

County Environmental Services Limited

**Directors' report and consolidated
financial statements**

Registered number 2619506

31 August 2000



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Directors' report

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

Principal activities

The principal activities of the group are the provision of waste disposal facilities by the operation and management of landfill sites and related activities.

Business review

Throughout the group turnover and profits have increased. During the year a new company called EN1 was established which provides consultancy services to the waste industry.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. The profit for the year retained in the group is £912,721.

Directors and directors' interests

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

M Brown (Appointed 23 December 1999)
R Deacon (Resigned 30 November 1999)
JA Lakeman
Mrs PA Lyne
RDB Reid
J St Aubyn (Resigned 20 July 2000)
GA Sturtridge

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them during the financial year.

R Gazzard was appointed a director on 11 May 2001.

Political and charitable contributions

The group made no political or charitable contributions during the year.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


R Gazzard
Secretary

United Downs
St Day
Redruth
TR16 5HU
30 May 2001

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 group and of the profit or loss 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



Plym House
3 Longbridge Road
Marsh Mills
Plymouth
PL6 8LT
United Kingdom

Report of the auditors to the members of County Environmental Services Limited

We have audited the financial statements on pages 4 to 22.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 with the company is not disclosed.

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 financial statements. It also includes an assessment of the significant estimates and judgments 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 and group's affairs as at 31 August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG.

KPMG
Chartered Accountants
Registered Auditors

30 May 2001

Consolidated profit and loss account
for the year ended 31 August 2000

	Note	2000	1999
		£	£
Turnover	2	12,585,797	11,584,207
Cost of sales		9,410,076	8,953,067
Exceptional items	5	162,648	335,733
		<u>(9,572,724)</u>	<u>(9,288,800)</u>
Gross profit		3,013,073	2,295,407
Administrative expenses		(1,742,153)	(1,545,779)
Operating profit		1,270,920	749,628
Interest receivable and similar income		213,460	258,263
Interest payable and similar charges	7	(81,817)	(80,329)
Profit on ordinary activities before taxation	2-6	1,402,563	927,562
Tax on profit on ordinary activities	8	(491,344)	(597,201)
Profit after taxation		911,219	330,361
Minority Interest		1,502	(8,196)
Group profit for year		912,721	322,165

A statement of movements on reserves is given in note 17.

There were no acquisitions or discontinued operations within the group during 2000 or 1999.

The group had no recognised gains or losses in either 2000 or 1999 other than the profit for those years.

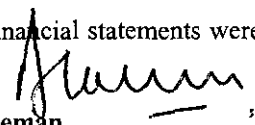
Consolidated balance sheet
at 31 August 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	9		9,426,843		7,984,624
Investments	10		100,011		100,011
			<hr/>		<hr/>
			9,526,854		8,084,635
Current assets					
Stocks	11	5,672		7,032	
Debtors	12	2,625,127		2,421,239	
Cash at bank and in hand – designated	1	1,980,149		2,674,026	
Cash at bank and in hand		1,006,065		1,633,041	
		<hr/>		<hr/>	
		5,617,013		6,735,338	
Creditors: amounts falling due within one year	13	(1,932,116)		(2,187,316)	
		<hr/>		<hr/>	
Net current assets			3,684,897		4,548,022
			<hr/>		<hr/>
Total assets less current liabilities			13,211,751		12,632,657
Creditors: amounts falling due after more than one year	14		-		(83,334)
Provisions for liabilities and charges	15		(8,656,866)		(8,905,657)
			<hr/>		<hr/>
Net assets			4,554,885		3,643,666
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		3,093,250		3,093,250
Minority interests	18		6,734		8,236
Profit and loss account	17		1,454,901		542,180
			<hr/>		<hr/>
Equity shareholders' funds			4,554,885		3,643,666
			<hr/>		<hr/>

