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TILGHMAN WHEELABRATOR LIMITED
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ACCOUNTS -- 30 NOVEMBER 1991

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

COMPANIES HOUSE	
26 JUN 1992	
M	29

Registered Number: 33672

TILGHMAN WHEELABRATOR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 1991

The directors present their annual report on the affairs of the Company together with the accounts and auditors' report for the year ended 30 November 1991.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company continue to be the manufacture of shot blast machinery, air pollution control equipment, air compressors and filters.

On 30 November 1991 the trade and net assets of the Company's water filtration plant division were transferred at net book value to a separate statutory company.

RESULTS AND DIVIDENDS

Results for the year are as follows -

Profit and loss account, beginning of year	£ 859,814
Loss for the financial year	(140,463)
Final dividend of £29.44 per ordinary share	(477,000)

Profit and loss account, end of year	£ 242,351
	=====

DIRECTORS AND THEIR INTERESTS

The directors of the Company during the year and to the date of these accounts were as follows -

W.R. Macmillan (resigned 31 December 1991)
T.M. Pearce (resigned 31 December 1991)
J.M. Smith
D.I. Tomsett
H.A. Rodder
M.C.E. Sturt
F.I. Duffield

The directors do not have any interests which require disclosure under Section 234 of the Companies Act 1985.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

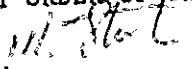
EMPLOYEE CONSULTATION

The directors are responsible for communicating relevant information to their employees and for developing their involvement in Company affairs as appropriate.

AUDITORS

The directors will place a resolution before the Annual General Meeting to reappoint Arthur Andersen (formerly Arthur Andersen & Co.) as auditors.

BY ORDER OF THE BOARD


M.C.E. STURT
Secretary

P.O. Box 60
Wright Street
Broadheath
Altrincham
Cheshire

18 June 1992

ARTHUR
ANDERSEN

ARTHUR ANDERSEN & CO. INC.

Bank House
10 Chancery Street
Manchester M1 4BT

AUDITORS' REPORT TO THE MEMBERS OF TILGHMAN WHEELABRATOR LIMITED

We have audited the financial statements on pages 4 to 19 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 30 November 1991 and of the loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen.

Chartered Accountants and Registered Auditors

18 June 1992

TILGHMAN WHEELABRATOR LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 1991

	<u>Notes</u>	<u>1991</u>	<u>1990</u>
TURNOVER	2	£16,930,527	£16,608,498
Cost of sales		(13,918,047)	(13,254,446)
GROSS PROFIT		£ 3,012,480	£ 3,354,052
Other operating expenses (net)	3	(4,096,946)	(3,627,786)
OPERATING LOSS		£(1,084,466)	£ (273,734)
Interest receivable	4	127,377	543,323
Interest payable and similar charges	5	(4,802)	(2,043)
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	£ (961,891)	£ 267,546
Tax on (loss) profit on ordinary activities	8	205,164	(133,781)
(LOSS) PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		£ (756,727)	£ 133,765
Extraordinary items less taxation	9	616,264	30,000
(LOSS) PROFIT FOR THE FINANCIAL YEAR		£ (140,463)	£ 163,765
Dividends paid and proposed	10	(477,000)	(375,000)
RETAINED LOSS FOR THE YEAR		£ (617,463)	£ (211,235)
PROFIT AND LOSS ACCOUNT, beginning of year		859,814	1,071,049
PROFIT AND LOSS ACCOUNT, end of year		£ 242,351	£ 859,814

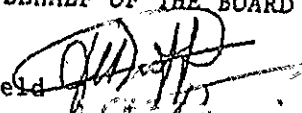
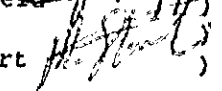
The accompanying notes are an integral part of this profit and loss account.

