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SHANKS & MCEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

REPORT AND ACCOUNTS

For the period from 26th January 1986 to 29th March 1986

MANN JUDD GORDON  
Chartered Accountants



SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

REPORT AND ACCOUNTS

For the period from 26th January 1986 to 29th March 1986

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14 JAN 1987

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SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

Directors

M R Hewitt (Chairman)  
A C Cheyney  
P R Spencer  
J A Smith  
H L I Runciman

Secretary and registered office

E J Glare-Williams, 69-71 Bromham Road, Bedford, MK40 2BL

DIRECTORS' REPORT

The directors submit their report and the audited accounts of the company for the period from 26th January 1986 to 29th March 1986.

1. Principal activities and business review

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

At the end of the period the company was acquired by Shanks & McEwan Group PLC, a group based in Scotland, and as a result the combined organisation has become the second largest waste disposal operator in the United Kingdom.

The group plan is for growth in its waste disposal business, plans for which are well in hand. The development of long term contract business with local authorities is being planned and prospects in the medium term are encouraging.

The long standing dispute with the G.L.C. (now the North London Waste Authority) over the price escalation clause in the Hendon contract, is now in the early stages of arbitration. The extensive legal advice we have received gives us confidence that we are in a strong position in this dispute.

2. Results and dividends

The results for the period are set out in the profit and loss account on page 4. The directors do not recommend the payment of a dividend.

3. Research and development

The company is continuing its programme of development of Landfill Gas which involves research into the safety aspects of gas generation and the practical use of the energy within the gas, which is a natural by-product of modern landfilling techniques.

4. Post balance sheet event

On 21st April 1986 the whole of the company's share capital was acquired by Shanks and McEwan Group PLC and the name of the company was changed to Shanks and McEwan (Southern) Limited shortly after that date.

5. /

SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

DIRECTORS' REPORT

5. Directors

The composition of the Board of Directors at the date of this report is shown on page 1. Messrs M R Hewitt and H L I Runciman were appointed to the board on 21st April 1986.

Mr A G L Alexander resigned as a director on 21st April 1986.  
Mr G E Cooper resigned as a director on 14th July 1986.

6. Directors' interests

Mr A G L Alexander was a director of the ultimate holding company at 29th March 1986, Hanson Trust PLC, in whose accounts his interests in that company are shown. No director had any interest in the shares of the company nor any of its fellow subsidiaries. The interests of the other directors in the ordinary share capital of the holding company, Hanson Trust PLC at the beginning and end of the period were as follows:

|             | Options to acquire |                   |
|-------------|--------------------|-------------------|
|             | 29th March 1986    | 26th January 1986 |
| A C Cheyney | 27,690             | 27,690            |
| P R Spencer | 19,998             | 19,998            |
| J A Smith   | 19,998             | 19,998            |
| G E Cooper  | 19,998             | 19,998            |

7. Auditors

Binder Hamlyn resigned as auditors of the company during the period and Mann Judd Gordon were appointed to fill the casual vacancy. A resolution to re-appoint Mann Judd Gordon as auditors will be proposed at the forthcoming annual general meeting.

By order of the board

  
Secretary

15th August 1986

SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

AUDITORS' REPORT

TO THE MEMBERS OF SHANKS & McEWAN (SOUTHERN) LIMITED

We have audited the accounts set out on pages 4 to 14 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company at 29th March 1986 and of its profit and source and application of funds for the period from 26th January 1986 to 29th March 1986 and comply with the Companies Act 1985.



Chartered Accountants

142 St Vincent Street  
Glasgow G2 5LD

15th August 1986

SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

PROFIT AND LOSS ACCOUNT

For the period 26th January 1986 to 29th March 1986

|  |      | Two months ended<br>29th March 1986 | Four months ended<br>25th January 1986 |
|--|------|-------------------------------------|--|
|  | Note | £                                   | £                                      |
| TURNOVER   | 2    | 1,975,170                           | 3,734,356                              |
| Cost of sales                                    |      | 1,192,140                           | 2,018,014                              |
| GROSS PROFIT                                     |      | 783,030                             | 1,716,342                              |
| Administration expenses                          |      | 782,401                             | 383,381                                |
| TRADING PROFIT                                   |      | 629                                 | 1,332,961                              |
| Exceptional item                                 | 5    | -                                   | (400,000)                              |
| Dividend received from subsidiary                |      | 629                                 | 932,961                                |
|  |      | -                                   | 65,000                                 |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION | 3&4  | 629                                 | 997,961                                |
| Tax on profit on ordinary<br>activities          | 6    | (13,305)                            | 235,578                                |
| (LOSS)/PROFIT AFTER TAXATION                     |      | (12,676)                            | 1,233,539                              |
| Dividend proposed                                | 7    | -                                   | 5,208,000                              |
| AMOUNT TRANSFERRED FROM<br>RESERVES              | 15   | (12,676)                            | (3,974,461)                            |