Company balance sheet
at 31 August 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	9		8,612,094		7,686,776
Investments	10		1,180,020		1,105,020
			<u>9,792,114</u>		<u>8,791,796</u>
Current assets					
Debtors	12	2,213,117		2,118,215	
Cash at bank and in hand – designated	1	1,980,149		2,674,026	
Cash at bank and in hand		495,037		668,506	
		<u>4,688,303</u>		<u>5,460,747</u>	
Creditors: amounts falling due within one year	13	(1,699,461)		(2,004,752)	
Net current assets			<u>2,988,842</u>		<u>3,455,995</u>
Total assets less current liabilities			<u>12,780,956</u>		<u>12,247,791</u>
Creditors: amounts falling due after more than one year	14		-		(83,334)
Provisions for liabilities and charges	15		(8,614,270)		(8,880,671)
Net assets			<u>4,166,686</u>		<u>3,283,786</u>
Capital and reserves					
Called up share capital	16		3,093,250		3,093,250
Profit and loss account	17		1,073,436		190,536
Equity shareholders' funds			<u>4,166,686</u>		<u>3,283,786</u>

These financial statements were approved by the board of directors on 30 May 2001 and were signed on its behalf by:


JA Lakeman
Director

Consolidated cash flow statement
for the year ended 31 August 2000

		2000 £	1999 £
Cashflow from operating activities	(a)	2,801,736	3,091,934
Return on investments and servicing of finance	(b)	125,588	246,263
Taxation	(c)	(683,014)	(951,822)
Capital expenditure	(d)	(3,481,829)	(1,504,492)
		<hr/>	<hr/>
Cash (outflow)/inflow before management of liquid resources and financing		(1,237,519)	881,883
Financing	(e)	(83,334)	(83,332)
		<hr/>	<hr/>
(Decrease)/increase in cash in the year		<u>(1,320,853)</u>	<u>798,551</u>

Notes to cash flow statement
for the year ended 31 August 2000

(a) Reconciliation of operating profit to operating activities

	2000 £	1999 £
Operating profit	1,270,920	749,628
Depreciation charges	1,763,157	1,974,459
Abortive planning expenses	162,648	335,733
Profit on sale of fixed assets	(6,806)	(3,576)
Decrease/(Increase) in stocks	1,360	(4,282)
Increase in debtors	(245,303)	(572,805)
Increase in creditors	1,550	655,275
Decrease in aftercare and restoration provisions	(145,790)	(42,498)
	<hr/>	<hr/>
Net cash inflow from operating activities	2,801,736	3,091,934
	<hr/>	<hr/>

(b) Returns on investments and servicing of finance

	2000 £	1999 £
Interest received	213,994	265,846
Interest paid	(88,406)	(19,583)
	<hr/>	<hr/>
Net cash outflow from returns on investment and servicing of finance	125,588	246,263
	<hr/>	<hr/>

(c) Taxation

	2000 £	1999 £
UK Corporation Tax paid	(712,725)	(951,822)
UK Corporation Tax received	29,711	-
	<hr/>	<hr/>
	(683,014)	(951,822)
	<hr/>	<hr/>

(d) Capital expenditure

	2000 £	1999 £
Payments to acquire tangible fixed assets	(3,384,534)	(1,396,201)
Restoration costs paid in year	(115,531)	(138,546)
Receipts from sale of tangible fixed assets	18,236	30,255
	<hr/>	<hr/>
	(3,481,829)	(1,504,492)
	<hr/>	<hr/>

Notes to cash flow statement (continued)
for the year ended 31 August 2000

(e) Financing

	2000 £	1999 £
Debt due after 1 year - decrease in debenture loan	<u>(83,334)</u>	<u>(83,332)</u>

(f) Analysis of net debt

	Cash at bank and in hand £	Debt due after one year £	Debt due within one year £
At 1 September 1999	4,307,067	(83,334)	(83,334)
Cash flow	(1,320,853)	-	(83,334)
Other non cash changes	-	(83,334)	83,334
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2000	<u>2,986,214</u>	<u>-</u>	<u>(83,334)</u>

(g) Reconciliation of net cashflow to movement in net debt

	2000 £	1999 £
(Decrease)/increase in cash in the period	(1,320,853)	798,551
Cash outflow for decrease in debt	83,334	83,332
	<u> </u>	<u> </u>
Change in net debt resulting from cashflows	(1,237,519)	881,883
Net debt at the start of the year	4,140,399	3,258,516
	<u> </u>	<u> </u>
Net debt at the end of the year	<u>2,902,880</u>	<u>4,140,399</u>

