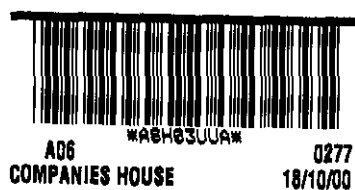


ANTI-WASTE (RESTORATION) LIMITED

Report and Financial Statements

31 December 1999



Deloitte & Touche
Leda House
Station Road
Cambridge
CB1 2RN

REPORT AND FINANCIAL STATEMENTS 1999

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P A Rackham
J M Huntington
W A Trendell
T C Walsh

SECRETARY

A Waterhouse

REGISTERED OFFICE

3 Sidings Court
White Rose Way
Doncaster
DN4 5NU

BANKERS

Lloyds TSB Bank plc
Corporate & Institutional Banking
P O Box 787
6-8 Eastcheap
London
EC3M 1LL

SOLICITORS

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 1999.

ACTIVITIES

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

REVIEW OF DEVELOPMENTS

The result for the year was in line with directors' expectations. Trading for the current year is at anticipated levels.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year were:-

J M Huntington (appointed 30 September 1999)
P A Rackham
P A Rackham Jnr (resigned 30 September 1999)
S R Stuteley (resigned 30 September 1999)
W A Trendell (appointed 30 September 1999)
T C Walsh

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

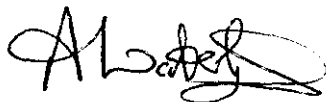
J M Huntington, W A Trendell and P A Rackham are directors of the company's parent company, Waste Recycling Group plc. Their interests in the share capital of Waste Recycling Group plc are disclosed in the financial statement of that company.

The interests of the other directors in the share capital of the parent company are disclosed in note 4.

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



A Waterhouse
Secretary
17 October 2000

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 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.



ANTI-WASTE (RESTORATION) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

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 31 December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

17 October 2000

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1999

	Note	1999 £'000	1998 £'000
TURNOVER	2	6,446	1,360
Cost of sales		(6,446)	(1,360)
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR		-	-
Retained profit brought forward		-	-
Retained profit carried forward		-	-

All results derive from continuing operations.

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

There are no movements in shareholders' funds during the current financial year or the preceding financial year, consequently a reconciliation of movements in shareholders' funds has not been presented.

BALANCE SHEET
31 December 1999

	Note	1999 £'000	1998 £'000
CURRENT ASSETS			
Debtors	6	852	1,502
Cash at bank and in hand		6,246	838
		<u>7,098</u>	<u>2,340</u>
CREDITORS: amounts falling due within one year	7	(928)	(75)
		<u>6,170</u>	<u>2,265</u>
NET CURRENT ASSETS			
CREDITORS: amounts falling due after more than one year	8	(6,170)	(2,265)
		<u>-</u>	<u>-</u>
NET LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account		-	-
		<u>-</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS			
		<u>-</u>	<u>-</u>

These financial statements were approved by the Board of Directors on 17 October 2000.

Signed on behalf of the Board of Directors



W A Trendell
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1999

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 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.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

Directors interests

The following non group directors had interests in the share capital of Waste Recycling Group plc at the beginning and end of the financial year by virtue of their holdings of share options in that company.

	At 1 January 1999 No.	At 31 December 1999 No.
T C Walsh	26,225	27,862

5. TAX ON LOSS ON ORDINARY ACTIVITIES

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

6. DEBTORS

	1999 £'000	1998 £'000
Amounts owed by group undertakings	843	1,502
Other debtors	9	-
Prepayments and accrued income	-	-
	<u>852</u>	<u>1,502</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 1999

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £'000	1998 £'000
Other creditors	58	-
Trade creditors	43	20
Other taxation and social security	827	55
	<u>928</u>	<u>75</u>

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

	1999 £'000	1998 £'000
Deferred income	<u>6,170</u>	<u>2,265</u>

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

9. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised:		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

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 and ultimate controlling party 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 1999 the bank borrowings of other group companies amounted to £18,018,000 (1998 - £3,033,064).
- 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.