TILGHMAN WHEELABRATOR LIMITED

BALANCE SHEET -- 30 NOVEMBER 1991

	<u>Notes</u>	<u>1991</u>	<u>1990</u>
FIXED ASSETS			
Intangible assets	11	£ 26,855	£ 36,455
Tangible assets	12	997,191	1,036,442
Investments	13	1,297,137	1,170,317
		-----	-----
		£ 2,321,183	£ 2,243,214
		-----	-----
CURRENT ASSETS			
Stocks			
Debtors	14	£ 1,701,997	£ 1,909,603
Cash at bank and in hand	15	2,886,493	4,941,992
		68,421	4,151,265
		-----	-----
		£ 4,656,911	£11,002,860
		-----	-----
CREDITORS: Amounts falling due within one year	16	(4,559,458)	(10,347,862)
		-----	-----
NET CURRENT ASSETS		£ 97,453	£ 654,998
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 2,418,636	£ 2,898,212
		-----	-----
CREDITORS: Amounts falling due after more than one year	17	-	(795)
		-----	-----
NET ASSETS		£ 2,418,636	£ 2,897,417
		=====	=====
CAPITAL AND RESERVES			
Called-up share capital	19	£ 1,336,201	£ 1,336,201
Share premium account		313,269	313,269
Revaluation reserve	20	499,138	372,318
Profit and loss account		242,351	859,814
Foreign currency translation reserve	21	27,677	15,815
		-----	-----
TOTAL CAPITAL EMPLOYED		£ 2,418,636	£ 2,897,417
		=====	=====

SIGNED ON BEHALF OF THE BOARD

F.I. Duffield  Directors
M.C.E. Sturt 

18 June 1992

The accompanying notes are an integral part of this balance sheet



TILGEMAN WHEELABRATOR LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30 NOVEMBER 1991

	<u>1991</u>	<u>1990</u>
SOURCE OF FUNDS		
(Loss) profit for the financial year	£ (140,463)	£ 163,765
Add (deduct) items not involving the movement of funds:		
Amortisation of goodwill	9,600	-
Depreciation	231,944	135,261
Decrease in deferred taxation	(60,311)	(58,713)
Loss (Gain) on disposal of tangible fixed assets	146	(2,950)
Foreign currency translation adjustment	11,862	9,706
	-----	-----
Total funds generated by operations	£ 52,778	£ 247,069
Funds from other sources:		
Transfer of tangible fixed assets, at net book value	79,168	-
Fixed asset translation adjustment	-	254
Proceeds from disposal of tangible fixed assets	1,984	2,950
Decrease in working capital as shown below	617,856	1,548,824
	-----	-----
	£ 751,786	£ 1,799,018
	=====	=====
APPLICATION OF FUNDS		
Dividends paid on ordinary shares	£ 477,000	£ 1,500,000
Decrease in creditors due after more than one year	795	8,789
Purchase of tangible fixed assets, at cost	273,949	253,853
Fixed asset translation adjustment	42	-
Purchase of goodwill	-	36,455
	-----	-----
	£ 751,786	£ 1,799,097
	=====	=====
(DECREASE) INCREASE IN WORKING CAPITAL		
Stocks	£ (207,606)	£ (692,940)
Debtors	(2,115,810)	279,984
Creditors: due within one year	5,850,086	(490,469)
	-----	-----
	£ 3,526,670	£ (903,425)
Movement in net liquid funds:		
Cash at bank and in hand	(4,082,844)	(866,664)
Bank overdraft	(61,682)	221,265
	-----	-----
	£ (617,856)	£(1,548,824)
	=====	=====

The accompanying notes are an integral part of this statement.

TILGHMAN WHEELABRATOR LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30 NOVEMBER 1991

The effect of the transfer of the net assets of the water filtration division on the statement of source and application of funds was as follows -

Net assets transferred

Tangible fixed assets	£	79,168
Stocks		48,621
Debtors		1,874,809
Cash at bank and in hand		902,278
Creditors : due within one year		(3,423,366)
Bank overdraft		(97,774)

	£	(616,624)
Loans from fellow subsidiary included above, foregiven on transfer		616,264

	£	-
		=====

The accompanying notes are an integral part of this statement.

