ 635,000).

All properties and assets are charged for the Caird Group under cross-guarantees and debentures in favour of the company's bankers.

26 PARENT COMPANY AND CONTROLLING PARTY

The company's parent is Caird Group PLC, a company registered in Scotland.

The majority shareholder of Caird Group PLC is Co-operation Retirement Benefit Fund (L) Limited, a company incorporated in Malaysia.

Transactions with other entities within the Caird Group have not been disclosed as the company is a wholly owned subsidiary and is included in the consolidated accounts of Caird Group PLC.

Copies of the Caird Group Accounts are available from North Road, Ellesmere Port, South Wirral, L65 1AE.