

COPY FOR REGISTRAR OF COMPANIES
COMPANY NO. 43284

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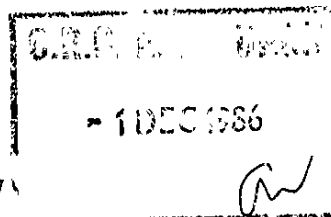
SHANKS & McEWAN (ENGLAND) LIMITED

REPORT AND ACCOUNTS

Year ended 29th March 1986

MANN JUDD GORDON

Chartered Accountants, Glasgow



SHANKS & McEWAN (ENGLAND) LIMITED

Directors

M R Hewitt
 H L I Runciman
 A G Shanks
 J A MacDuff
 T S Howitt

REPORT OF THE DIRECTORS

The directors submit their report and statement of accounts for the year ended 29th March 1986.

1. Principal activities and business review

The principal activities of the company were providing waste handling and transport services for the group.

Waste handling operations continued to make progress. Scrap processing suffered from lack of volume despite better prices. Industrial services results were similar to the previous year. Group transport incurred a small loss on the provision of cars and vans to the group.

2. Trading results and dividend	£000
The profit before taxation was	278
After taxation charge of	119

Profit for year was	159
Proposed dividend	50

Leaving a sum retained of	109
	====

3. Directors

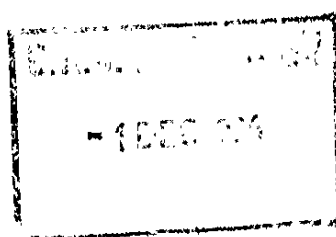
Mr M R Hewitt was appointed a director on 30th August 1985 and in accordance with the Articles of Association, he retires at this time and being eligible, offers himself for re-election.

All the other directors served on the board throughout the year.

The director retiring by rotation is Mr T S Howitt who, being eligible, offers himself for re-election.

The interests at the beginning and end of the year of Mr H L I Runciman, Mr M R Hewitt and Mr A G Shanks in the shares of the ultimate holding company and other companies in the group are disclosed in the accounts of the ultimate holding company, Shanks & McEwan Group PLC.

The /



SHANKS & McEWAN (ENGLAND) LIMITED

REPORT OF THE DIRECTORS

3. Directors (Continued)

The interests of Mr J A MacDuff and Mr T S Howitt in the shares of Shanks & McEwan Group PLC, including ordinary shares over which options have been granted were as follows:

	Ordinary Shares of 50p each At 31.3.85 and 29.3.86	Share options	
		Executive scheme At 31.3.85 and 29.3.86	Savings -related scheme At 31.3.85 and 29.3.86
J A MacDuff	28,000	12,000	7,400
T S Howitt	12,000	12,000	4,440

Mr J A MacDuff and Mr T S Howitt had no interest in the shares of any other company in the group.

4. Changes in fixed assets

During the year the company spent £165,000 on additional plant, for the waste handling operation and £231,000 on cars and vans for the group.

5. Future prospects

Waste handling operations continue to offer best prospects for the expansion of the business and several opportunities are being evaluated.

6. Auditors

Mann Judd Gordon, Chartered Accountants, have indicated their willingness to continue in office as auditors for a further term in accordance with the provisions of the Companies Act 1985.

By order of the board


P MATHER

Secretary

Registered office:

22 Woodside Place
Glasgow
G3 7QY

26th June 1986

SHANKS & McEWAN (ENGLAND) LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF SHANKS & McEWAN (ENGLAND) LIMITED

We have audited the accounts on pages 4 to 13 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention as modified by the revaluation of certain assets, give a true and fair view of the company's state of affairs at 29th March 1986 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

MANN JUDD GORDON

Chartered Accountants

142 St Vincent Street
Glasgow G2 5LD

26th June 1986

SHANKS & McEWAN (ENGLAND) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 29TH MARCH 1986

		1986	1985
	Note	£000	£000
TURNOVER	3	2,629	2,487
Cost of sales		2,277	2,058
		<u> </u>	<u> </u>
GROSS PROFIT		352	429
Administrative expenses		174	168
		<u> </u>	<u> </u>
OPERATING PROFIT		178	261
Gain on disposal of property	5	-	75
Income from investments	6	100	64
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2, 3	278	400
Tax on profit on ordinary activities	7	119	153
		<u> </u>	<u> </u>
PROFIT FOR YEAR		159	247
Dividend	8	50	-
		<u> </u>	<u> </u>
RETAINED PROFIT FOR YEAR	18	109	247
		<u>=====</u>	<u>=====</u>

The notes on pages 7 to 13 form part of these accounts.