Reconciliation of movements in equity shareholders' funds
for the year ended 31 August 2000

Group	2000	1999
	£	£
Group profit for the financial year	911,219	330,361
	<hr/>	<hr/>
Net addition to shareholders' funds	911,219	330,361
Opening shareholders' funds	3,643,666	3,313,305
	<hr/>	<hr/>
Closing shareholders' funds	4,554,885	3,643,666
	<hr/>	<hr/>
 Company	 2000	 1999
	£	£
Profit for the financial year	882,990	205,918
	<hr/>	<hr/>
Net addition to shareholders' funds	882,900	205,918
Opening shareholders' funds	3,283,786	3,077,868
	<hr/>	<hr/>
Closing shareholders' funds	4,166,686	3,283,786
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of consolidation

The group financial statements consolidate the financial statements of all the subsidiary undertakings stated in note 10. All financial statements are made up to 31 August 2000.

In accordance with section 230(4) of the Companies Act 1985 County Environmental Services Limited is exempt from the requirement to present its own profit and loss account. The amount of profit for the financial year dealt with in the financial statements of County Environmental Services Limited is £882,900.

Fixed assets and depreciation

Depreciation is provided by the group to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	-	5 to 20 years
Plant and machinery and motor vehicles	-	4 to 5 years
Fixtures, fittings, tools and equipment	-	1 to 5 years

No depreciation is provided on freehold land not used as disposal sites.

Disposal sites and the associated buildings are depreciated to the extent that the 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.

Restoration and aftercare costs

Restoration: Full provision is made for the net present value of all of the group's estimated costs in relation to restoration liabilities at its disposal sites and this is capitalised as a fixed asset.

Aftercare: Provision is made for the net present value of estimated post closure site costs, including such items as monitoring, gas and leachate management, over the anticipated operating life of disposal sites as air space is consumed.

In calculating these long term provisions current cost estimates are discounted at 2.5% per annum being an approximation of the effect of interest earned on the provision less future inflation. The effect of the unwinding of the discount element on existing provisions is reflected within the financial statements as a finance charge.

In recognising these liabilities the directors are mindful of the need to manage the group's cash resources. Taking into account projected cash flows the directors have determined that certain of its cash balances should be designated to reflect the need to meet future liabilities.

Pensions

The group has two pension schemes which are made available to some of the employees. One scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group.

The second scheme is a group personal pension scheme. Contributions to the scheme are charged to the profit and loss account monthly.

Notes (continued)

1 Accounting policies (continued)

Leases

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as 'operating leases' and the rental charges are charged to the income and expenditure account on a straight line basis over the life of the lease.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability or asset will crystallise.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year including landfill tax.

2 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit on ordinary activities before taxation arose from the group's principal activities of providing waste disposal facilities by the operation and management of landfill sites, related activities and consultancy.

3 Profit on ordinary activities before taxation

	2000	1999
	£	£
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration:		
Audit services	21,375	14,230
Other services	29,135	43,940
Depreciation and other amounts written off tangible fixed assets:		
Owned	1,763,157	1,974,459
Hire of plant and machinery	1,149,398	1,142,072
Rent of land and buildings	46,996	25,795
Goodwill	-	32,832
	<hr/>	<hr/>

The auditors' remuneration for County Environmental Services Limited for audit work was £10,475 (1999: £9,975), and for other services £29,135 (1999: £43,940).

Notes (continued)

4 Remuneration of directors

	2000 £	1999 £
Directors' remuneration	179,384	140,964
Group contributions to pensions schemes	20,520	16,526
	<u>199,904</u>	<u>157,490</u>

	Number of directors 2000	1999
Retirement benefits are accruing to the following number of directors under a defined benefit scheme	<u>3</u>	<u>2</u>

Separate consultancy agreements were in place with three (1999: three) of the non-executive directors, and under these agreements fees and expenses totalling £26,628 (1999: £15,665) were paid in the year.

5 Exceptional items

During the year business development costs of £162,648 (1999: £335,733) were written off. The development costs relate to consultancy for the United Mines Extension application and the waste to energy project.

