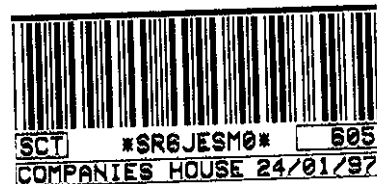


**SHANKS & McEWAN (NORTHERN) LIMITED**  
**(Registered Number 98678)**

**REPORT AND ACCOUNTS**

**YEAR ENDED 30 MARCH 1996**

29



# **SHANKS & McEWAN (NORTHERN) LIMITED**

## **CONTENTS**

	Page
DIRECTORS' REPORT	1-3
AUDITORS' REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7-19

## **SHANKS & McEWAN (NORTHERN) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 30 March 1996.

### **PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE PROSPECTS**

The principal activities of the company are the operation of waste collection and disposal services, including recycling, for industry and local authorities.

The company plans to continue to increase its market share in the waste management sector and will invest in additional landfill void at economic cost and in new geographical areas with growth potential.

### **TRADING RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation for the year ended 30 March 1996 was £2,238,000 (1995 - £2,766,000).

No interim dividend (1995 - £650,000) was paid during the year, and the directors do not recommend the payment of a final dividend (1995 - £1,335,000). The resulting retained profit of £2,238,000 (1995 - £781,000) has been transferred to reserves.

### **DIRECTORS**

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

K R Morin  
M C E Averill  
D J Downes  
S M Muir  
G J Newman (Retired 30 August 1996)  
R Reid

## SHANKS & McEWAN (NORTHERN) LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### DIRECTORS' INTERESTS

None of the directors had a direct interest in the share capital of the company.

Those directors who were not also directors of Shanks & McEwan Group PLC had interests in that company's share capital as follows:

	<u>As at 30 March 1996</u>		<u>As at 1 April 1995</u>	
	<u>Ordinary Shares of 10p</u>	<u>Options</u>	<u>Ordinary Shares of 10p</u>	<u>Options</u>
K R Morin	48,000	188,363	58,955	109,583
S M Muir	1,850	24,201	1,850	2,929
R Reid	1,500	36,686	1,500	17,353

The directors had no interests in the shares of any other company in the group.

#### ACQUISITIONS

The Scottish dry waste business of Leigh Interests plc was purchased for £5.2m in March 1996. The fair value of assets was £0.6m. The goodwill arising of £4.6m was written off to reserves. (Note 11)

Since the year end there has been a further small acquisition of £0.5m for D & D Environmental Services Ltd in Glasgow.

#### EMPLOYMENT POLICIES

It is the Group's policy that all employees should be informed and consulted on all matters of concern to them, and also to ensure that they are made aware of the financial, economic and operational factors, affecting their performance.

Communications have been further improved as part of divisional continuous improvement strategies, and both formal and informal meetings with employees or their representatives take place at the individual locations. A regular employee newspaper, SME World, is widely distributed and each division produces its own internal newsletter.

#### PAYMENT OF SUPPLIERS

It is the Group's payment policy for the year ending 29 March 1997, in respect of all suppliers, to settle agreed outstanding accounts in accordance with terms and conditions agreed with suppliers when placing orders. The Group will abide by these terms of payment.

## **SHANKS & McEWAN (NORTHERN) LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **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 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, subject to any material departures disclosed and explained in the financial statements;
- 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 1985. 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.

#### **AUDITORS**

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



S M Muir  
Secretary

12 November 1996

Registered Office:  
A8 Edinburgh Road  
Coatbridge  
ML5 4UG

## **AUDITORS' REPORT TO THE MEMBERS OF SHANKS & McEWAN (NORTHERN) LIMITED**

We have audited the financial statements on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

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

As described on page 3 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 30 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors  
Glasgow

12 November 1996

**SHANKS & McEWAN (NORTHERN) LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 MARCH 1996**

	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
TURNOVER (Note 2)	19,265	17,953
Cost of sales	<u>13,182</u>	<u>12,540</u>
GROSS PROFIT	6,083	5,413
Administrative expenses	<u>2,211</u>	<u>1,939</u>
OPERATING PROFIT	3,872	3,474
Interest payable (Note 6)	<u>371</u>	<u>255</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 3)	3,501	3,219
Tax on profit on ordinary activities (Note 7)	<u>1,263</u>	<u>453</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	2,238	2,766
Dividends (Note 8)	<u>0</u>	<u>1,985</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR (Note 17)	<u>2,238</u>	<u>781</u>

There were no recognised gains or losses other than the profit for the year (1995 - £Nil).

