

**SHANKS & McEWAN (GREENGAIRS POWER GENERATION)
LIMITED
(Registered Number 2563623)**

REPORT AND ACCOUNTS

YEAR ENDED 29 MARCH 1997



**SHANKS & McEWAN (GREENGAIRS POWER GENERATION)
LIMITED**

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SHANKS & McEWAN (GREENGAIRS POWER GENERATION) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 1997

The Directors present their Annual Report and financial statements for the year ended 29 March 1997.

TRADING RESULTS AND DIVIDEND

The Company did not trade during the year and there were no transactions on the profit and loss account.

The Directors recommend that no dividend be paid in respect of the year ended 29 March 1997 (1996: £Nil).

DIRECTORS

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

D J Downes
J R Meredith (resigned 12/02/97)
G J Newman (resigned 30/08/96)

DIRECTORS' INTERESTS

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

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

The interests of J R Meredith in the share capital of Shanks & McEwan Group PLC are disclosed in the accounts of Shanks & McEwan (Southern Waste Services) Limited.

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 (GREENGAIRS POWER GENERATION) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 1997 (Continued)

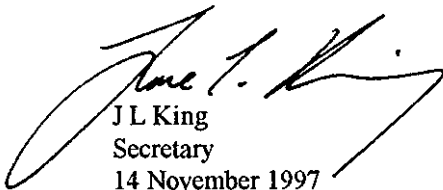
STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

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

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed in the Annual General Meeting.

By Order of the Board



J L King
Secretary
14 November 1997

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

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF
SHANKS & McEWAN (GREENGAIRS POWER GENERATION) LIMITED

We have audited the financial statements on pages 4 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 29 March 1997 and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors

14 November 1997

SHANKS & McEWAN (GREENGAIRS POWER GENERATION) LIMITED

BALANCE SHEET - 29 MARCH 1997

	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS		
Amount owed by parent undertaking	22,434	22,434
	<u> </u>	<u> </u>
CAPITAL RESERVES		
Called up share capital (Note 2)	2	2
Profit and loss account	<u>22,432</u>	<u>22,432</u>
	<u>22,434</u>	<u>22,434</u>

APPROVED BY THE BOARD ON
14 November 1997



D J Downes
DIRECTOR

The notes on page 5 form part of these financial statements.

SHANKS & McEWAN (GREENGAIRS POWER GENERATION) LIMITED

NOTES TO THE ACCOUNTS - 29 MARCH 1997

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Ordinary shares of £1 each		
Authorised	1,000	1,000
Allotted and fully paid	<u>2</u>	<u>2</u>

3. COMPANY STATUS

The Company has not traded during the year and accordingly it has made neither profit nor a loss. No profit and loss account has therefore been prepared.

4. ULTIMATE PARENT UNDERTAKING

The Company's 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 immediate parent Company is Shanks & McEwan (Northern) Limited a Company registered in Scotland. This Company has not prepared consolidated financial statements as it is exempt under section 228 of the Companies Act.