

**Deloitte &  
Touche**

Deloitte Touche  
Tomatis



Company Registration No. 2993753

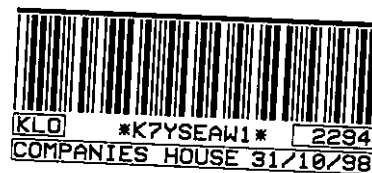
**ANTI-WASTE (RESTORATION) LIMITED**

**Report and Financial Statements**

**31 December 1997**

**Deloitte & Touche**  
Leda House  
Station Road  
Cambridge CB1 2RN

( - 20/05/98)  
Ac01awr7



**REPORT AND FINANCIAL STATEMENTS 1997**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P A Rackham  
P A Rackham Jnr  
S R Stuteley  
T C Walsh  
D R A Sheppard

**SECRETARY**

S R Stuteley

**REGISTERED OFFICE**

Manor Farm  
Bridgham  
Norwich  
Norfolk NR16 2RX

**BANKERS**

Lloyds Bank plc  
41 Prince of Wales Road  
Norwich  
Norfolk NR1 1BL

**SOLICITORS**

Rowe & Maw  
20 Blackfriars Lane  
London EC4V 6HD  
  
Cunningham, John & Co  
Fairstead House  
7 Bury Road  
Thetford  
Norfolk IP24 3PL

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Leda House  
Station Road  
Cambridge CB1 2RN

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1997.

**ACTIVITIES**

The principal activity of the company is that of the provision of landfill site monitoring and restoration services.

**REVIEW OF DEVELOPMENTS**

The results for the year are set out on page 5. In the opinion of the directors the company has traded satisfactorily during the year and will continue to prosper in the future.

**DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a dividend.

Retained losses of £23 have been transferred from reserves.

**DIRECTORS AND THEIR INTERESTS**

The present directors of the company are disclosed on page 1. All directors served throughout the year with the exception of D R A Sheppard who was appointed on 1 July 1997.

None of the directors held an interest in the share capital of the company during the year.

The interests of the directors in the share capital of the parent company are disclosed in the accounts of that company.

**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 as at the end of the financial year 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;
- 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 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. 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.

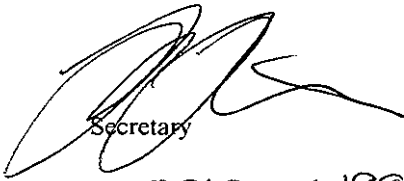


**DIRECTORS' REPORT**

**AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



Secretary

22 OCTOBER 1998



## ANTI-WASTE (RESTORATION) LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 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 to report our opinion to you.

#### 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 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 as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

*30 October 1998*

**Deloitte Touche  
Tohmatsu**

Aberdeen, Bath, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available:  
Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1997**

|  | Note | 1997<br>£ | 1996<br>£ |
|--|------|-----------|-----------|
| <b>TURNOVER</b>  | 2    | 39,199    | 756,502   |
| Cost of sales  |      | 39,199    | 756,502   |
| <b>OPERATING PROFIT</b>                                | 3    | -         | -         |
| Interest payable and similar charges                   | 4    | 23        | 61        |
| <b>LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |      | (23)      | (61)      |
| Tax on loss on ordinary activities                     | 5    | -         | -         |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                     |      | (23)      | (61)      |
| Retained loss brought forward                          |      | (187)     | (126)     |
| Retained loss carried forward                          |      | (210)     | (187)     |

All activities derive from continuing operations.

There are no recognised gains and losses for the current financial year and the preceding financial year other than as stated in the profit and loss account.