SHANKS & McEWAN (ENGLAND) LIMITED

BALANCE SHEET

29TH MARCH 1986

		1986	1985
	Note	£000	£000
FIXED ASSETS			
Tangible assets	9	1,304	1,245
Investments	10	10	10
		<u>1,314</u>	<u>1,255</u>
CURRENT ASSETS			
Stocks	11	39	36
Debtors	12	1,966	1,843
Cash at bank and in hand		100	57
		<u>2,105</u>	<u>1,936</u>
CREDITORS: Amounts falling due within one year	13	518	423
NET CURRENT ASSETS		<u>1,587</u>	<u>1,513</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,901</u>	<u>2,768</u>
CREDITORS: Amounts falling due after more than one year	14	110	76
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	15	113	123
		<u>223</u>	<u>199</u>
		<u>2,678</u>	<u>2,569</u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Revaluation reserve	17	133	133
Profit and loss account	18	2,445	2,336
		<u>2,678</u>	<u>2,569</u>



Director



Director

26th June 1986

The notes on pages 7 to 13 form part of these accounts.

SHANKS & McEWAN (ENGLAND) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 29TH MARCH 1986

	1986	1985
	£000	£000
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	278	400
Adjustment for items not involving the movement of funds:		
Depreciation of tangible fixed assets	307	310
Gain on disposal of tangible fixed assets	(8)	(16)
Surplus on disposal of property	-	(10)
Transfer from revaluation reserve	-	(65)
	<hr/>	<hr/>
Total generated from operations	577	619
Funds from other sources:		
Increase in other creditors falling due after more than one year	34	4
Disposal of tangible fixed assets	38	134
	<hr/>	<hr/>
	649	757
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	396	244
Group relief payable	-	13
Tax paid	84	-
	<hr/>	<hr/>
	480	257
	<hr/>	<hr/>
INCREASE IN WORKING CAPITAL	169	500
	<hr/>	<hr/>
COMPONENTS OF INCREASE IN WORKING CAPITAL		
Stocks	3	(13)
Debtors	46	13
Creditors	(1)	(24)
Amounts owing by group companies	78	485
Net liquid funds	43	39
	<hr/>	<hr/>
	169	500
	<hr/>	<hr/>

SHANKS & McEWAN (ENGLAND) LIMITED

NOTES ON THE ACCOUNTS

1. Accounting policies

(i) Turnover

Turnover is computed as the invoice value of work executed and services provided during the period excluding, where applicable, value added tax.

(ii) Tangible fixed assets

Depreciation is provided on tangible fixed assets in equal annual instalments over the estimated useful life of the assets and is calculated on the cost or valuation of the assets.

The following rates in are used:

Buildings	:	4%
Plant and machinery	:	12.5% to 33.3%
Motor vehicles	:	25%
Furniture and fittings	:	14%

(iii) Stock

Stock and work in progress is stated at the lower of cost (on a first in first out basis) and net realisable value. Cost of work in progress comprises materials, direct wages and all overheads incurred in bringing the work in progress to its existing location and condition.

(iv) Deferred taxation

Provision is made, under the liability method, for taxation deferred in respect of accelerated capital allowances and other timing differences but only where it is thought reasonably probable that an actual liability will arise in the foreseeable future. There are deducted from this provision the tax losses which are available to set against profits arising in future years.

(v) Leasing

The rentals payable on all leases are charged to the profit and loss account as incurred.

	1986	1985
2. Profit on ordinary activities before taxation	£000	£000

Profit is stated after charging:

Depreciation of tangible fixed assets (note 9)	299	294
Hire of plant and machinery	362	277
Hire purchase interest	25	15
Auditors' remuneration	6	6
Emoluments of the directors (note 4)	24	24
	===	===

SHANKS & McEWAN (ENGLAND) LIMITED

NOTES ON THE ACCOUNTS

3. Turnover and profit

Turnover and profit on ordinary activities before taxation are analysed as follows:

	1986		1985	
	Turnover	Profit(loss) before taxation	Turnover	Profit before taxation
	£000	£000	£000	£000
Principal activities				
Waste handling	1,720	306	1,659	370
Group transport	909	(28)	828	30
	<u>2,629</u>	<u>278</u>	<u>2,487</u>	<u>400</u>
	=====	=====	=====	=====

4. Directors and other employees

The average weekly number of persons employed by the company during the year was as follows:

	1986	1985
	Number	Number
Waste handling	69	65
Group transport	3	3
	<u>72</u>	<u>68</u>
	==	==

Staff costs comprise:

	2000	£000
Wages and salaries	600	569
Social security costs	55	53
Other pension costs	28	29
	<u>683</u>	<u>651</u>
	===	===

The remuneration of the directors was as follows:

	-	-
Fees	24	24
Other emoluments	<u>24</u>	<u>24</u>
	==	==

Excluding contributions to pension schemes the emoluments of the individual directors were as follows:

	Nil.	Nil
Chairman	21	20
Highest paid director	==	==

Other /

SHANKS & McEWAN (ENGLAND) LIMITED

NOTES ON THE ACCOUNTS

	1986	1985
	Number	Number
4. Directors and other employees (continued)		
Other directors		
60 - £5,000	3 ===	2 ===
5. Gain on disposal of property	£000	£000
Surplus over book value	-	10
Revaluation surpluses on these sales (Note 17)	- ---	65 ---
	- ===	75 ===
6. Income from investments		
Interest on short-term deposits	100 ===	64 ===
7. Tax on profit on ordinary activities		
The taxation charge based on the profit for the year is made up as follows:		
UK corporation tax at 40%	129	94
Group relief payable	-	13
Transfer (from) to deferred tax	(10) ---	46 ---
	119 ===	153 ===
8. Dividend		
Proposed dividend of 50p per share	50 ==	- ==
9. /		