TILGHMAN WHEELABRATOR LIMITED

NOTES TO THE ACCOUNTS - 30 NOVEMBER 1991

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments, in accordance with applicable accounting standards. The principal accounting policies which have been applied consistently throughout the year and with the preceding year are set out below -

a) Goodwill

Purchased goodwill is calculated as the excess of the fair value of the consideration given over the fair value of the underlying net assets acquired and is amortised at 20% per annum on a straight-line basis.

b) Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation is provided at rates calculated to write-off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life as follows -

Short leasehold buildings	-	Period of lease
Freehold buildings	-	2.5% per annum
Plant and equipment	-	10% per annum
Motor vehicles	-	25% per annum

c) Investments

Investments in subsidiary undertakings are stated at cost less amounts written off plus the Company's share of the post acquisition retained profits and reserves of the subsidiary undertaking with a corresponding credit to a non-distributable revaluation reserve. Only dividends received and receivable are credited to the profit and loss account.

The Company has taken advantage of the exemption under Section 230 of the Companies Act 1985 not to present group accounts as it was a wholly-owned subsidiary of a company incorporated in Great Britain at the end of the financial year.

d) Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost incurred in bringing each product to its present location and condition is based on :

- Raw materials - purchase cost on a first-in, first-out basis, including transport
- Manufactured parts - cost of direct materials and labour plus an appropriate proportion of manufacturing overheads based on normal levels of activity.

Contracts in progress are stated at actual cost less related advance payments and provision in full for anticipated losses. Advance payments in excess of costs on uncompleted contracts are included in creditors.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

e) Turnover

Turnover is stated net of discounts, allowances and VAT.

f) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

The tax benefits arising from group relief are recognised in the accounts of the surrendering and recipient companies.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) has been calculated using the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

g) Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

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For the purpose of consolidating the results of overseas operations the closing rate method is used under which translation gains and losses are shown as a movement on reserves. Profit and loss accounts of overseas branches are translated at the average rate for the period.

h) Pension costs

It is the general policy of the company to provide for pension liabilities on a going concern basis, on the advice of external actuaries by payment to independent trusts. Independent actuarial valuations on a going concern basis are carried out every three years. The amount charged to the profit and loss account (the regular pension cost) is calculated so as to produce a substantially level percentage of the current and future payroll. Variations from regular cost are allocated over the expected remaining service lives of current scheme members.

i) Leases

The Company enters into operating and finance leases.

Assets held under finance leases are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of return on the outstanding balance. Rentals are apportioned between finance charges and reduction of the liability, and allocated to cost of sales and other operating expenses as appropriate. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives. Rentals under operating leases are charged on a straight-line basis over the lease term.

2. SEGMENT INFORMATION

Contributions to turnover were as follows -

a) By activity -

	<u>1991</u> £'000	<u>1990</u> £'000
Shot blast machinery	12,862	11,339
Air pollution control equipment	182	291
Compressors	130	-
Filters	3,162	4,978
Service	595	-
	-----	-----
	16,931	16,608
	=====	=====

b) By geographical area -

	<u>1991</u> £'000	<u>1990</u> £'000
United Kingdom	10,289	8,905
Overseas	6,642	7,703
	-----	-----
	16,931	16,608
	=====	=====

3. OTHER OPERATING EXPENSES (NET)

	<u>1991</u>	<u>1990</u>
Selling and distribution costs	£ 2,315,304	£ 2,266,565
Administrative expenses	2,235,594	2,372,344
Other operating income	(992,680)	(1,011,123)
Exceptional item - redundancy costs	538,728	-
	-----	-----
	£ 4,096,946	£ 3,627,786
	=====	=====

4. INTEREST RECEIVABLE

	<u>1991</u>	<u>1990</u>
Bank interest	£ 127,377	£ 543,323
	=====	=====

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1991</u>	<u>1990</u>
On finance lease and hire purchase contracts	£ 4,802	£ 2,043
	=====	=====

