

SHANKS NORTHERN LIMITED

Registered Number SC98678

REPORT AND FINANCIAL ACCOUNTS

YEAR ENDED 31 MARCH 2003



SHANKS NORTHERN LIMITED

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SHANKS NORTHERN LIMITED DIRECTORS' REPORT

The Directors present their Report and financial statements for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE PROSPECTS

The principal activity of the Company continues to be the operation of waste collection and disposal services 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 DIVIDEND

The profit on ordinary activities before taxation for the year ended 31 March 2003 was £259,000 (2002: £4,209,000). The Directors recommended that a dividend of £538,000 be paid in respect of the year ended 31 March 2003 (2002: £Nil). The profit transferred to reserves for the year was £416,000 (2002: £2,028,000).

DIRECTORS AND DIRECTORS' INTERESTS

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

M C E Averill
D J Downes
M J Clarke
J R Meredith (resigned 31 March 2003)

None of the Directors had a direct interest in the share capital of the Company. Messrs Averill and Downes are also Directors of Shanks Group plc and accordingly their interests in the share capital of that company are disclosed in its report and accounts. Mr J R Meredith was also a Director of Shanks Group plc until his resignation on 1 April 2003. His interests in that company's share capital are also disclosed in that company's report and accounts. The Directors had no interests in the shares of any other Company in the Group.

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.

SHANKS NORTHERN LIMITED

DIRECTORS' REPORT - continued

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

EMPLOYMENT POLICIES

There is a continuing commitment in the Company to provide employees with information and undertake consultation on matters of concern to them with a view to ensuring an awareness of the financial and economic factors affecting the performance of the Company. The procedures adopted involve both formal and informal meetings with employees or their representatives.

Options have been granted under the Shanks Savings-Related Share Option and Executive Share Options Schemes.

It is the continuing policy of the Company to provide employment for disabled people and employees who become disabled provided it is practical to offer suitable work. The training, career development and promotion of disabled employees are undertaken whenever possible, in accordance with the needs of the individuals concerned.

AUDITORS

Following the conversion of PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned as auditors on 30 January 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By Order of the Board



D J Downes
DIRECTOR

9 January 2004

Registered Office:
A8 Edinburgh Road
Coatbridge
ML5 4UG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHANKS NORTHERN LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. 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. The other information comprises only the Directors' report.

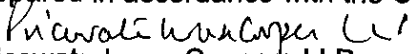
Basis of audit opinion

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 affairs of the Company at 31 March 2003 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
9 January 2004

**SHANKS NORTHERN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	<u>2003</u> £'000	<u>2002</u> £'000
TURNOVER - CONTINUING ACTIVITIES	2	35,985	42,230
Cost of sales		(30,870)	(35,366)
		<hr/>	<hr/>
GROSS PROFIT		5,115	6,864
Administrative expenses		(4,584)	(2,408)
		<hr/>	<hr/>
OPERATING PROFIT ON CONTINUING ACTIVITIES		531	4,456
Finance costs:			
Unwinding of discount	6	(272)	(247)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	259	4,209
Taxation	7	695	(2,181)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		954	2,028
Dividends	8	(538)	-
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR	15	416	2,028
		<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2003**

The Company has no recognised gains or losses other than the profit for the year.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2003**

There is no material difference between the reported profits for the year and those that would be reported under the historical cost convention.

SHANKS NORTHERN LIMITED
BALANCE SHEET
AS AT 31 MARCH 2003

	Note	31 March <u>2003</u> £'000	31 March <u>2002</u> £'000
FIXED ASSETS			
Tangible fixed assets	9	29,046	31,716
Investments	10	2,202	22
		<hr/>	<hr/>
		31,248	31,738
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	11	83	83
CREDITORS: amounts falling due within one year	12	(18,749)	(18,191)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(18,666)	(18,108)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,582	13,630
PROVISIONS FOR LIABILITIES AND CHARGES	13	(8,128)	(9,592)
		<hr/>	<hr/>
TOTAL NET ASSETS		4,454	4,038
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	14	3,500	3,500
Profit and loss account	15	954	538
		<hr/>	<hr/>
TOTAL EQUITY SHAREHOLDERS' FUNDS	16	4,454	4,038
		<hr/>	<hr/>

Approved by the Board of Directors on 9 January 2004.