The notes on pages 7 to 14 form part of these accounts

SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

BALANCE SHEET

29TH MARCH 1986

|   | Note | 29.3.86<br>£     | 25.1.86<br>£     |
|---|------|------------------|------------------|
| <b>FIXED ASSETS</b>                               |      |                  |                  |
| Tangible assets                                   | 8    | 5,072,004        | 5,152,024        |
| Investments                                       | 9    | 13,718           | 13,718           |
|   |      | <u>5,085,722</u> | <u>5,165,742</u> |
| <b>CURRENT ASSETS</b>                             |      |                  |                  |
| Debtors   | 10   | 6,429,533        | 7,076,729        |
| Cash at bank and in hand                          |      | 3,137,065        | 2,015,072        |
|   |      | <u>9,566,598</u> | <u>9,091,801</u> |
| CREDITORS: amounts falling due<br>within one year | 11   | 8,723,199        | 8,309,507        |
| NET CURRENT ASSETS                                |      | <u>843,399</u>   | <u>782,294</u>   |
| TOTAL ASSETS LESS<br>CURRENT LIABILITIES          |      | <u>5,929,121</u> | <u>5,948,036</u> |
| PROVISIONS FOR LIABILITIES<br>AND CHARGES         | 12   | 1,826,259        | 1,832,498        |
|   |      | <u>4,102,862</u> | <u>4,115,538</u> |
|   |      | =====            | =====            |
| <b>CAPITAL AND RESERVES</b>                       |      |                  |                  |
| Called up share capital                           | 13   | 100              | 100              |
| Profit and loss account                           | 15   | 4,102,762        | 4,115,438        |
|   |      | <u>4,102,862</u> | <u>4,115,538</u> |
|   |      | =====            | =====            |

 Director

 Director

15th August 1986

The notes on pages 7 to 14 form part of these accounts

SHANKS & MCEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the period 26th January 1986 to 29th March 1986

|   | Two months ended<br>29th March 1986 | Four months ended<br>25th January 1986 |
|---|-------------------------------------|--|
|   | £                                   | £                                      |
| <b>SOURCE OF FUNDS</b>                                    |                                     |  |
| <b>FUNDS GENERATED FROM OPERATIONS</b>                    |                                     |  |
| Profit from ordinary activities before taxation           | 629                                 | 997,961                                |
| Adjustment for items not involving the movement of funds: |                                     |  |
| (Profit)/loss on disposal of fixed assets                 | (1,651)                             | 1,274                                  |
| Depreciation of tangible fixed assets                     | 142,599                             | 333,507                                |
| Provision for contract dispute                            | -                                   | 400,000                                |
| Provision for restoration                                 | 24,864                              | 41,133                                 |
|   | -----                               | -----                                  |
| Total generated from operations                           | 166,441                             | 1,773,875                              |
| Funds from other sources:                                 |                                     |  |
| Disposal of tangible fixed assets                         | 3,950                               | 3,844,052                              |
|   | -----                               | -----                                  |
|   | 170,391                             | 5,617,927                              |
| <b>APPLICATION OF FUNDS</b>                               |                                     |  |
| Expenditure against reclamation provision                 | 1,798                               | 61,565                                 |
| Purchase of shares in subsidiary                          | -                                   | 100                                    |
| Purchase of tangible fixed assets                         | 64,878                              | 174,517                                |
|   | -----                               | -----                                  |
|   | 66,676                              | 236,182                                |
|   | -----                               | -----                                  |
| <b>INCREASE IN WORKING CAPITAL</b>                        | <b>103,715</b>                      | <b>5,381,745</b>                       |
|   | =====                               | =====                                  |
| <b>CHANGES IN WORKING CAPITAL</b>                         |                                     |  |
| (Decrease) in debtors                                     | (813)                               | (24,133)                               |
| (Increase)/decrease in creditors                          | (296,812)                           | 632,571                                |
| (Decrease)/increase in amounts owed by group companies    | (720,653)                           | 3,873,224                              |
| Increase in net liquid funds                              | 1,121,993                           | 900,083                                |
|   | -----                               | -----                                  |
|   | 103,715                             | 5,381,745                              |
|   | =====                               | =====                                  |

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SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention.

As the company is a wholly owned subsidiary of another body corporate incorporated in Great Britain, group accounts have not been prepared as permitted by S229(2) of the Companies Act 1985.

Turnover

Turnover is the amount invoiced, exclusive of VAT, for goods and services to customers after deduction of trade discounts.

Deferred Taxation

Deferred taxation represents corporation tax calculated on the liability basis deferred by accelerated capital allowances and other timing differences, where it is thought reasonably probable that an actual tax liability will arise in the foreseeable future.