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging -

	<u>1991</u>	<u>1990</u>
Depreciation	£ 231,944	£ 135,261
Hire of plant and equipment under operating leases	28,279	26,148
Other operating lease rentals	180,381	108,055
Auditors' remuneration	40,000	40,000
Staff costs (Note 7)	5,262,584	4,626,001
	=====	=====

7. STAFF COSTS

Particulars of employees including directors, are shown below -

a) Employee costs for the year amounted to -

	<u>1991</u>	<u>1990</u>
Wages and salaries	£ 4,679,427	£ 4,093,445
Social security costs	375,591	318,839
Other pension costs	207,566	213,717
	-----	-----
	£ 5,262,584	£ 4,626,001
	=====	=====

- b) The average weekly number of persons employed by the Company during the year was as follows -

	<u>1991</u> <u>Number</u>	<u>1990</u> <u>Number</u>
Production	238	197
Sales	33	41
Administration	63	68
	----	----
	334	306
	====	====

- c) The employee costs shown above include the following remuneration in respect of directors of the Company -

	<u>1991</u>	<u>1990</u>
Remuneration for management services (including pension contributions)	£ 323,021	£ 292,482
	=====	=====

Directors' remuneration (excluding pension contributions) included -

	<u>1991</u>	<u>1990</u>
Chairman and highest paid director	£ 69,914	£ 67,594
	=====	=====

Directors received emoluments (excluding pension contributions) in the following ranges -

	<u>1991</u> <u>Number</u>	<u>1990</u> <u>Number</u>
Up to £5,000	1	2
£ 5,001 - £ 10,000	-	1
£20,001 - £ 25,000	-	1
£25,001 - £ 30,000	-	1
£35,001 - £ 40,000	-	1
£40,001 - £ 45,000	-	1
£45,001 - £ 50,000	1	-
£50,001 - £ 55,000	1	2
£55,001 - £ 60,000	2	-
£60,001 - £ 65,000	1	-
£65,001 - £ 70,000	1	1
	==	==

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax (credit) charge is based on the (loss) profit for the year and comprises -

	<u>1991</u>	<u>1990</u>
Corporation tax at 33.33% (1990 - 34.33%)	£ -	£ 61,832
Deferred taxation arising from:		
Capital allowances	(16,036)	17,645
Other timing differences	(187,295)	40,313
Overseas taxation	1,743	191,000
	-----	-----
	£ (201,588)	£ 310,840
Less - relief for overseas taxation	-	(134,000)
	-----	-----
	£ (201,588)	£ 176,840
Adjustment of current taxation in respect of prior years	38,073	73,612
Adjustment of deferred taxation in respect of timing differences from prior years:		
Capital allowances	(9,999)	1,127
Other timing differences	(31,650)	(117,798)
	-----	-----
	£ (205,164)	£ 133,781
	=====	=====

9. EXTRAORDINARY ITEMS LESS TAXATION

	<u>1991</u>	<u>1990</u>
Profit on disposal of business segment	£ -	£ 30,000
Foregiveness of financing loan owed to other group undertakings on the transfer of the trade and net assets of the water filtration plant division	616,264	-
	-----	-----
	£ 616,264	£ 30,000
	=====	=====

10. DIVIDENDS PAID AND PROPOSED

	<u>1991</u>	<u>1990</u>
Final paid dividend of £29.44 (1990 - £23.15) per ordinary share	£ 477,000	£ 375,000
	=====	=====