D J Downes
Director

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards. As the Company is a wholly owned subsidiary of Shanks Group plc, group financial statements have not been prepared as permitted by s228 of the Companies Act 1985 and the financial statements contain information about the Company as an individual undertaking.

(b) New accounting standards and changes in accounting policies.

There were no changes in accounting policies in the current year.

FRS 17 - Retirement Benefits is applicable to the Company. The Company has applied the transitional arrangements for adoption of the FRS. Accordingly no change has been made to the accounting policy but included in these financial statements are the additional disclosures required by FRS 17 (see Note 20).

(c) Turnover

Turnover represents the invoiced value of waste streams, power generated, and other services provided including landfill tax but excluding value added tax. Turnover is recognised when processing occurs or the service is provided.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, except for freehold land which is not depreciated, and less any write down for impairment.

(i) Land & Buildings and Plant & Machinery

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	50 years
Plant & machinery	3 to 10 years

(ii) Landfill

Acquisition costs, the discounted cost of final site restoration and commissioning costs are capitalised and written off over the operational life of each site based on the amount of void space consumed.

(e) Research and development

Expenditure is written off in the year in which it is incurred.

(f) 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. Differences and payments to the schemes are treated as assets or liabilities in the balance sheet.

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

1 ACCOUNTING POLICIES - continued

(g) 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 the profit and loss account as incurred over the term of the lease.

(h) Site restoration provision

Full provision is made for the net present value (NPV) of the Company's unavoidable costs in relation to restoration liabilities at its landfill sites and this value is capitalised as a fixed asset. In addition the Company continues to provide for the NPV of intermediate restoration costs over the life of its landfill sites, based on the quantity of waste deposited in the year.

(i) Aftercare provision

Provision is made for the NPV of post closure costs based on the quantity of waste deposited in the year. Similar costs incurred during the operational life of the sites are written off directly to the profit and loss account and not charged to the provision.

(j) Discounting

All long term provisions for restoration and aftercare are calculated based on the NPV of the estimated future costs. The effects of inflation and unwinding of the discount element on existing provisions are reflected within the financial statements as a finance charge. The real discount factor currently applied is 2%.

(k) Government grants

Capital grants are released to profit evenly over the estimated useful lives of the assets concerned.

(l) Stocks

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

(m) Deferred taxation

Deferred taxation is provided in full in respect of timing differences arising between the treatment of certain items for taxation and accounting purposes. Deferred tax assets in respect of trading tax losses are only recognised where the tax losses are expected to be recovered. Deferred taxation provisions have not been discounted.

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

2 SEGMENTAL INFORMATION

The turnover and operating profit are wholly attributable to the Company's business of waste management in the United Kingdom. All of the Company's business, turnover and operating profit relates to continuing operations.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit is stated after charging/(crediting):

	<u>2003</u> £'000	<u>2002</u> £'000
Depreciation of owned tangible fixed assets	2,703	3,313
Hire of plant and machinery held under operating leases	1,149	1,127
Operating lease property rentals	171	141
Loss/(profit) on disposal of fixed assets	13	(70)
	<u> </u>	<u> </u>

The auditors' remuneration for the period has been borne by a fellow group subsidiary.

4 DIRECTORS' EMOLUMENTS

The Directors were not remunerated for their services to the Company. The salaries of the Directors were paid by other Shanks Group undertakings. None of this remuneration relates to their services to the Company.

5 EMPLOYEES

The average number of employees employed by the Company during the year was 263 (2002: 276). They all worked in Waste Management. The total remuneration of employees comprised:

	<u>2003</u> £'000	<u>2002</u> £'000
Wages and salaries	5,397	5,940
Social security costs	480	535
Other pension costs	195	199
	<u> </u>	<u> </u>
	<u>6,072</u>	<u>6,674</u>

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

6 FINANCE COSTS

The unwinding of the discount of £272,000 (2002: £247,000) relates to long term landfill liabilities (see Note 13). It is treated as a finance cost in accordance with FRS 12.

