

**Kirklees Waste Services Limited**  
**(formerly Ingleby 1052 Limited)**

**Annual report**  
**for the 11 month period from 22 January 1998**  
**(date of incorporation) to 31 December 1998**

Registered no: 3497105



**Kirklees Waste Services Limited**  
**(formerly Ingleby 1052 Limited)**

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# **Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)**

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## **Directors and advisers**

### **Directors**

C C Burford	(Appointed 11 February 1998)
F P McGinty	(Appointed 11 February 1998)
B Terlinden	(Appointed 31 March 1998)
P Catlin	(Appointed 31 March 1998)
R J Wheatley	(Appointed 31 March 1998)
J C Cuss	(Appointed 31 March 1998, resigned 1 June 1998)
D P Sheard	(Appointed 1 June 1998)
T W Bradley	(Appointed 4 January 1999)

### **Secretary**

F P McGinty

### **Registered Auditors**

PricewaterhouseCoopers  
8 Princes Parade  
St Nicholas Place  
Liverpool  
L3 1QJ

### **Solicitors**

Addleshaw Booth & Co  
Dennis House  
Marsden Street  
Manchester  
M2 1JD

### **Bankers**

National Westminster Bank plc  
PO Box 54  
35 Fishergate  
Preston  
PR1 2BY

# **Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)**

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## **Directors' report for the 11 month period ended 31 December 1998**

The directors present their report and the audited financial statements of the company for the 11 month period from 22 January 1998 (date of incorporation) to 31 December 1998.

### **Principal activities**

The principal activity of the company is waste disposal.

### **Review of business and future prospects**

The profit and loss account for the period is set out on page 7. The company returned a pre tax loss for the 11 months to 31 December 1998 of £227,000.

The company was incorporated on 22 January 1998 as Ingleby 1052 Limited. The company was formed as a special purpose vehicle to acquire certain waste disposal assets from Kirklees Metropolitan Council and to carry out waste disposal services under contract with the Council.

The company has made a successful operational start with the full financial benefits beginning to emerge as the larger term capital development project is brought onstream.

The company changed its name to Kirklees Waste Services Limited on 18 March 1998.

In the opinion of the directors the market value of the land and buildings is in line with that shown in the balance sheet.

### **Dividends**

The directors do not recommend the payment of a dividend.

# **Kirklees Waste Services Limited** **(formerly Ingleby 1052 Limited)**

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## **Directors and directors' interests in shares of the company**

The directors of the company for the period ended 31 December 1998, are listed on page 1.

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company or any other company in the group.

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

## **Year 2000**

Many computer systems express dates using only the last two digits of the year. These systems require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. The operation of our business depends not only on our computer systems, but also to some degree on those of our suppliers and customers. There is, therefore, an exposure to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

An analysis of significant risks has been performed to determine the impact of the issue on our activities. From this, prioritised action plans have been developed that are designed to address the key risks in advance of critical dates and without disruption to the underlying business processes. Priority is being given to those systems that could cause a significant financial or legal impact on the company's business if they were to fail. The plan also includes a requirement for the testing of all critical systems.

The total cost to complete modifications to our computer hardware and software is not estimated to be significant.

# **Kirklees Waste Services Limited** **(formerly Ingleby 1052 Limited)**

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## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and its group and of the profit or loss of the company for that period. In preparing those financial statement, the directors are required to:

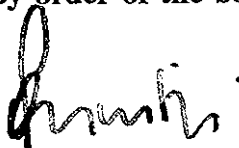
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 company and to prevent and detect fraud and other irregularities.

## **Auditors**

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

**By order of the board**



F P McGinty  
Secretary  
26 April 1999

## **Report of the auditors to the members of Kirkless Waste Services Limited**

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

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

The directors are responsible for preparing the Annual Report, including as described on page 4 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practice 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 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 Annual 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 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 whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

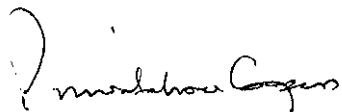
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Kirklees Waste Services Limited**  
**(formerly Ingleby 1052 Limited)**

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company's affairs at 31 December 1998 and of its loss for the 11 month period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Liverpool**

**7 MAY 1999**



# Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)