The notes on pages 7 to 19 form part of these financial statements.

**SHANKS & McEWAN (NORTHERN) LIMITED****BALANCE SHEET - 30 MARCH 1996**

	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
<b>FIXED ASSETS</b>		
Tangible assets (Note 9)	14,767	12,594
Investments (Note 10)	<u>485</u>	<u>-</u>
	15,252	12,594
<b>CURRENT ASSETS</b>		
Stocks (Note 12)	145	145
Debtors (Note 13)	5,520	3,559
Cash at bank and in hand	<u>5</u>	<u>2</u>
	5,670	3,706
<b>CREDITORS - Amounts falling due within one year (Note 14)</b>	<u>18,840</u>	<u>12,463</u>
<b>NET CURRENT LIABILITIES</b>	<u>(13,170)</u>	<u>(8,757)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	2,082	3,837
<b>PROVISIONS FOR LIABILITIES AND CHARGES (Note 15)</b>	<u>1,390</u>	<u>803</u>
<b>NET ASSETS</b>	<u><u>692</u></u>	<u><u>3,034</u></u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 16)	1	1
Profit and loss account (Note 17)	<u>691</u>	<u>3,033</u>
<b>SHAREHOLDERS' FUNDS (Note 18)</b>	<u><u>692</u></u>	<u><u>3,034</u></u>

APPROVED BY THE BOARD ON  
12 November 1996



K R Morin  
DIRECTOR

The notes on pages 7 to 19 form part of these financial statements.

# **SHANKS & McEWAN (NORTHERN) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996**

### **1 ACCOUNTING POLICIES**

#### **(1) Basis of presentation**

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

#### **(2) Turnover**

Turnover represents the invoiced value of waste streams processed and other services provided excluding value added tax. Turnover is recognised when processing occurs or the service is provided.

#### **(3) Fixed assets**

##### **(i) Land and buildings, plant and machinery and motor vehicles**

Depreciation is provided on assets other than land to write off their cost by equal annual instalments over their estimated useful economic lives.

The expected lives are:

Buildings	25 years
Plant and machinery	3 to 10 years
Motor vehicles	3 to 6 years

##### **(ii) Landfill**

Acquisition and commissioning costs are capitalised and amortised over the estimated operational life of each site based on the amount of void space consumed.

##### **(iii) Capitalisation of interest**

The gross interest attributable to the financing of separately identifiable major capital projects prior to their date of completion is capitalised as part of the cost of the assets.

#### **(4) Purchased goodwill**

The excess of the fair value of the consideration given over the fair value of the net assets acquired is recognised as purchased goodwill, and is immediately written off against reserves.

# **SHANKS & McEWAN (NORTHERN) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)**

### **1 ACCOUNTING POLICIES (CONTINUED)**

#### **(5) Leased assets**

Where the company has substantially all the risks and rewards of ownership of a leased asset, it is treated as a finance lease. Leased assets are included in tangible fixed assets at the total of the capital elements of payments during the lease term and the corresponding obligation is included in creditors. Depreciation is provided to write off the assets over the shorter of the lease term or expected useful life.

Rentals paid under operating leases are charged to profit and loss account as incurred over the term of the lease.

#### **(6) Stocks**

Stocks are stated at the lower of cost (on a first in first out basis) and net realisable value.

#### **(7) Deferred taxation**

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements to the extent that the liability will crystallise in the foreseeable future. The timing differences are due primarily to the excess of tax allowances on tangible fixed assets over the corresponding depreciation charge in the financial statements.