7 TAXATION

Taxation (credit)/charge based on the profits of the year is made up as follows:

	<u>2003</u> £'000	<u>2002</u> £'000
Corporation tax at 30% (2002: 30%)		
- current year	(396)	1,447
- prior year	(71)	(242)
Deferred taxation (see Note 13) - current year	494	734
- prior year	(722)	242
	<u>(695)</u>	<u>2,181</u>

The tax assessed for the period is lower than the United Kingdom standard rate of corporation tax of 30% (2002: 30%). The differences are explained below:

	<u>2003</u> £'000	<u>2002</u> £'000
Profit on ordinary activities before tax	259	4,209
Tax charge based on UK tax rate	78	1,263
Tax effect of the following items:		
Expenses not deductible for tax purposes	20	247
Other timing differences	(343)	(63)
Capital allowances	(151)	-
Adjustment to tax charge in respect of prior periods	(71)	(242)
Corporation tax (credit)/charge for the period	<u>(467)</u>	<u>1,205</u>

8 DIVIDENDS

	<u>2003</u> £'000	<u>2002</u> £'000
Proposed final dividend	538	-

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

9 TANGIBLE FIXED ASSETS

	<u>Land and buildings</u> £'000	<u>Landfill sites</u> £'000	<u>Plant and machinery</u> £'000	<u>Total</u> £'000
Cost:				
At 31 March 2002	3,410	21,218	36,371	60,999
Additions	270	3,007	2,262	5,539
Disposals	-	-	(7,116)	(7,116)
Transfers	2,359	(4,112)	(6,581)	(8,334)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	6,039	20,113	24,936	51,088
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 31 March 2002	181	7,455	21,647	29,283
Charge for the year	43	498	2,162	2,703
Disposals	-	-	(6,835)	(6,835)
Transfers	1,427	(184)	(4,352)	(3,109)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	1,651	7,769	12,622	22,042
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 March 2003	4,388	12,344	12,314	29,046
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	3,229	13,763	14,724	31,716
	<hr/>	<hr/>	<hr/>	<hr/>

Included in fixed assets are assets under construction with a value of £2,569,736 (2002: £1,232,237). During the year the Company has reclassified fixed assets as a result of work undertaken as part of the introduction of a new accounting system.

The net book value of land and buildings comprises:

	<u>2003</u> £'000	<u>2002</u> £'000
Freehold	4,289	3,129
Long leasehold	99	100
	<hr/>	<hr/>
	4,388	3,229
	<hr/>	<hr/>

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

10 INVESTMENTS

	Shares in subsidiary <u>undertakings</u> £'000
Cost:	
As at 31 March 2002	554
Investment reanalysis	2,180
	<hr/>
As at 31 March 2003	2,734
	<hr/>
Provision for diminution in value:	
As at 31 March 2002 and 31 March 2003	(532)
	<hr/>
Net book value:	
As at 31 March 2003	2,202
	<hr/> <hr/>
As at 31 March 2002	22
	<hr/> <hr/>

During the year the Company has investigated the historic cost of the investments held. Correspondingly an adjustment has been made to correct the net book value of investments and intercompany borrowings.

The Company had the following investments in subsidiary undertakings:

	<u>Country of registration</u>	<u>Type of shares</u>	<u>Type of business</u>	Proportion of shares held
Airdriehill Quarries Limited	Scotland	Ordinary	Dormant	100%
D&D Environmental Services Limited	Scotland	Ordinary	Dormant	100%
Shanks & McEwan Limited	Scotland	Ordinary	Dormant	100%
Shanks & McEwan (Greengairs Power Generation) Limited	England	Ordinary	Dormant	100%

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

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003- continued

11 STOCK

	<u>2003</u> £'000	<u>2002</u> £'000
Property held for resale	83	83
	<u> </u>	<u> </u>

12 CREDITORS: Amounts falling due within one year

	<u>2003</u> £'000	<u>2002</u> £'000
Amounts owed to group undertakings	18,211	16,987
Corporation tax payable	-	1,204
Proposed final dividend	538	-
	<u> </u>	<u> </u>
	18,749	18,191
	<u> </u>	<u> </u>

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

13 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred</u> <u>taxation</u> £'000	<u>Site</u> <u>restoration</u> £'000	<u>Aftercare</u> £'000	<u>Total</u> £'000
At 31 March 2002	3,811	2,256	3,525	9,592
Provided in the year				
- cost of sales	-	255	79	334
- finance charges	-	54	218	272
- taxation	(228)	-	-	(228)
Utilised in the year	-	(1,486)	(356)	(1,842)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2003	3,583	1,079	3,466	8,128
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Site Restoration

Site Restoration provision relates to the cost of intermediate and final capping and covering of landfill sites. These costs are expected to be paid over a period of up to twenty five years from today. These costs may be impacted by a number of factors including changes in legislation and technology.