11. INTANGIBLE FIXED ASSETS

The following are included in the net book value of intangible fixed assets -

	<u>1991</u>	<u>1990</u>
Purchased goodwill	£ 26,855	£ 36,455
	=====	=====

The movement in the year was as follows -

	<u>Purchased goodwill</u>
COST	
Beginning and end of year	£ 36,455

AMOUNTS WRITTEN OFF	
Beginning of year	£ -
Written off	9,600

End of year	£ 9,600

NET BOOK VALUE	£ 26,855
	=====

12. TANGIBLE FIXED ASSETS

	<u>Freehold buildings</u>	<u>Short Leasehold buildings</u>	<u>Plant and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
COST					
Beginning of year	£542,403	£112,268	£2,128,166	£ 72,380	£2,855,217
Additions	-	-	211,031	62,918	273,949
Retirements	-	-	(1,149)	(2,305)	(3,454)
Transferred out	-	-	(302,247)	-	(302,247)
Translation restatement	-	-	9,835	1,164	10,999
	-----	-----	-----	-----	-----
End of year	£542,403	£112,268	£2,045,636	£134,157	£2,834,464
	-----	-----	-----	-----	-----
DEPRECIATION					
Beginning of year	£299,181	£ 85,708	£1,415,197	£ 18,689	£1,818,775
Charge	14,592	2,679	156,815	57,858	231,944
Retirements	-	-	(1,149)	(175)	(1,324)
Transferred out	-	-	(223,079)	-	(223,079)
Translation restatement	-	-	10,304	653	10,957
	-----	-----	-----	-----	-----
End of year	£313,773	£ 88,387	£1,358,088	£ 77,025	£1,837,273
	-----	-----	-----	-----	-----
NET BOOK VALUE					
Beginning of year	£243,222	£ 26,560	£ 712,969	£ 53,691	£1,036,442
	=====	=====	=====	=====	=====
End of year	£228,630	£ 23,881	£ 687,548	£ 57,132	£ 997,191
	=====	=====	=====	=====	=====

13. INVESTMENTS

The Company's investments comprise investments in the following subsidiary companies, all of which are wholly-owned and are incorporated in England -

<u>Company</u>	<u>Principal activity</u>
Tilghman Wheelabrator Special Products Limited	Engineering
Blastrac Europe Limited	Dormant
Tilghman (1988) Limited	Dormant
Johnson Filtration Systems Limited	Dormant
St. George's Engineers Limited	Dormant
Neptune Nichols Limited	Dormant
Northedge Limited	Dormant

The movement on this account during the year was as follows -

	<u>1991</u>	<u>1990</u>
Balance, beginning of year	£ 1,170,317	£ 1,101,019
Share of subsidiaries' retained profits for year	126,820	69,298
Balance, end of year	£ 1,297,137	£ 1,170,317

14. STOCKS

	<u>1991</u>	<u>1990</u>
Raw materials and manufactured parts	£ 876,933	£ 706,640
Cost of contracts in progress less provisions for anticipated losses	926,066	1,312,695
Advance payments relating to uncompleted contracts	(101,002)	(109,732)
	£ 1,701,997	£ 1,909,603

Payments received on account of individual contracts in excess of the costs of work performed are included in creditors falling due within one year.

15. DEBTORS

	<u>1991</u>	<u>1990</u>
Trade debtors	£ 1,811,921	£ 2,522,893
Amounts owed by group undertakings	626,375	958,136
VAT	4,174	69,177
Amounts recoverable on contracts	-	647,557
Prepayments	102,806	152,409
ACT recoverable	159,000	500,000
Deferred tax (note 18)	152,131	91,820
UK corporation tax recoverable	19,845	-
Foreign tax recoverable	10,241	-
	-----	-----
	£ 2,886,493	£ 4,941,992
	=====	=====

Of the amount included in trade debtors above, £ Nil (1990 - £46,114) falls due after more than one year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The following amounts are included in creditors falling due within one year -

	<u>1991</u>	<u>1990</u>
Obligations under finance leases	£ 795	£ 9,332
Bank overdraft	61,682	-
Trade creditors	985,699	1,781,499
Amounts owed to group undertakings	1,263,983	5,068,473
Advance payments received in excess of costs on uncompleted contracts	71,577	102,069
Other creditors:		
Social security and PAYE	169,527	135,371
ACT on dividend paid	107,325	84,000
UK Corporation tax payable	-	713,690
Accruals and deferred income	1,382,355	2,118,355
Pension provision (note 22c)	516,515	335,073
	-----	-----
	£ 4,559,458	£10,347,862
	=====	=====