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## Profit and loss account for the 11 month period ended 31 December 1998

	Notes	11 months ended 31 December 1998 £'000
<b>Continuing operations</b>		
Turnover	2	5,401
Cost of sales		(5,302)
		<hr/>
Gross profit		99
Administrative expenses		(364)
		<hr/>
Operating loss	3	(265)
Interest receivable and similar income	6	49
Interest payable and similar charges	7	(11)
		<hr/>
Loss on ordinary activities before taxation		(227)
Tax on loss on ordinary activities	8	30
		<hr/>
Loss for the period	14	<u>(197)</u>

The company has no recognised gains or losses other than those shown in the profit and loss account for the current period.

There is no difference between less on ordinary activities before taxation and the loss for the period stated above and their historical cost equivalents.

# Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)

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## Balance sheet at 31 December 1998

	Notes	31 December 1998	
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	9		5,222
<b>Current assets</b>			
Debtors	10	3,974	
Cash at bank and in hand		517	
		<u>4,491</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(3,808)</u>	
<b>Net current assets</b>			<u>683</u>
<b>Total assets less current liabilities</b>			<u>5,905</u>
<b>Provisions for liabilities and charges</b>	12		(13)
<b>Net assets</b>			<u><u>5,892</u></u>
<b>Capital and reserves</b>			
Called up equity share capital	13		6,089
Profit and loss account	14		(197)
<b>Equity shareholders' funds</b>	14		<u><u>5,892</u></u>

The financial statements on pages 7 to 16 were approved by the board of directors on 26 April 1999 and were signed on its behalf by:

  
**C C Burford**  
Director

**Notes to the financial statements**  
**for the 11 month period ended 31 December 1998**

**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 have been prepared under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No. 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of an EC parent undertaking which itself produces a consolidated cash flow statement.

**Fixed assets and depreciation**

The cost of tangible fixed assets represents the inherited costs from Lancashire County Council, as valued by mineral valuers or the purchase price if bought subsequent to vesting.

Depreciation is provided by the company 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:

Plant and machinery	-	3-5 years on a straight line basis
Office furniture and equipment	-	3-5 years on a straight line basis
Leasehold land and buildings	-	over the remaining life of the lease

**Restoration and future after care**

Provisions are built up to cover restoration and future after care costs on the basis of airspace utilised so that, when a site has been filled, full provision has been made for all estimated future costs.

# **Kirklees Waste Services Limited** **(formerly Ingleby 1052 Limited)**

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## **Leases**

All leases are accounted for as "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

## **Pension costs**

The company participates in two pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the company.

## **Taxation**

The credit for taxation is based on losses for the period 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 will crystallise.

## **Turnover**

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

The directors believe that there is only one class of business and one geographical market, namely in the United Kingdom.

## **2 Analysis of turnover**

Turnover, all of which arises from the company's principal activity, arises wholly within the UK.

# Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)

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## 3 Operating loss

11 months ended  
31 December  
1998  
£'000

Operating profit is stated after charging:

Auditors' remuneration

- audit services

- other services

Depreciation

Hire of plant and machinery

- rentals payable under operating leases

11

2

172

129

208

## 4 Directors' emoluments

11 months ended  
31 December  
1998  
£'000

Executive directors

Salary payments (including benefits in kind)

Pension contributions

-

-

Non-executive directors

Salary payments

-

## 5 Employee information

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

31 December  
1998  
Number

Management and administration

Operational

9

27

36

# Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)

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The aggregate payroll costs of these persons were as follows:

11 months ended  
31 December  
1998  
£'000

Wages and salaries	541
Social security costs	42
Other pension costs (see note 17)	39
	<hr/>
	622
	<hr/>

## 6 Interest receivable and similar income

11 months ended  
31 December  
1998  
£'000

Bank interest	49
	<hr/>

## 7 Interest payable and similar charges

11 months ended  
31 December  
1998  
£'000

Interest and other similar charges	11
	<hr/>

## 8 Taxation

11 months ended  
31 December  
1998  
£'000

UK corporation tax at 31% on the profit for the period on ordinary activities	33
Deferred taxation (note 12)	(3)
	<hr/>
	30
	<hr/>

The tax credit for the period is disproportionate to the loss before tax as a result of the amortisation of certain landfill sites being disallowable for tax purposes.

# Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)

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## 9 Tangible fixed assets

	Short leasehold land and buildings £'000	Plant and machinery £'000	Office furniture and equipment £'000	Total £'000
<b>Cost</b>				
At incorporation	4,769	11	59	4,839
Additions	459	67	29	555
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 1998</b>	<b>5,228</b>	<b>78</b>	<b>88</b>	<b>5,394</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At incorporation	-	-	-	-
Charge for year	152	8	12	172
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 1998</b>	<b>152</b>	<b>8</b>	<b>12</b>	<b>172</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
<b>At 31 December 1998</b>	<b>5,076</b>	<b>70</b>	<b>76</b>	<b>5,222</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## 10 Debtors

	31 December 1998 £'000
Trade debtors	221
Other debtors	17
Corporation tax	33
Prepayments and accrued income	1,062
Amounts due from group undertakings	2,641
	<hr/>
	<b>3,974</b>
	<hr/>

## 11 Creditors: amounts falling due within one year

	31 December 1998 £'000
Bank overdraft	2,500
Trade creditors	744
Amounts owed to group undertakings	203
Other creditors including taxation and social security	28
Accruals and deferred income	333
	<hr/>
	<b>3,808</b>
	<hr/>

# Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)

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## 12 Provisions for liabilities and charges

	Deferred taxation £'000	Other provisions £'000	Total £'000
At incorporation	-	-	-
Charge for the period	3	10	13
At 31 December 1998	<u>3</u>	<u>10</u>	<u>13</u>

Other provisions relate to restoration and future after care costs to be incurred on the company's landfill sites.

The amounts provided for deferred taxation and the amounts not provided are set out below:

	31 December 1998	
	Provided £'000	Unprovided £'000
Difference between accumulated depreciation and amortisation and capital allowances	3	-
Other timing differences relating to provision for environmental impairment	-	-
	<u>3</u>	<u>-</u>

## 13 Called up share capital

	Number	31 December 1998 £'000
Authorised ordinary shares	19	-
"A" shares of 1p each	81	-
"B" shares of 1p each	7,339,377	7,339
Ordinary shares of £1 each	<u>7,339,477</u>	<u>7,339</u>
Allotted, called up and full paid ordinary shares	19	-
"A" shares of 1p each	81	-
"B" shares of 1p each	6,089,377	6,089
Ordinary shares of £1 each	<u>6,089,477</u>	<u>6,089</u>

The A and B shares entitle holders to one vote per share, but are not entitled to dividends. Voting rights for "A" shares cannot be used to remove a director appointed by "B" shareholders and vice versa. On a winding up "A" and "B" shares have priority over ordinary shares for repayment of capital.

The ordinary shares do not entitle holders to vote or attend general meetings but shareholders are entitled to dividends.



# Kirklees Waste Services Limited (formerly Ingleby 1052 Limited)

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## 14 Reconciliation of movements in equity shareholders' funds

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At incorporation	4,839	-	4,839
Issue of share capital	1,250	-	1,250
Loss for the financial period	-	(197)	(197)
At 31 December 1998	<u>6,089</u>	<u>(197)</u>	<u>5,892</u>

## 15 Commitments

Capital commitments at the end of the financial period are as follows:

	31 December 1998 £'000
Contracted	<u>118</u>

Annual commitments under non-cancellable operating leases are as follows:

	31 December 1998	
	Other	Land and buildings
	£'000	£'000
Operating leases which expire:		
Within one year	63	-
In the second to fifth years inclusive	125	-
Over five years	73	-
	<u>261</u>	<u>-</u>

## 16 Contingent liabilities

The company has no commitments or contingent liabilities as at 31 December 1998.

## 17 Related party transactions

There were no related party transactions.

**Kirklees Waste Services Limited**  
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**18 Ultimate parent company and controlling party**

The directors regard Lancashire Waste Services Limited as the immediate parent company and Tractebel SA, registered in Belgium, as the ultimate parent company and controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by Tractebel SA. The consolidated accounts are available to the public and may be obtained from:

The Registrar of Companies  
Companies House  
Crown Way  
Maindy  
Cardiff CF4 3UZ