

UK Waste Management Holdings Limited  
Accounts for the period ended 22 September 2000

Registered number: 2536345



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# **UK Waste Management Holdings Limited**

## **Directors' report for the period ended 22 September 2000**

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the period ended 22 September 2000.

### **Principal activity and business review**

The principal activity of the company is the searching for and development of business opportunities in the waste management industry in the United Kingdom.

The company does not generate revenues other than from dividends from subsidiary undertakings. The principal subsidiary undertakings are listed in note 6 to the accounts.

### **Results and dividends**

The directors do not propose a dividend for the year consequently the profit for the period of £245,000 (1999 – loss of £6,000) has been transferred to reserves.

### **Directors and directors' interests**

The directors who served during the year were:

N.C.Franklin	(resigned 22 September 2000)
M.R.Stewart	(resigned 22 September 2000)
P.S.Dewsnap	(resigned 22 September 2000)
R.E.Tweedale	
M.J.Bettington	(appointed 22 September 2000)
D.A.Brown	(appointed 22 September 2000)

The directors who held office at 22 September 2000 did not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

# **UK Waste Management Holdings Limited**

## **Directors' report for the year ended 22 September 2000 (continued)**

### **Directors' responsibilities**

United Kingdom company law requires the directors to prepare accounts for each financial period 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 the period. In preparing those accounts, the directors are required to:

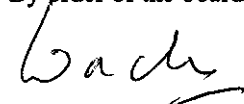
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the United Kingdom 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**

During the period Arthur Andersen resigned as auditors and the directors appointed PricewaterhouseCoopers in their place. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

By order of the board



W.A.F Clark  
Company Secretary

19 July 2001

# **UK Waste Management Holdings Limited**

## **Auditors' report to the members of UK Waste Management Holdings Limited**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2 this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

### **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 the company's affairs at 22 September 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Birmingham**  
19 July 2001

# UK Waste Management Holdings Limited

## Profit and loss account for the period ended 22 September 2000

	Notes	Period ended 22 September 2000 £'000	Year ended 31 December 1999 £'000
Other operating income		26	-
<b>Operating profit</b>		26	-
Profit on sale of fixed assets investments		-	200
Profit before interest		26	200
Interest payable	2	(107)	(206)
Interest receivable		318	-
<b>Profit/(loss) on ordinary activities before tax</b>	3	237	(6)
Tax on profit/(loss) on ordinary activities	4	-	-
<b>Profit/(loss) for the financial year</b>		237	(6)
Dividends paid on equity shares	5	-	(9,000)
<b>Profit/(loss) for the year (deducted from)/ transferred to reserves</b>	10	237	(9,006)

All activity has arisen from continuing operations.

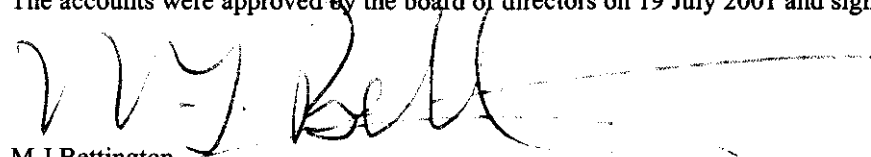
There are no recognised gains or losses other than the profit/(loss) for the financial periods.

# UK Waste Management Holdings Limited

## Balance sheet as at 22 September 2000

	Notes	22 September 2000 £'000	31 December 1999 £'000
<b>Fixed assets</b>			
Investments	6	249,065	249,024
<b>Current assets</b>			
Debtors	7	94,276	95,091
Cash at bank and in hand		4	6
		94,280	95,097
Creditors: amounts falling due within one year	8	(14,542)	(15,555)
<b>Net current assets</b>		79,738	79,542
<b>Net assets</b>		328,803	328,566
<b>Capital and reserves</b>			
Called-up share capital	9	326,260	326,260
Profit and loss account	10	2,543	2,306
<b>Equity shareholders' funds</b>		328,803	328,566

The accounts were approved by the board of directors on 19 July 2001 and signed on its behalf by:



M.J. Bettington  
Director

# UK Waste Management Holdings Limited

## Notes to the financial statements for the period ended 22 September 2000

### 1 Statement of accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

#### Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

As permitted by Section 228 of the Companies Act 1985, the company has not prepared group accounts.

#### Investments

Fixed asset investments are shown at cost less amounts written off and provisions for impairment.

#### Taxation

Corporation tax payable is provided on taxable profits at the current rate.

