

Registered no: 2566333

Greater Manchester Sites Limited
Annual report
for the year ended 31 March 2000



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Greater Manchester Sites Limited

Annual report for the year ended 31 March 2000

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Directors and advisers

Directors

K Leyden
(Chairman)

S T Jenkinson

G K Johnson

N Franklin

R Tweedale

M Stewart

Secretary and registered office

G K Johnson FCA
P O Box 151
Higher Swan Lane
Bolton
BL3 3WW

Registered Auditors

PricewaterhouseCoopers
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Solicitors

Keogh Ritson
Gould House
59 Chorley New Road
Bolton
BL1 4QP

Bankers

Royal Bank of Scotland PLC
1-5 Church Terrace
Oldham
OL1 3AU

**Directors' report
for the year ended 31 March 2000**

The directors present their report and the audited financial statements for the year ended 31 March 2000.

Principal activities

The principal activity of the company is the arrangement of the disposal of domestic and trade refuse.

Review of business

The profit and loss account for the year is set out on page 6.

Both the level of business and the period end financial position were satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend. The retained profit for the year of £5,536 will be transferred to reserves.

Directors

N Warren resigned from the board on 6 December 1999. K Leyden was appointed to the board on 25 February 2000.

The directors of the company at 31 March 2000 are listed on page 1.

Directors' interests

No Directors held beneficial interests in the shares of the company at 31 March 2000, or at any time during the year.

Greater Manchester Sites Limited

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Changes in fixed assets

The company does not own any fixed assets.

Employees

The directors were the only employees of the company during the year.

Taxation status

The company is not a close company as defined by the provisions of the Income and Corporation Taxes Act 1988.

Euro

The directors consider that the introduction of the Euro will not significantly affect its financial processes.

The commercial implications of the UK introducing the Euro and necessary related actions are being monitored by the directors on an ongoing basis.

Year 2000

The directors recognise the importance of Year 2000 compliance. During the financial year under review the company implemented an action plan to ensure compliance.

Full testing and any necessary system modification and replacements were achieved by September 1999. No adverse impacts have been experienced by the business and whilst the situation continues to be monitored, none are expected.

Details of the costs of this programme can be found in the consolidated financial statements of Greater Manchester Waste Limited, the immediate parent undertaking.

Directors' responsibilities statement

Company law requires the directors to prepare financial statements for each financial year that 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.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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

A resolution proposing that PricewaterhouseCoopers be appointed as auditors will be put to the members at the next Annual General Meeting.

By order of the board



G K Johnson
Company Secretary
1 December 2000

Report of the auditors to the members of Greater Manchester Sites Limited

We have audited the financial statements on pages 6 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with the 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

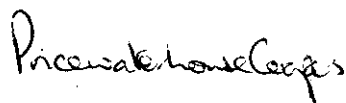
Basis of audit opinion

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 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Manchester
1 December 2000

**Profit and loss account
for the year ended 31 March 2000**

	Notes	2000 £	1999 £
Continuing operations			
Turnover	2	27,689,200	24,984,676
Cost of sales		<u>(27,675,150)</u>	<u>(24,971,580)</u>
Gross profit		14,050	13,096
Administration expenses		<u>(11,170)</u>	<u>(10,731)</u>
Operating profit		2,880	2,365
Interest receivable and similar income		<u>4,020</u>	<u>6,798</u>
Profit on ordinary activities before taxation	5	6,900	9,163
Tax on profit on ordinary activities	6	<u>(1,364)</u>	<u>(1,924)</u>
Retained profit for the year		<u>5,536</u>	<u>7,239</u>
Statement of retained profits			
Retained profit brought forward		68,599	61,360
Profit for the year	10	<u>5,536</u>	<u>7,239</u>
Retained profits at 31 March 2000		<u>74,135</u>	<u>68,599</u>

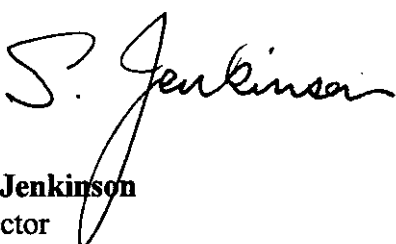
The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

