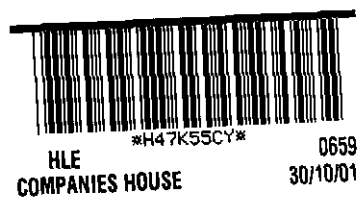


(Registered Number 2674169)

**WASTENOTTS (RECLAMATION) LIMITED**

**Reports and Financial Statements**

**31 December 2000**



# **WASTENOTTS (RECLAMATION) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISORS**

### **DIRECTORS**

I D Dickinson  
H C Etheridge  
A F Foster  
N D A Sandy  
R S Tomlinson  
H Yates

### **SECRETARY**

A Waterhouse

### **REGISTERED OFFICE**

3 Sidings Court  
White Rose Way  
Doncaster  
DN4 5NU

### **BANKERS**

Lloyds TSB Bank plc  
Corporate & Institutional Banking  
P O Box 787  
6-8 Eastcheap  
London  
EC3M 1LL

### **SOLICITORS**

Eversheds  
Cloth Hall Court  
Infirmary Street  
Leeds  
LS1 2JB

### **AUDITORS**

Deloitte & Touche  
Chartered Accountants & Registered Auditors  
10-12 East Parade  
Leeds  
LS1 2AJ

# WASTENOTTS (RECLAMATION) LIMITED

## DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2000.

### PRINCIPAL ACTIVITIES

The principal activities of the company continue to be waste disposal by incineration and the provision of steam for district heating and power generation.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

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

### DIVIDENDS AND TRANSFERS TO RESERVES

The profit after taxation for the year amounted to £1,008,000 (Year ended 31 December 1999: loss £1,429,000). The Directors approved the payment of a dividend of £500,000 (Year ended 31 December 1999: £nil) and thus £508,000 has been withdrawn from reserves (year ended 31 December 1999: loss £1,429,000 withdrawn from reserves).

### DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and since the year end were:

ID Dickinson	
H C Etheridge	(appointed 24 September 2001)
A F Foster	(appointed 1 February 2001)
JM Huntington	(resigned 4 April 2001)
N D A Sandy	(appointed 14 May 2001)
RS Tomlinson	
WA Trendell	(resigned 24 September 2001)
K Whittle	(resigned 21 September 2000)
H Yates	(appointed 16 March 2000 & resigned 4 June 2001)

None of the directors held any interests in the shares of the company at 31 December 2000 and 31 December 1999.

Mr WA Trendell was a director of the ultimate parent company, Waste Recycling Group plc, and his shareholdings are shown in the financial statements of that company.

The interests of the other directors in the shares of the ultimate parent company are disclosed in Note 17.

### POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year (1999: £nil).

### AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint Deloitte & Touche as auditors of the company and to authorise the directors to determine their remuneration.

Approved by the Board of Directors and signed on behalf of the Board



A Waterhouse  
Secretary

26 October 2001

**DIRECTORS' REPORT**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board



I D Dickinson  
Director

26 October 2001



**Deloitte  
& Touche**

## **WASTENOTTS (RECLAMATION) LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes an 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 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 as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte and Touche  
Chartered Accountants & Registered Auditors  
10-12 East Parade  
Leeds  
LS1 2AJ

30 October 2001

# WASTENOTTS (RECLAMATION) LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

	Notes	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
<b>TURNOVER – CONTINUING OPERATIONS</b>	2	<b>5,540</b>	5,105
Cost of Sales		(3,394)	(3,541)
<b>GROSS PROFIT</b>		<b>2,146</b>	1,564
Administration expenses		(274)	(1,245)
<b>OPERATING PROFIT – CONTINUING OPERATIONS</b>	3	<b>1,872</b>	319
Net interest payable	5	(527)	(478)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,345</b>	(159)
Tax on profit/(loss) on ordinary activities	6	(337)	(1,270)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>1,008</b>	(1,429)
Dividends	7	(500)	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	15	<b>508</b>	(1,429)

The company has no recognised gains and losses in the current or preceding financial year other than the profit and losses above and therefore no separate statement of total recognised gains and losses has been presented.