#### Cash flow statements

The company is exempt from the obligation to present a cash flow statement in accordance with Financial Reporting Standard No 1 (Revised), "Cash Flow Statements", since it is entitled to the exemptions available in sections 246 to 249 of the Companies Act 1985 for small companies.

### 2 Interest payable

	Period ended 22 September 2000	Year ended 31 December 1999
	£'000	£'000
On loan notes	107	160
On group loan notes	-	46
	<u>107</u>	<u>206</u>

### 3 Profit/(loss) on ordinary activities before tax

The company had no employees during the period, other than the directors.

Directors' emoluments during the period ended 22 September 2000 and year ended 31 December 1999 were paid by other group undertakings.

Auditors' remuneration was borne by the other group undertakings.



# UK Waste Management Holdings Limited

## Notes to the financial statements for the period ended 22 September 2000 (continued)

### 4 Tax on profit/(loss) on ordinary activities

At 22 September 2000 gross tax losses available for offset against future profits of the same trade amounted to £125,716 (1999: £1,014,000). The related deferred tax asset of £37,715 (1999 : £304,200) has not been accounted for on the grounds of prudence.

### 5 Dividends paid on equity shares

	Period ended 22 September 2000 £'000	Year ended 31 December 1999 £'000
Final paid of £nil (1999 : 2.76p) per ordinary 'A' share	-	4,500
Final paid of £nil (1999 : 2.76p) per ordinary 'B' share	-	4,500
	<hr/>	<hr/>
	-	9,000

### 6 Fixed asset investments

	Subsidiary Undertaking £'000
Cost	
At 1 January 2000	249,024
Additions	41
At 22 September 2000	<hr/>
	249,065

#### Principal investments

The company has investments in the following principal subsidiary undertakings, all of which are registered in England and Wales unless otherwise stated:

Subsidiary undertaking	Principal activity	Proportion of all types of shares held
UK Waste Management Limited	Waste collection and disposal	100%
Waste Management Limited	Waste collection and disposal	100%
SCS Contractors Limited	Municipal services	100%
Waterblast Limited	Industrial cleaning	100%

# UK Waste Management Holdings Limited

## Notes to the financial statements for the period ended 22 September 2000 (continued)

### 7 Debtors

	22 September 2000 £'000	31 December 1999 £'000
Amounts owed by subsidiary undertakings	<u>94,276</u>	<u>95,091</u>

### 8 Creditors: Amounts falling due within one year

	22 September 2000 £'000	31 December 1999 £'000
Trade Creditors	14	-
Loan notes	1,700	2,300
Amounts owed to group undertakings	12,822	13,255
Accruals and deferred income	6	-
	<u>14,542</u>	<u>15,555</u>

# UK Waste Management Holdings Limited

## Notes to the financial statements for the period ended 22 September 2000 (continued)

### 9 Called-up share capital

	22 September 2000 £'000	31 December 1999 £'000
Authorised		
200,000,002 ordinary 'A' shares of £1 each	250,000	250,000
200,000,002 ordinary 'B' shares of £1 each	250,000	250,000
	<hr/> 500,000	<hr/> 500,000
Allotted, called-up and fully-paid		
163,129,733 ordinary 'A' shares of £1 each	163,130	163,130
163,129,733 ordinary 'B' shares of £1 each	163,130	163,130
	<hr/> 326,260	<hr/> 326,260

The rights attaching to each class of share are such that both are classed as equity shares.

### 10 Profit and loss account

	£'000
At 1 January 2000	2,306
Profit for the period	237
At 22 September 2000	<hr/> 2,543

### 11 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Profit/(loss) for the financial period	237	(6)
Dividends paid	-	(9,000)
	<hr/>	<hr/>
Net addition to/(reduction in) shareholders' funds	237	(9,006)
Opening shareholders' funds	328,566	337,572
Closing shareholders' funds	<hr/> 328,803	<hr/> 328,566

# **UK Waste Management Holdings Limited**

## **Notes to the financial statements for the period ended 22 September 2000 (continued)**

### **12 Financial commitments**

The company is registered for VAT purposes in a group of undertakings which share a common registration number. As a result it has jointly guaranteed the VAT liability of the group and failure by other members of the group would give rise to additional liabilities for the company. The directors are of the opinion that the failure of these companies is not likely to arise.

### **13 Ultimate parent company and ultimate controlling party**

At 22 September 2000, the ultimate parent company and ultimate controlling party, was Severn Trent Plc, whose registered office is at 2297 Coventry Road, Birmingham, B26 3PU. Prior to this date the ultimate parent company and ultimate controlling party was Waste Management Inc., incorporated in the State of Delaware, USA.