#### **(8) Environmental provision**

The provision relates to the estimated current cost of:  
capping the pit areas in landfill reclamation; and  
gas and leachate control during the life of the site and after the site has been closed.

The estimated current cost of capping and gas and leachate control based on tonnage of landfill materials deposited in the year is charged against profits and credited to the provision which is reviewed annually for adequacy.

#### **(9) Pensions**

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the expected working lives of the pension scheme members currently in service. Any differences between the actuarial valuation of the scheme and the value of assets in the scheme are also charged or credited to the profit and loss account over the expected working lives of the scheme members.

#### **(10) Investments**

Investments are stated at cost less any provision for diminution in value.

## SHANKS & McEWAN (NORTHERN) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

#### 2 SEGMENTAL INFORMATION

The turnover and operating profit on ordinary activities before taxation derive from waste management in the United Kingdom. All of the company's turnover and operating profit relates to continuing operations, including acquisitions. (Note 11)

#### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1996</u> £'000	<u>1995</u> £'000
The profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets		
- owned	2,670	2,410
- held under finance lease and hire purchase contracts	-	113
Operating lease rentals		
- property	123	108
- plant and machinery	142	272
Auditors' remuneration - Audit fees	20	18
- Non audit related fees	9	-
Royalties	125	119
Gain on sale of tangible fixed assets	<u>(59)</u>	<u>(70)</u>

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

### 4 EMOLUMENTS OF DIRECTORS

The remuneration of the directors in respect of their services to the company was as follows:

	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
Emoluments, including pension contributions	<u>176</u>	<u>168</u>

The emoluments of the highest paid director, excluding pension contributions, were £77,000 (1994 - £69,000).

Emoluments of the other directors, excluding pension contributions, fell within the following bands:

	Number	Number
£Nil - £5,000	3	3
£10,001 - £15,000	-	-
£30,001 - £35,000	-	-
£35,001 - £40,000	1	1
£40,001 - £45,001	<u>1</u>	<u>1</u>

### 5 EMPLOYEES

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

	<u>1996</u> <u>Number</u>	<u>1995</u> <u>Number</u>
Waste management	<u>259</u>	<u>234</u>
Staff costs comprise:		
	£'000	£'000
Wages and salaries	4,327	3,924
Social security costs	362	340
Other pension costs (Note 21)	<u>204</u>	<u>181</u>
	<u>4,893</u>	<u>4,445</u>

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

### 6 INTEREST PAYABLE

	<u>1996</u> £'000	<u>1995</u> £'000
Interest payable on loans and bank overdraft	371	211
Interest payable on finance leases and hire purchase contracts	<u>-</u>	<u>44</u>
	371	255
	<u><u>          </u></u>	<u><u>          </u></u>

### 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation charge based on the profits of the year is made up as follows:

	<u>1996</u> £'000	<u>1995</u> £'000
UK Corporation tax at 33% (1995 - 33%)	984	1,157
Prior year adjustment	-	(115)
Deferred taxation (Note 15)	<u>279</u>	<u>(589)</u>
	1,263	453
	<u><u>          </u></u>	<u><u>          </u></u>

### 8 DIVIDENDS

	<u>1996</u> £'000	<u>1995</u> £'000
Interim paid	-	650
Final proposed	<u>-</u>	<u>1,335</u>
	-	1,985
	<u><u>          </u></u>	<u><u>          </u></u>

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

### 9 TANGIBLE FIXED ASSETS

	Land and buildings	Landfill sites		Plant &	Motor	
	Freehold	Freehold	Leasehold	Machinery	vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 2 April 1995	201	4,855	1,188	11,900	6,156	24,300
Additions	14	519	212	2,533	1,046	4,324
Additions from acquisitions	-	-	-	189	381	570
Disposals	-	-	-	(1,272)	(330)	(1,602)
Transfers (to)/from group undertakings	130	-	-	110	17	257
At 30 March 1996	345	5,374	1,400	13,460	7,270	27,849
<b>Depreciation</b>						
At 2 April 1995	161	1,223	654	6,134	3,534	11,706
Charge for year	19	374	228	1,155	884	2,660
Eliminated in respect of disposals	-	-	-	(1,103)	(320)	(1,423)
Transfers (to)/from group undertakings	65	-	-	62	12	139
At 30 March 1996	245	1,597	882	6,248	4,110	13,082
<b>Net book amount</b>						
At 30 March 1996	100	3,777	518	7,212	3,160	14,767
At 2 April 1995	40	3,632	534	5,766	2,622	12,594