**BALANCE SHEET**  
**31 December 1997**

|  | Note | 1997<br>£        | 1996<br>£        |
|--|------|------------------|------------------|
| <b>CURRENT ASSETS</b>  |      |                  |                  |
| Debtors  | 6    | 1,563,014        | 1,841,981        |
| <b>CREDITORS: amounts falling due within one year</b>          | 7    | <u>110,824</u>   | <u>579,368</u>   |
| <b>NET CURRENT ASSETS</b>                                      |      | 1,452,190        | 1,262,613        |
| <b>CREDITORS: amounts falling due after more than one year</b> | 8    | <u>1,452,398</u> | <u>1,262,798</u> |
| <b>NET LIABILITIES</b>   |      | <u>(208)</u>     | <u>(185)</u>     |
| <b>CAPITAL AND RESERVES</b>                                    |      |                  |                  |
| Called up share capital  | 9    | 2                | 2                |
| Profit and loss account  |      | <u>(210)</u>     | <u>(187)</u>     |
| <b>EQUITY SHAREHOLDERS' FUNDS</b>                              |      | <u>(208)</u>     | <u>(185)</u>     |

These financial statements were approved by the Board of Directors on 22 October 1998

Signed on behalf of the Board of Directors

Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable 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 invoiced sales of goods and services provided excluding value added tax.

**Restoration costs**

Income from charges made to other group companies in respect of the anticipated cost of final site restoration and monitoring costs is deferred and will be credited to the profit and loss account in the periods in which the associated costs are expected to arise.

**Cash flow exemption**

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1 (Revised), from presenting a cash flow statement as it is a wholly owned subsidiary of a group which prepares a consolidated cash flow statement.

**2. TURNOVER**

Turnover is wholly attributable to the principal activity of the company and is carried on within the United Kingdom.

**3. OPERATING PROFIT**

Fees in respect of auditors' remuneration are met by the parent company.

Wages and salaries of directors and administrative activities are also met by the parent company.

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|   | 1997 | 1996 |
|---|------|------|
|   | £    | £    |
| Bank loans and overdrafts repayable within five years | 23   | 61   |



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**5. TAX ON LOSS ON ORDINARY ACTIVITIES**

There was no charge to taxation for the year due to losses sustained.

**6. DEBTORS**

|                                    | 1997<br>£        | 1996<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed by group undertakings | 1,504,132        | 1,819,575        |
| Other debtors                      | 626              | 12,933           |
| Prepayments and accrued income     | 58,256           | 9,473            |
|                                    | <u>1,563,014</u> | <u>1,841,981</u> |

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                 | 1997<br>£      | 1996<br>£      |
|-----------------|----------------|----------------|
| Bank overdraft  | 110,816        | 563,796        |
| Trade creditors | 8              | 15,572         |
|                 | <u>110,824</u> | <u>579,368</u> |

The overdraft is secured by an unlimited debenture over all the assets of the company, Waste Recycling Limited, Anti-Waste (Restoration) Limited, Anti-Rubbish Limited, Waste Recycling Group plc, Herrington Limited and Lincwaste Limited.

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                 | 1997<br>£ | 1996<br>£ |
|-----------------|-----------|-----------|
| Deferred income | 1,452,398 | 1,262,798 |

Deferred income is in respect of sums charged to fellow group undertakings in respect of post closure and monitoring costs, to be released to profit and loss account and matched against the relevant costs when they arise.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**9. CALLED UP SHARE CAPITAL**

|                                     | 1997    | 1996    |
|-------------------------------------|---------|---------|
|                                     | £       | £       |
| Authorised:                         |         |         |
| 100,000 ordinary shares of £1 each  | 100,000 | 100,000 |
| Called up, allotted and fully paid: |         |         |
| 2 ordinary shares of £1 each        | 2       | 2       |

**10. PARENT COMPANY**

The company is a wholly owned subsidiary of Anti-Waste Limited, a company registered in England and Wales. The ultimate parent company is Waste Recycling Group plc, a company registered in England and Wales. Copies of group accounts of Waste Recycling Group plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

**11. CONTINGENT LIABILITIES**

- a) The company has entered into an unlimited cross-guarantee with its bankers relating to the borrowings of other group companies. At 31 December 1997 the bank borrowings of other group companies amounted to £8,810,000 (1996 - £5,848,000).
- b) The company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group.

**12. RELATED PARTY TRANSACTIONS**

In the ordinary course of business, the company has traded with its ultimate parent company Waste Recycling Group plc together with its subsidiaries. The company is exempt from disclosing details of these transactions because copies of Waste Recycling Group plc group financial statements are publicly available.