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

	<u>1991</u>	<u>1990</u>
Obligations under finance leases	£ -	£ 795
	=====	=====

18. PROVISION FOR LIABILITIES AND CHARGES

The provision for liabilities and charges comprises deferred taxation:

a) Deferred taxation which is provided in full comprises -

	<u>1991</u>	<u>1990</u>
Excess of tax allowances over book depreciation of tangible fixed assets	£ 105,298	£ 140,741
Other timing differences	(257,429)	(232,561)
	-----	-----
	£ (152,131)	£ (91,820)
	=====	=====

b) The movement on the deferred taxation account during the year was as follows -

	<u>1991</u>	<u>1990</u>
Balance, beginning of year	£ (91,820)	£ (33,107)
Charged (credited) to profit and loss in respect of:		
Capital allowances	(26,035)	18,772
Other timing differences	(218,945)	(77,485)
Transfers to other group undertakings	184,669	-
	-----	-----
Balance, end of year	£ (152,131)	£ (91,820)
	=====	=====

19. SHARE CAPITAL

	<u>1991</u>	<u>1990</u>
Ordinary shares of £1 each, Authorised, issued and fully-paid	£ 16,201	£ 16,201
Deferred shares of £1 each, Authorised, issued and fully-paid	1,320,000	1,320,000
	-----	-----
	£ 1,336,201	£ 1,336,201
	=====	=====

20. REVALUATION RESERVE

The revaluation reserve reflects the Company's share of the post acquisition retained profits and reserves of its subsidiary companies.

The movement on this account during the year was as follows -

	<u>1991</u>	<u>1990</u>
Balance, beginning of year	£ 372,318	£ 303,020
Profits of subsidiary companies	126,820	69,298
	-----	-----
Balance, end of year	£ 499,138	£ 372,318
	=====	=====

21. FOREIGN CURRENCY TRANSLATION RESERVE

	<u>1991</u>	<u>1990</u>
Balance, beginning of year	£ 15,815	£ 6,109
Foreign currency retranslation	11,862	9,706
	-----	-----
Balance, end of year	£ 27,677	£ 15,815
	=====	=====

22. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

At the end of the year, there were no capital commitments (1990 - £Nil)

b) Lease commitments

The Company has entered into non-cancellable leases in respect of plant and machinery and motor vehicles.

The minimum annual rentals under the foregoing leases are as follows:

	<u>1991</u>	<u>1990</u>
Operating leases which expire:		
Within 1 year	£ 83,310	£ 29,716
Within 2-5 years	122,658	126,926
	-----	-----
	£ 205,968	£ 156,642
	=====	=====

c) Pension schemes

The Company operates a contributory pension scheme covering substantially all employees. The scheme provides for defined benefits. The assets of the scheme are held in separate trustee administered funds.

The pension cost to the Company for the year was £207,566 (1990 - £213,717). There were no outstanding or prepaid contributions at 30 November 1991.

07-07-92

The pension cost and provision have been assessed in accordance with the advice of a professionally qualified independent actuary. The latest actuarial assessment, using the aggregate funding method, was performed as at 6 April 1991. Details are as follows -

Funding level		113%
Key assumptions:	Increase in salaries	7.5%
	Return on assets	9%
	Pension increases	
	GMP element	3%
	Excess over GMP	lesser of 5% per annum or increase in RPI
Market value of assets		£8,311,220 =====

As a result of the surplus in respect of the scheme, no employer payments will be made to the scheme for the period ending 5 April 1994.

A balance sheet provision of £516,515 has been set up to account for the difference between amounts charged in the profit and loss account and cash paid.

23. ULTIMATE PARENT COMPANY

The ultimate parent company is Waste Management Inc., incorporated in the USA. This company heads the largest group in which the results of Tilghman Wheelabrator Limited are consolidated. The smallest group in which the Company's results are consolidated is that headed by Wheelabrator Technologies (U.K.) Limited, a company registered in England and Wales.