# WASTENOTTS (RECLAMATION) LIMITED

## BALANCE SHEET at 31 December 2000

		31 December 2000 £'000	31 December 1999 £'000
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	8	9,053	9,462
<b>CURRENT ASSETS</b>			
Debtors	9	1,535	784
Cash at bank and in hand		4,069	4,291
		5,604	5,075
<b>CREDITORS: amounts falling due within one year</b>			
Short-term borrowings	10	(191)	(147)
Other creditors	11	(873)	(1,096)
		(1,064)	(1,243)
<b>NET CURRENT ASSETS</b>		4,540	3,832
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,593	13,294
<b>CREDITORS: amounts falling due after more than one year</b>			
Long-term borrowings	12	(6,078)	(6,270)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	(713)	(730)
<b>NET ASSETS</b>		6,802	6,294
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	6,296	6,296
Profit and loss account	15	506	(2)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		6,802	6,294

These financial statements were approved by the Board of Directors on 26 October 2001.



I D Dickinson  
Director

# WASTENOTTS (RECLAMATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

### 1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Turnover

Turnover represents sales of goods and services including landfill tax, but excluding value added tax.

#### Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided on tangible fixed assets in use at rates calculated to write off the cost less residual value of each asset as follows:

Freehold buildings	-	over 25 to 50 years
Leased assets	-	over the term of the lease
Plant and equipment	-	over 3 to 20 years

#### Pension Costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

#### Cash Flow Statement

At the year end the company was a subsidiary of Waste Recycling Group plc and consequently under the provision of Financial Reporting Standard No.1 it is exempt from presenting a cash flow statement. Its cash flows are included within the consolidated cash flow statement of Waste Recycling Group plc.

#### Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

#### Leases

In respect of each finance lease, the cost of the asset is capitalised and the cost less residual value of the asset is depreciated over the term of the lease. Rentals payable are apportioned between finance charges and leasing commitment. The total finance charge is allocated to accounting periods over the term of the lease at a constant periodic rate of charge on the remaining lease commitments for each accounting period.

All other leases are operating leases and the relevant annual rates are charged to the profit and loss account on a straight line basis over the lease term.

### 2 SEGMENTAL ANALYSIS

All turnover and profits were generated in the United Kingdom principally from receiving, treating, recycling and disposing of waste materials which the directors consider to be a single business segment. All net assets are applied in this business segment and are based in the United Kingdom.



# WASTENOTTS (RECLAMATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

### 3 OPERATING PROFIT

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Operating profit is stated after charging:		
Depreciation – owned assets	117	168
Depreciation – leased assets	292	261
Operating lease rentals – hired plant and machinery	6	30
Auditors' remuneration – audit fees	4	4
	<hr/>	<hr/>

### 4 EMPLOYMENT COSTS

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Wages and salaries	70	66
Social security costs	4	3
Other pension costs	5	5
	<hr/>	<hr/>
	79	74
	<hr/>	<hr/>

	Number	Number
The average weekly number of employees (including directors) during the year was:	4	4
	<hr/>	<hr/>

None of the directors received any remuneration in respect of their services to the company. They are remunerated as directors or employees of the immediate parent company.

### 5 NET INTEREST PAYABLE

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Interest payable and similar charges:		
Finance leases	(565)	(590)
	<hr/>	<hr/>
Interest receivable and similar income:		
Bank interest receivable	38	112
	<hr/>	<hr/>
Net interest payable	(527)	(478)
	<hr/>	<hr/>

# WASTENOTTS (RECLAMATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

### 6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Corporation tax at 30% (Year ended 31 December 1999: 30%) on profit/(loss) for year	354	540
Deferred taxation – current year	49	101
Deferred taxation – prior year adjustment	(66)	629
	<u>337</u>	<u>1,270</u>

The low tax charge is due to the movement in deferred tax and the incidence of non qualifying depreciation.