Interest amounting to £269,000 (1995 - £269,000) is included in the cost of landfill sites.

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

### 10 FIXED ASSETS - INVESTMENTS

	Shares in Subsidiary Undertakings £'000
At 1 April 1995	-
Transfers from other group companies	485
	<hr/>
At 30 March 1996	<u>485</u>

All investments are stated at cost.

The company had the following investments in subsidiary undertakings:

<u>Name of Company</u>	<u>County of Registration</u>	<u>Type of Shares</u>	<u>Type of Business</u>	<u>Proportion of shares and voting rights held</u>
Shanks & McEwan Ltd	Scotland	Ordinary	Dormant	100%
Airdrie Hill Quarries Ltd	Scotland	Ordinary	Dormant	100%

During the year, the company paid consideration for all assets, liabilities and contractual arrangements of Shanks & McEwan Ltd and Airdrie Hill Quarries Ltd. The assets and liabilities were not contractually transferred until after the year end. The balance is held as an investment at cost at the year end.

The Directors are of the opinion that the value of the investments in subsidiary undertakings are not less than the amounts at which they are recorded in the balance sheet.

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

### 11 ACQUISITION OF BUSINESS

On 15 March 1996, the company acquired the trade and assets and business of the Scottish dry waste collection business of Leigh Interests plc for a total consideration of £5,200,000, which was satisfied in cash.

The business combination has been accounted for using the acquisition method of accounting, and a summary of the effect of the acquisition on the company's financial statements is set out below:

Assets acquired:-

	Book value £,000	Fair value adjustments £,000	Fair value to the company £,000
Fixed assets -	189	-	189
Plant & machinery			
Fixed assets -	381	-	381
Motor vehicles			
Other assets	50	-	50
	<u>620</u>	<u>-</u>	<u>620</u>
Cash consideration paid			<u>5,200</u>
Purchased goodwill arising on acquisition (Note 17)			<u>4,580</u>

Post-acquisition results:-

Included within the turnover and operating profit of continuing operations is £99,000 and £20,000 respectively of a contribution from the acquired business.

Other information:-

Prior to its acquisition by the company, the financial year of the acquired business commenced on 1 April 1995. In the period from 1 April 1995 to 15 March 1996 (i.e. the period pre-acquisition), the turnover and operating profit of Scottish dry waste collection was £2,743,000 and £301,000 respectively.

For the year ended 31 March 1995 the Scottish dry waste collection business made an operating profit of £248,000 on turnover of £2,680,000.

12 STOCKS	1996 £'000	1995 £'000
Raw materials and consumables	46	41
Investment land and property	<u>99</u>	<u>104</u>
	<u>145</u>	<u>145</u>

In the opinion of the directors, there is no significant difference between the replacement cost of stock and the amount at which it is stated in the balance sheet.

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

13	DEBTORS	<u>1996</u>	<u>1995</u>
		£'000	£'000
	Trade debtors	3,007	3,233
	Amounts owed by fellow subsidiary undertakings	2,210	73
	Prepayments and accrued income	<u>303</u>	<u>253</u>
		5,520	3,559
		<hr/>	<hr/>
14	CREDITORS - Amounts falling due within one year	<u>1996</u>	<u>1995</u>
		£'000	£'000
	Bank overdraft	11,444	3,717
	Trade creditors	862	977
	Amounts owed to parent undertaking	3,525	3,508
	Amounts owed to fellow subsidiary undertakings	35	649
	Other creditors	221	213
	Corporation tax payable	1,026	952
	Other taxation and social security	436	342
	Proposed dividend	-	1,335
	Accruals	<u>1,291</u>	<u>770</u>
		18,840	12,463
		<hr/>	<hr/>

The company has granted to its bankers an unlimited inter company composite guarantee, and a right of set off against amounts outstanding on advances to its parent and fellow subsidiary undertakings.