SHANKS & McEWAN (ENGLAND) LIMITED

NOTES ON THE ACCOUNTS

9. Tangible fixed assets

	Land & buildings Freehold	Plant & machinery	Motor vehicles	Office & furniture equipment	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 31st March 1985	545	1,529	385	41	2,500
Additions	-	165	231	-	396
Disposals	-	(51)	(130)	-	(181)
	---	---	---	---	---
At 29th March 1986	545	1,643	486	41	2,715
	---	---	---	---	---
Consisting of:					
Assets at 1980 valuation	477	-	-	-	477
Assets at cost	68	1,643	486	41	2,238
	---	---	---	---	---
	545	1,643	486	41	2,715
	---	---	---	---	---
Depreciation					
At 31st March 1985	73	969	178	35	1,255
Eliminated in respect of disposals	-	(46)	(105)	-	(151)
Charge for year	16	156	134	1	307
	---	---	---	---	---
At 29th March 1986	89	1,079	207	36	1,411
	---	---	---	---	---
Net book amount					
At 29th March 1986	456	564	279	5	1,304
	===	===	===	===	===
At 30th March 1985	472	560	207	6	1,245
	===	===	===	===	===
				1986	1985
				£000	£000
Depreciation charge for the year				307	310
Net gain on disposal of fixed assets other than properties				8	16
				---	---
Depreciation per profit and loss account				299	294
				===	===

For /

SHANKS & McEWAN (ENGLAND) LIMITED

NOTES ON THE ACCOUNTS

9. Tangible fixed assets (continued)

For the freehold land and buildings the comparable amounts determined under the historical cost convention were:

	Cost	Aggregate depreciation	Net book amount
	£000	£000	£000
At 29th March 1986	516 ===	205 ===	311 ===
At 30th March 1985	516 ===	189 ===	327 ===

	1986	1985
	£000	£000
10. Investments		

Shares in subsidiary company at cost	10 ===	10 ===
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At 29th March 1986 the following company was a subsidiary of the company:

	Country of Registration	Proportion of issued ordinary shares held	Nature of business
Fidelity Plant Hire limited	England	100%	Plant hire

Group accounts are not required as the company is a wholly owned subsidiary of another company incorporated in Great Britain. The directors are of the opinion that the value of the investments in the subsidiary company is not less than the book value.

	1986	1985
	£000	£000
11. Stocks		
Raw materials and consumables	31	30
Work in progress	8	6
	--	--
	39	36
	==	==

12. Debtors		
Trade debtors	375	320
Amounts owing by holding and fellow subsidiary companies	1,547	1,470
Amounts owing by subsidiary company	8	8
Other debtors	14	34
Prepayments	22	11
	-----	-----
	1,966	1,843
	=====	=====

Amounts owing by group companies includes a loan of £410,000 made to the holding company. This does not fall due for repayment within one year.

SHANKS & McEWAN (ENGLAND) LIMITED

NOTES ON THE ACCOUNTS

	1986	1985
	£000	£000
13. Creditors: amounts falling due within one year		
Trade creditors	133	131
Amounts owing to holding and fellow subsidiary companies	-	1
Current corporation tax	139	94
Other taxation and social security	43	36
Proposed dividend	50	-
Hire purchase creditors	133	90
Other creditors	2	32
Accruals	18	39
	<u>518</u>	<u>423</u>
	===	===
14. Creditors: amounts falling due after more than one year		
Hire purchase creditors	110	76
	<u>110</u>	<u>76</u>
	===	===
15. Deferred taxation		
Accelerated capital allowances	114	140
Other timing differences	(1)	(17)
	<u>113</u>	<u>123</u>
	===	===
The full potential deferred tax liability is as follows:		
Accelerated capital allowances	213	249
Revaluation surpluses	-	2
Rolled over gain	7	-
Other timing differences	(1)	(17)
	<u>219</u>	<u>234</u>
	===	===
16. Called up share capital		
Authorised, allotted and fully paid 100,000 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	===	===

17./

SHANKS & McEWAN (ENGLAND) LIMITED

NOTES ON THE ACCOUNTS

	1986	1985
17. Revaluation reserve	£000	£000
Balance at 31st March 1985	133	198
Surplus realised on property disposal	-	65
	---	---
Balance at 29th March 1986	133	133
	===	===

The potential deferred taxation liability arising in respect of revaluations is included at Note 15.

	1986	1985
18. Profit and loss account	£000	£000
At 31st March 1985	2,336	2,089
Retained profit for year	109	247
	-----	-----
At 29th March 1986	2,445	2,336
	=====	=====

19. Financial commitments

Net obligations at 29th March 1986 under finance leases comprise:

Motor vehicles

	£000
Due within one year	310
Due between two and five years	198

	508
	=====

20. Capital commitments

There were no capital commitments unprovided for in the accounts.

21. Ultimate holding company

The company's ultimate holding company is Shanks & McEwan Group PLC which is incorporated in Great Britain.