**Balance sheet
at 31 March 2000**

	Notes	2000 £	1999 £
Current assets			
Debtors	7	4,567,300	3,713,705
Cash at bank and in hand		<u>102,289</u>	<u>87,794</u>
		4,669,589	3,801,499
Creditors: amounts falling due within one year	8	<u>4,594,454</u>	<u>3,731,900</u>
Net assets		<u>75,135</u>	<u>69,599</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account		<u>74,135</u>	<u>68,599</u>
Equity shareholders' funds	10	<u>75,135</u>	<u>69,599</u>

The financial statements on pages 6 to 11 were approved by the board of directors on 1 December 2000 and signed on its behalf by:


S T Jenkinson
Director

**Notes to the financial statements
for the year ended 31 March 2000**

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Cash flow statement

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

Turnover

Turnover includes landfill tax, but excludes value added tax, and comprises charges made for the disposal of trade and domestic waste.

Deferred taxation

Tax deferred, or accelerated, is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Turnover and profit on ordinary activities before taxation

Turnover and profit derive entirely from sales made in the United Kingdom.

3 Directors' emoluments

The directors received no emoluments during the year (1999: £Nil).

4 Employee information

The directors were the only employees of the company during the year.

5 Profit on ordinary activities before taxation

	2000 £	1999 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration: Audit services	2,500	3,000
Non audit services	2,000	2,000
	<u> </u>	<u> </u>

6 Tax on profit on ordinary activities

	2000 £	1999 £
United Kingdom corporation tax at 20% (1999: 21%):		
Current	1,359	1,919
Under provision in respect of prior years:		
Current	<u>5</u>	<u>5</u>
	<u>1,364</u>	<u>1,924</u>

7 Debtors

	2000 £	1999 £
Amounts owed by group undertakings	4,567,300	3,487,886
Other debtors	<u>-</u>	<u>225,819</u>
	<u>4,567,300</u>	<u>3,713,705</u>

8 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	11,237	-
Trade creditors	4,574,924	3,387,198
United Kingdom corporation tax payable	1,269	1,919
Other tax and social security	1,264	86
Accruals and deferred income	<u>5,760</u>	<u>342,697</u>
	<u>4,594,454</u>	<u>3,731,900</u>

9 Called up share capital

	2000 £	1999 £
Authorised		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	<u>500</u>	<u>500</u>
	1,000	1,000
Allotted, called up and fully paid		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	<u>500</u>	<u>500</u>
	1,000	1,000

10 Reconciliation of movement in shareholders' funds

	2000 £	1999 £
Opening shareholders' funds	69,599	62,360
Profit for the financial year	<u>5,536</u>	<u>7,239</u>
Closing shareholders' funds	<u>75,135</u>	<u>69,599</u>

11 Related party transactions

Greater Manchester Sites Limited is a subsidiary of Greater Manchester Waste Limited, with which it had inter-company sales of £27,689,200 (1999: £24,984,676) during the year. This turnover was generated as a result of the arrangement of domestic and trade refuse disposal on behalf of its parent company.

Balances due from Greater Manchester Waste Limited at 31 March 2000 were:

	2000 £	1999 £
Trade debtor	<u>4,567,300</u>	<u>3,487,886</u>

In addition, transactions have occurred between GM Sites Limited and UK Waste Management Limited, the company's other 50% shareholder, during the year. Payments for services supplied by UK Waste Management Limited amounted to £27,675,150 (1999: £24,971,580) for the year ended 31 March 2000.

Balances due to UK Waste Management Limited at 31 March 2000 were:

	2000 £	1999 £
Trade creditor	<u>4,574,924</u>	<u>3,387,198</u>

12 Ultimate parent company and ultimate controlling party

The directors regard Greater Manchester Waste Limited, a company incorporated in the United Kingdom, as the immediate parent company, and the Greater Manchester Waste Disposal Authority as the ultimate parent undertaking and ultimate controlling party. Details of the relevant financial information may be obtained from: Oldham Metropolitan Borough Council, The Treasurer to the Authority, Greater Manchester Waste Disposal Authority, PO Box 196, Civic Centre, West Street, Oldham, O11 1QJ.