6 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2000	1999
Office and management – directors	5	5
Office and management – staff	35	36
Drivers and site staff	65	59
	<u>105</u>	<u>100</u>

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	1,598,778	1,460,434
Social security costs	131,663	120,358
Other pension costs (see note 20)	146,059	154,267
	<u>1,876,500</u>	<u>1,735,059</u>

Notes (continued)

7 Interest payable and similar charges

	2000 £	1999 £
On bank loans and overdrafts	689	583
Amounts payable on all other loans	5,425	10,085
Unwinding of discounting	75,703	69,661
	<u>81,817</u>	<u>80,329</u>

8 Taxation

	2000 £	1999 £
UK Corporation Tax at 30% (1999: 30.6%) on the profit for the year on ordinary activities	427,858	701,130
Under/(over) provision in prior year	4,995	(146)
Deferred taxation	58,491	(103,783)
	<u>491,344</u>	<u>597,201</u>

The tax charge in both years reflects the high proportion of expenditure incurred that is disallowable for tax purposes in the current year. This includes depreciation of certain assets used for waste disposal and a deferred tax asset that has not been recognised (see note 12).

Notes (continued)

9 Tangible fixed assets

Group	Land and buildings			Plant and machinery	Freehold land and buildings	Fixtures, fittings, tools and equipment	Total
	New sites	Disposal sites	Leasehold buildings				
	£	£	£	£	£	£	£
Cost							
At 1 September 1999	66,999	12,727,060	18,242	1,901,379	-	294,326	15,008,006
Additions	44,026	2,438,850	-	403,932	408,047	67,215	3,362,070
Disposals	-	(122,302)	-	(100,302)	-	(143,961)	(366,565)
Site costs written off	(24,653)	-	-	-	-	-	(24,653)
At 31 August 2000	86,372	15,043,608	18,242	2,205,009	408,047	217,580	17,978,858
Depreciation							
At 1 September 1999	-	5,632,398	4,705	1,150,270	-	236,009	7,023,382
Charge for year	-	1,486,804	1,487	205,903	-	68,963	1,763,157
Disposals	-	(1,690)	-	(88,873)	-	(143,961)	(234,524)
At 31 August 2000	-	7,117,512	6,192	1,267,300	-	161,011	8,552,015
Net book value							
At 31 August 2000	86,372	7,926,096	12,050	937,709	408,047	56,569	9,426,843
At 31 August 1999	66,999	7,094,662	13,537	751,109	-	58,317	7,984,624

The total cost of disposal sites above includes £15,000 (1999: £15,000) of freehold land which is not depreciated.

The net book value of land and buildings comprises:

	2000 £	1999 £
Freehold	3,369,738	3,462,397
Short leasehold	5,062,827	3,712,801
	<u>8,432,565</u>	<u>7,175,198</u>

Notes (continued)

9 Tangible fixed assets (continued)

Company	Land and buildings					Total
	New sites	Disposal sites	Site buildings	Plant and machinery	Fixtures, fittings, tools and equipment	
	£	£	£	£	£	£
Cost						
At 1 September 1999	66,999	12,342,811	384,249	1,492,759	261,056	14,547,874
Additions	44,026	2,419,287	19,563	228,854	44,616	2,756,346
Disposals	-	(120,612)	(1,690)	(84,552)	(132,940)	(339,794)
Site costs written off	(24,653)	-	-	-	-	(24,653)
At 31 August 2000	86,372	14,641,486	402,122	1,637,061	172,732	16,939,773
Depreciation						
At 1 September 2000	-	5,451,845	180,553	1,015,011	213,689	6,861,098
Charge for year	-	1,449,976	36,828	138,391	59,393	1,684,588
Disposals	-	-	(1,690)	(83,377)	(132,940)	(218,007)
At 31 August 2000	-	6,901,821	215,691	1,070,025	140,142	8,327,679
Net book value						
At 31 August 2000	86,372	7,739,665	186,431	567,036	32,590	8,612,094
At 31 August 1999	66,999	6,890,966	203,696	477,748	47,367	7,686,776

The total cost of disposal sites above includes £15,000 (1999: £15,000) of freehold land which is not depreciated.