### 7 DIVIDENDS

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Final dividend of 8 pence per ordinary share (1999: nil pence per ordinary share)	<u>500</u>	<u>-</u>

### 8 TANGIBLE FIXED ASSETS

	Incinerator plant and buildings £'000	Leased Refurbishment £'000	Total £'000
<b>Cost</b>			
At 1 January 2000 and 31 December 2000	<u>7,055</u>	<u>8,055</u>	<u>15,110</u>
<b>Depreciation</b>			
At 1 January 2000	4,046	1,602	5,648
Charge for year	292	117	409
<b>At 31 December 2000</b>	<u>4,338</u>	<u>1,719</u>	<u>6,057</u>
<b>Net book value</b>			
At 31 December 2000	<u>2,717</u>	<u>6,336</u>	<u>9,053</u>
At 31 December 1999	<u>3,009</u>	<u>6,453</u>	<u>9,462</u>

The net book value of leased refurbishment includes £6,336,000 (1999: £6,453,000) in respect of assets held under finance leases.

# WASTENOTTS (RECLAMATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

### 9 DEBTORS

	31 December 2000 £'000	31 December 1999 £'000
Trade debtors	1,491	782
Other debtors	44	-
Prepayments and accrued income	-	2
	<u>1,535</u>	<u>784</u>

### 10 SHORT-TERM BORROWINGS

	31 December 2000 £'000	31 December 1999 £'000
Repayable within one year or on demand:		
Finance leases	<u>191</u>	<u>147</u>

### 11 OTHER CREDITORS

	31 December 2000 £'000	31 December 1999 £'000 As restated
Amounts falling due within one year		
Trade creditors	408	404
Corporation tax	-	393
Other taxation and social security	139	-
Other creditors	<u>326</u>	<u>299</u>
	<u>873</u>	<u>1,096</u>

Comparative amounts have been reclassified for consistency with other group accounts.

### 12 LONG-TERM BORROWINGS

	31 December 2000 £'000	31 December 1999 £'000
Obligations under finance leases		
Repayable:		
Between one and two years	240	191
Between two and five years	1,067	886
After five years	<u>4,771</u>	<u>5,193</u>
	<u>6,078</u>	<u>6,270</u>

# WASTENOTTS (RECLAMATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

### 13 PROVISIONS FOR LIABILITIES AND CHARGES

	Unprovided		Provided	
	31 December 2000 £'000	31 December 1999 £'000	31 December 2000 £'000	31 December 1999 £'000
<b>Deferred taxation</b>				
Capital allowances in excess of depreciation	-	(66)	713	730
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2000			730	
Charge in year			49	
Prior year adjustment			(66)	
			<hr/>	
At 31 December 2000			713	
			<hr/>	

### 14 CALLED UP SHARE CAPITAL

	31 December 2000 Number	31 December 2000 Nominal Value £	31 December 1999 Number	31 December 1999 Nominal Value £
<b>Authorised</b>				
Ordinary shares of £1 each	7,000,000	7,000,000	7,000,000	7,000,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	6,295,500	6,295,500	6,295,500	6,295,500
	<hr/>	<hr/>	<hr/>	<hr/>

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2000	6,296	(2)	6,294
Retained profit for the financial year	-	508	508
	<hr/>	<hr/>	<hr/>
At 31 December 2000	6,296	506	6,802
	<hr/>	<hr/>	<hr/>

### 16 CONTINGENT LIABILITIES

The company has entered into unlimited cross-guarantees with its bankers relating to the borrowings of other group companies. At 31 December 2000, the bank borrowings of other group companies amounted to £31,503,000 (1999: £17,940,000).

# WASTENOTTS (RECLAMATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2000

### 17 DIRECTORS' INTERESTS

Mr WA Trendell was a director of the ultimate parent company, Waste Recycling Group plc, and his shareholdings are shown in the financial statements of that company.

None of the other directors held any interest in the share capital of the ultimate parent company.

The interests of the directors in office at 31 December 2000 in the share options schemes of the ultimate parent company are as follows:

#### The Waste Recycling Group plc Executive Share Option Scheme 1995

	Number of Options	
	At 31 December 2000	At 1 January 2000
R Tomlinson	6,711	6,711
I Dickinson	8,571	-

#### The Waste Recycling Group plc 1996 Non-approved Share Option Scheme

	Number of Options	
	At 31 December 2000	At 1 January 2000
R Tomlinson	38,289	23,289
I Dickinson	1,429	-

### 18 ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Waste Recycling Group plc which is registered in England and Wales and prepares group accounts.

Copies of the group accounts may be obtained from:

The Company Secretary  
Waste Recycling Group plc  
3 Sidings Court  
White Rose Way  
Doncaster  
DN4 5NU