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

13 PROVISIONS FOR LIABILITIES AND CHARGES - continued

Aftercare

The total post closure costs of landfill sites, including such items as monitoring, gas and leachate management and licensing, have been estimated by management based on current best practice and technology available. These costs may be impacted by a number of factors including changes in legislation and improvements in technology. The dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of approximately thirty years from closure of the relevant landfill site.

Deferred taxation

The deferred taxation provision together with the full potential liability for all timing differences is made up as follows:

	<u>2003</u> £'000	<u>2002</u> £'000
Capital allowances	3,917	3,811
Other timing differences	(334)	-
	<hr/> 3,583 <hr/>	<hr/> 3,811 <hr/>

14 SHARE CAPITAL

	<u>2003</u> £'000	<u>2002</u> £'000
Authorised, allotted, called up and fully paid: 3,500,000 Ordinary shares of £1 each	 3,500	 3,500
	<hr/> <hr/>	<hr/> <hr/>

15 RESERVES

	<u>Profit and loss account</u> £'000
At 1 April 2002	538
Retained profit for the year	416
	<hr/>
At 31 March 2003	954
	<hr/> <hr/>

The cumulative goodwill written off reserves from continuing businesses is £5,040,000 (2002: £5,040,000).

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2003</u> £'000	<u>2002</u> £'000
<i>Profit for the financial year</i>	954	2,028
<i>Dividends</i>	(538)	-
	<hr/>	<hr/>
<i>Net movement in equity shareholders' funds</i>	416	2,028
<i>Opening equity shareholders' funds</i>	4,038	2,010
	<hr/>	<hr/>
<i>Closing equity shareholders' funds</i>	<u>4,454</u>	<u>4,038</u>

17 CAPITAL COMMITMENTS

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

	<u>2003</u> £'000	<u>2002</u> £'000
<i>Expenditure contracted for</i>	1,310	-
	<hr/>	<hr/>

18 COMMITMENTS UNDER OPERATING LEASES

The annual commitments under operating leases are as follows:-

	<u>2003</u> £'000	<u>2002</u> £'000
<i>Leases expiring:</i>		
<i>Within one year</i>	35	-
<i>Between two and five years</i>	207	9
<i>Over five years</i>	107	215
	<hr/>	<hr/>
	<u>349</u>	<u>224</u>

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

19 PENSION COMMITMENTS - current SSAP 24 basis

The Company along with other companies in the Shanks Group, participates in funded pension arrangements providing benefits based on final salary. The assets 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 a triennial valuation using the Projected Unit Method. The pension charge for the year was £195,000 (2002: £199,000). Details of the latest actuarial value of the scheme on 5 April 2000 are given in the accounts of Shanks Group plc.

20 PENSION COMMITMENTS - FRS 17 basis

Whilst the Company continues to account for pension costs in accordance with SSAP 24 - Accounting for pension costs, under FRS 17 - Retirement Benefits the transitional disclosures set out below are required.

The employees of the Company participate in the Shanks Group Pension Scheme, which is a funded, managed, defined benefit scheme, the costs of which are fully provided in accordance with the regular recommendations of a professionally qualified independent actuary. The Company is unable to identify the share of the underlying assets and liabilities of the Group scheme that relates to its business and is permitted under FRS 17 to treat this scheme as a defined contribution scheme. Full disclosures relating to the Group's pension schemes are contained in the financial statements of Shanks Group plc.

21 CONTINGENT LIABILITIES

The Company has granted to its bankers an unlimited guarantee and a right of set off against amounts outstanding on advances to its parent and fellow subsidiary undertakings. The Company has in normal course of business given guarantees and performance bonds relating to the Company's own contracts.

22 RELATED PARTY TRANSACTIONS

As permitted by FRS8, the Company, being a wholly owned subsidiary of another company which prepares a statement of related party transactions including that of this Company has not prepared such a statement itself.

23 CASH FLOW STATEMENT

As permitted by paragraph 8(c) of FRS1 (revised 1996), the Company, being a wholly owned subsidiary of another company which prepares a cash flow statement has not prepared such a statement itself.

SHANKS NORTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 - continued

24 IMMEDIATE & ULTIMATE PARENT COMPANY

The immediate holding company is Shanks & McEwan (Waste Services) Limited. The ultimate parent company is Shanks Group plc, a company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks Group plc, Astor House, Station Road, Bourne End, Buckinghamshire, SL8 5YP.