The net book value of land and buildings comprises:

	2000 £	1999 £
Freehold	2,961,695	3,462,397
Short leasehold	5,050,773	3,699,264
	<u>8,012,468</u>	<u>7,161,661</u>

Notes (continued)

10 Fixed assets investments

Group			Participating interests	Other investments other than loans	Total
			£	£	£
Cost					
At beginning and end of year			100,010	1	100,011
			<u> </u>	<u> </u>	<u> </u>
Company	Shares in subsidiary undertakings	Loans to subsidiary undertakings	Participating interests	Other investments other than loans	Total
	£	£	£	£	£
Cost					
At beginning of year	10	1,004,999	100,010	1	1,105,020
Loan to subsidiary	-	75,000	-	-	75,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	10	1,079,999	100,010	1	1,180,020
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The companies in which the company's interest is more than 20% are as follows:

Subsidiary undertakings

Sid Knowles Waste Limited	England and Wales	Transport & waste disposal services	£1 ordinary shares 100%
Dave Peat Waste Limited ⁽¹⁾	England and Wales	Transport & waste disposal services	£1 ordinary shares 60%
Waste Not Limited	England and Wales	Dormant	£1 ordinary shares 100%
Carmarthen Waste Management	England and Wales	Dormant	£1 ordinary shares 100%
CES (International) Limited	England and Wales	Dormant	£1 ordinary shares 100%
County Environmental (International) Limited	England and Wales	Dormant	£1 ordinary shares 100%
Green Park (Cornwall) Limited	England and Wales	Dormant	£1 ordinary shares 100%
Westcountry Waste Limited	England and Wales	Dormant	£1 ordinary shares 100%
EN1	England and Wales	Waste consultancy	£1 ordinary shares 100%

Participating interests

South West Regional Assessment Centre	England and Wales	Training	£1 ordinary shares 25%
Environmental Insurance (Guernsey) Limited	Guernsey	Insurance	£1 ordinary shares 20%
			£20 preference shares 20%

⁽¹⁾ - Not held directly.

Notes (continued)

11 Stocks

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Raw materials and consumables	<u>5,672</u>	<u>7,032</u>	<u>-</u>	<u>-</u>

12 Debtors

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	1,899,117	1,559,733	1,432,035	1,248,594
Amounts owed by group undertakings	-	-	157,262	100,277
Other debtors	291,100	331,679	290,798	331,679
Prepayments and accrued income	434,910	529,827	333,022	437,665
	<u>2,625,127</u>	<u>2,421,239</u>	<u>2,213,117</u>	<u>2,118,215</u>

The 'other debtors' balance represents a deferred tax asset that has been recognised on two of the company's development sites and is recoverable after more than one year.

There is an additional deferred tax asset on the company's other sites which has not been recognised due to the length of time before the tax relief will be available.

13 Creditors: amounts falling due within one year

Group	2000	1999
	£	£
Debenture loan (see note 14)	83,334	83,334
Trade creditors	781,514	440,679
Other creditors including taxation and social security:		
Corporation tax	230,095	480,256
Other taxes and social security	486,992	506,125
	<u>717,087</u>	<u>986,381</u>
Taxation and social security	9,660	2,319
Other creditors	340,521	674,603
Accruals and deferred income	<u>1,932,116</u>	<u>2,187,316</u>

Notes (continued)

13 Creditors: amounts falling due within one year

Company	2000	1999
	£	£
Debenture loan (see note 14)	83,334	83,334
Trade creditors	596,918	300,283
Amounts owed to group undertakings	120,157	103,783
Other creditors including taxation and social security:		
Corporation tax	198,059	418,530
Other taxes and social security	436,863	464,553
	<hr/>	<hr/>
Taxation and social security	634,922	883,083
Other creditors	9,660	
Accruals and deferred income	254,470	634,269
	<hr/>	<hr/>
	1,699,461	2,004,752
	<hr/>	<hr/>

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Debenture loan – repayable within five years	-	83,334	-	83,334
	<hr/>	<hr/>	<hr/>	<hr/>

The debenture was issued by Cornwall County Council to finance the working capital of the group. It is secured by a floating charge on the group's assets. The loan is being repaid by six equal instalments of £83,333 which commenced on 1 September 1995. Interest is charged at the average seven day LIBOR rate.