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

### 15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred <u>taxation</u> £'000	Environmental <u>provisions</u> £'000	<u>Total</u> £'000
At 1 April 1995	-	803	803
Utilised in year	-	(359)	(359)
Provided in year	<u>279</u>	<u>667</u>	<u>946</u>
At 30 March 1996	<u>279</u>	<u>1,111</u>	<u>1,390</u>

The deferred taxation balances and total potential liability for deferred taxation for all timing differences is made up as follows:

	<u>1996</u>		<u>1995</u>	
	<u>Amount provided</u> £'000	<u>Potential liability</u> £'000	<u>Amount provided</u> £'000	<u>Potential liability</u> £'000
Accelerated capital allowances	272	831	-	800
Other timing differences	<u>7</u>	<u>7</u>	-	<u>(36)</u>
	<u>279</u>	<u>838</u>	-	<u>764</u>

# SHANKS & McEWAN (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

### 16 CALLED UP SHARE CAPITAL

	<u>1996</u> £	<u>1995</u> £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted and fully paid:		
2 ordinary shares of £1 each	2	2

### 17 PROFIT AND LOSS ACCOUNT

	£'000
At 1 April 1995	3,033
Retained profit for the financial year	2,238
Goodwill written off on acquisition (Note 11)	<u>(4,580)</u>
At 30 March 1996	<u>691</u>

The cumulative goodwill written off against reserves for continuing businesses is £5,040,000 (1995 - £460,000).

### 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u> £'000	<u>1995</u> £'000
Profit on ordinary activities after taxation	2,238	2,766
Dividends	-	(1,985)
Goodwill written off on acquisition (Note 11)	<u>(4,580)</u>	<u>—</u>
Net (decrease) / increase in shareholders' funds	(2,342)	781
Opening shareholders' funds	<u>3,034</u>	<u>2,253</u>
Closing shareholders' funds	<u>692</u>	<u>3,034</u>

## SHANKS & McEWAN (NORTHERN) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)

#### 19 CAPITAL COMMITMENTS

The amount of capital expenditure authorised by the directors for which no provision has been made in the financial statements is:

	<u>1996</u> £'000	<u>1995</u> £'000
Expenditure contracted for	<u>1,918</u>	<u>463</u>
Expenditure not contracted for	<u>.</u>	<u>15</u>

#### 20 COMMITMENTS UNDER OPERATING LEASES

The annual commitments under operating leases are as follows:

	<u>Land and buildings</u>	
	<u>1996</u> £'000	<u>1995</u> £'000
Leases expiring:		
Within one year	8	.
Between two and five years	.	8
Over five years	<u>113</u>	<u>82</u>
	<u>121</u>	<u>90</u>

#### 21 PENSION COMMITMENTS

The company, along with other companies in the Shanks & McEwan Group, participates in pension arrangements providing benefits based on final salary. The assets of the scheme are held separately from those of the group companies and are invested by professional investment managers.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The pension charge for the year was £204,000 (1995 - £181,000).

Details of the latest actuarial valuation of the scheme on 6 April 1992 are given in the financial statements of Shanks & McEwan Group PLC.

## **SHANKS & McEWAN (NORTHERN) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 30 MARCH 1996 (CONTINUED)**

#### **22 CONTINGENT LIABILITIES**

The Company has in the normal course of business given guarantees and performance bonds relating to the Company's own contracts.

#### **23 ULTIMATE PARENT COMPANY**

The ultimate parent company is Shanks & McEwan Group PLC, a company registered in Scotland. Copies of the group financial statements may be obtained from the Company Secretary, Shanks & McEwan Group PLC, Astor House, Station Road, Bourne End, Bucks. SL8 5YP.

---00000---