15 Provisions for liabilities and charges

Group	Deferred taxation	Restoration costs	Aftercare costs	Total
	£	£	£	£
At beginning of year	24,986	6,409,168	2,471,503	8,905,657
Charge/(release) for the year in the profit and loss account	17,610	23,101	(90,347)	(49,636)
FRS12 movement in the year	-	(157,627)	-	(157,627)
Unwinding of the discount	-	13,915	61,788	75,703
Less restoration and aftercare costs incurred	-	(74,723)	(42,508)	(117,231)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	42,596	6,213,834	2,400,436	8,656,866
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

15 Provisions for liabilities and charges

Company	Restoration costs £	Aftercare costs £	Total £
At beginning of year	6,409,168	2,471,503	8,880,671
Charge/(release) for the year in the profit and loss account	23,101	(92,047)	(68,946)
FRS12 movement in the year	(157,627)	-	(157,627)
Unwinding of the discount	13,915	61,788	75,703
Less restoration and aftercare costs incurred	(74,723)	(40,808)	(115,531)
At end of year	6,213,834	2,400,436	8,614,270

The provisions for restoration and aftercare are calculated based on anticipated expenditure. Some of the expenditure will be incurred for periods of up to 30 years after the sites have been closed. Whilst the directors consider these provisions to be reasonable on the basis of the information currently available to them, including current regulations and legislation, actual expenditure will vary as a result of subsequent information, legislation and events which may result in significant adjustments to the amounts provided.

16 Called up share capital

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	3,093,250	3,093,250
Allotted, called up and fully paid		
Ordinary shares of £1 each	3,093,250	3,093,250

17 Reserves

Group	Profit and loss account £
At beginning of year	542,180
Profit for year	912,721
At end of year	1,454,901
Company	Profit and loss account £
At beginning of year	190,536
Profit for year	882,900
At end of year	1,073,436

Notes (continued)

18 Minority interest

	2000 £	1999 £
At beginning of year	8,236	-
(Loss)/profit for the year	(1,502)	8,236
	<hr/>	<hr/>
At end of year	6,734	8,236
	<hr/>	<hr/>

19 Commitments

(i) Capital commitments at the end of the financial year for which no provision has been made.

	Group		Company	
	2000	1999	2000	1999
		£		£
Contracted	-	1,433,093	-	1,433,093
	<hr/>	<hr/>	<hr/>	<hr/>

(ii) Annual commitments under non-cancellable leases are as follows:

	Group		Company	
	2000	1999	2000	1999
	£	£	£	
Operating leases which expire:				
Within one year	98,454	31,371	75,421	16,218
In the second to fifth years inclusive	367,117	615,157	179,664	398,820
After more than five years	111,131	105,924	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	576,702	752,452	255,085	415,038
	<hr/>	<hr/>	<hr/>	<hr/>

20 Pension scheme

A number of employees are members of either a multi company pension scheme or a group personal pension scheme.

The multi company pension scheme provides benefits based on final pensionable pay and is a mirror image of the local authority superannuation scheme. Contribution are charged to the profit and loss account so as to spread the cost of providing pensions over the periods benefiting from employees' service. Employees make contributions of either 5% or 6% of salary. The employer contributions are determined by a qualified actuary on the basis of triennial valuations using the market related valuation method.

The most recent independent actuarial valuation was undertaken as at 31 March 2000. The long term assumptions used were as follows:

	2000
Rate of return on investments	6%
Further increases in earnings	4%
Rate of pensions increases	3%

At 31 March 2000 the market value of the assets was £1,565,000 and the actuarial recommendation for future contributions is 18% compared to the existing rate of 14.8%. This takes into account a major factor that life expectancy for males has increased by some two years thereby placing an additional anticipated burden on the fund.

The company also offer some employees to make a contribution, 5% of salary, to a group personal pension scheme operated by Norwich Union. In return the employee has to make at least a matching contribution.

Contributions amounting to £nil (1999: £nil) were payable to both funds at the year end.

21 Related party transactions

Details of subsidiary companies are shown in note 10. In accordance with FRS8, transactions or balances between Group entities that have been eliminated on consolidation are not reported.