Tangible Fixed Assets

Tangible fixed assets are included at cost, with the exception of those acquired from group companies which are shown at their original cost to the group or subsequent valuation, together with attributable depreciation. Grants received are deducted from the cost of the relevant assets.

Depreciation

Depreciation is provided to write down all tangible fixed assets to disposable values over their estimated useful lives. Where tangible fixed assets are permanently taken out of use the residual balances are written off. The following table sets out for each major class of depreciable asset the depreciation rates applied on a straight line or reducing balance basis as appropriate:

Land and Buildings:

Leasehold Buildings : Amortised over the unexpired period of the lease

Plant and Machinery:

Fixed : 5% - 33 $\frac{1}{3}$ % per annum on cost  
Mobile : 14 $\frac{1}{2}$ % - 50% per annum on cost

Fixtures, Fittings, Tools and Equipment:

10% - 33 $\frac{1}{3}$ % per annum on cost

Research and development

Research and development expenditure is written off in the period in which it is incurred.

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SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

NOTES ON THE ACCOUNTS

Leasing

The rentals payable on all leases are charged to the profit and loss account as incurred. Assets and the obligation to pay future rentals under finance leases are not shown on the balance sheet, but the latter is shown by way of a note to the accounts.

Reclamation Provision

The provision relates to the current cost of capping the pit areas in landfill reclamation, which usually involves the laying of clay over the completed area of landfill to a depth of one metre. The estimated current cost of capping based on the tonnage of landfill materials deposited in the period is charged against profits and credited to the provision which is reviewed annually for adequacy. Actual costs are charged against the provision when incurred.

Pension Contributions

The company contributes to a pension scheme for the benefit of all of its employees, operated by a fellow subsidiary, London Brick Company Ltd. The funds of the scheme are administered by Trustees, are separate from the group, and independent actuaries complete valuations every 3 years. In accordance with their recommendations, annual contributions are paid to the scheme so as to secure the benefits set out in the rules and the augmentation of current pension from time to time. The cost of these is charged against profits when the contributions are made. When the contributions are not sufficient the capital cost of such augmentation is charged against the profits of group companies for the year in which the increases are granted.

2. Turnover and company profit

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

|                | Two months ended<br>29th March 1986 |                              | Four months ended<br>25th January 1986 |                              |
|----------------|-------------------------------------|------------------------------|--|------------------------------|
|                | Turnover                            | Profit<br>before<br>taxation | Turnover                               | Profit<br>before<br>taxation |
|                | £                                   | £                            | £                                      | £                            |
| Waste handling | 1,975,170                           | 629                          | 3,734,356                              | 997,961                      |
|                | =====                               | ===                          | =====                                  | =====                        |

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SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

NOTES ON THE ACCOUNTS

|  | Two months ended<br>29th March 1986 | Four months ended<br>25th January 1986 |
|--|-------------------------------------|--|
| 3. Directors and other employees   | Number                              | Number                                 |
| The average weekly number of persons employed by the company during the period was | 158                                 | 153                                    |
| Staff costs comprise:-   | £                                   | £                                      |
| Wages and salaries   | 296,614                             | 728,872                                |
| Employers social security costs  | 26,603                              | 59,610                                 |
| Employers pension contributions  | 25,299                              | 47,193                                 |
|  | <u>348,516</u>                      | <u>835,675</u>                         |
| Emoluments included in the above relating to directors amounted to                 | 17,305                              | 31,321                                 |
| Emoluments of the Chairman   | Nil                                 | Nil                                    |
| Emoluments of the highest paid director  | 4,250                               | 8,718                                  |
| Other directors' remuneration was within the following annual bands:               | Number                              | Number                                 |
| £15,001 to £20,000   | 2                                   | 2                                      |
| £20,001 to £25,000   | 1                                   | 1                                      |
| 4. Profit on ordinary activities before taxation                                   |                                     |  |
| The profit is stated after charging:   |                                     |  |
| Auditors' remuneration   | 7,500                               | 10,000                                 |
| Hire of plant and machinery  | 85,871                              | 162,179                                |
| Lease Rentals  | 33,518                              | 68,708                                 |
|  | <u>126,889</u>                      | <u>240,887</u>                         |
| 5. Exceptional item  |                                     |  |
| Contract Dispute Provision (notes 12/17)   | -                                   | (400,000)                              |
|  | <u>-</u>                            | <u>(400,000)</u>                       |
| 6./  |                                     |  |

SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

NOTES ON THE ACCOUNTS

|   | Two months ended<br>29th March 1986 | Four months ended<br>25th January 1986 |  |                  |
|---|-------------------------------------|--|--|------------------|
| 6. Tax on profit on ordinary activities                                       | £                                   | £                                      |  |                  |
| The taxation charge based on the profits of the period is made up as follows: |                                     |  |  |                  |
| UK corporation tax @ 40%  | (42,610)                            | (600,000)                              |  |                  |
| Group relief  | -                                   | 600,000                                |  |                  |
| Prior year adjustment   | -                                   | 603                                    |  |                  |
| Transfer from deferred tax  | 29,305                              | 234,975                                |  |                  |
|   | <u>(13,305)</u>                     | <u>235,578</u>                         |  |                  |
|   | =====                               | =====                                  |  |                  |
| 7. Dividend   |                                     |  |  |                  |
| Interim proposed  | -                                   | 5,208,000                              |  |                  |
|   | =====                               | =====                                  |  |                  |
| 8. Tangible fixed assets  |                                     |  |  |                  |
|   | Land and<br>buildings<br>leasehold  | Plant and<br>machinery                 | Fixtures<br>fittings<br>tools and<br>equipment | Total            |
|   | £                                   | £                                      | £  | £                |
| COST  |                                     |  |  |                  |
| At 26th January 1986  | 1,720,750                           | 7,763,077                              | 268,759  | 9,752,586        |
| Additions   | 8,110                               | 49,991                                 | 2,497  | 60,598           |
| Intra group transfers   | -                                   | -                                      | 5,693  | 5,693            |
| Disposals   | -                                   | (80,965)                               | -  | (80,965)         |
| At 29th March 1986  | <u>1,728,860</u>                    | <u>7,732,103</u>                       | <u>276,949</u>                                 | <u>9,737,912</u> |
|   | -----                               | -----                                  | -----  | -----            |
| DEPRECIATION  |                                     |  |  |                  |
| At 26th January 1986  | 621,148                             | 3,917,647                              | 61,767   | 4,600,562        |
| Charge for period   | 18,317                              | 116,048                                | 8,234  | 142,599          |
| Intra group transfers   | -                                   | -                                      | 1,413  | 1,413            |
| Eliminated in respect of disposals  | -                                   | (78,666)                               | -  | (78,666)         |
| At 29th March 1986  | <u>639,465</u>                      | <u>3,955,029</u>                       | <u>71,414</u>                                  | <u>4,665,908</u> |
|   | -----                               | -----                                  | -----  | -----            |
| NET BOOK AMOUNT   |                                     |  |  |                  |
| At 29th March 1986  | <u>1,089,395</u>                    | <u>3,777,074</u>                       | <u>205,535</u>                                 | <u>5,072,004</u> |
|   | =====                               | =====                                  | =====  | =====            |
| At 26th January 1986  | <u>1,099,602</u>                    | <u>3,845,430</u>                       | <u>206,992</u>                                 | <u>5,152,024</u> |
|   | =====                               | =====                                  | =====  | =====            |

Leaseholds have less than 50 years to run.

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SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

NOTES ON THE ACCOUNTS

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
|                                     | 29.3.86         | 25.1.86         |
| 9. Fixed asset investments          | £               | £               |
| Investments in subsidiary companies |                 |                 |
| Shares at cost at 29.3.86           | 13,718<br>===== | 13,718<br>===== |

The company holds 100% of the equity of the following companies:

| Name of company  | Country of registration | Class of share | Nature of business      |
|--|-------------------------|----------------|-------------------------|
| Clear Waste Limited  | England                 | Ordinary       | Waste disposal          |
| Easidispose Limited  | England                 | Ordinary       | Rental of landfill site |
| Avenger Skips Limited  | England                 | Ordinary       | Dormant                 |
| London Brick Landfill Gas Limited<br>(Now Shanks & McEwan (Gas) Limited) | England                 | Ordinary       | Dormant                 |

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
|                                  | 29.3.86            | 25.1.86            |
| 10. Debtors                      | £                  | £                  |
| Trade debtors                    | 2,069,773          | 2,036,311          |
| Amounts owed by group companies: |                    |                    |
| Parent company                   | 183,304            | 819,754            |
| Fellow subsidiaries              | 3,818,596          | 3,874,535          |
| Subsidiary companies             | 320,621            | 274,613            |
| Prepayments                      | 36,184             | 70,789             |
| Other debtors                    | 1,057              | 727                |
|                                  | 6,429,533<br>===== | 7,076,729<br>===== |

|  |                    |                    |
|--|--------------------|--------------------|
| 11. Creditors: Amounts falling due within one year |                    |                    |
| Trade creditors                                    | 729,527            | 742,056            |
| Amounts owed to group companies:                   |                    |                    |
| Fellow subsidiaries                                | 1,730,018          | 1,655,748          |
| Subsidiary companies                               | 200                | 200                |
| Other creditors                                    | 1,738              | 2,482              |
| Taxation and social security                       | 496,784            | 401,694            |
| Corporation tax payable                            | 42,610             | -                  |
| Accruals and deferred income                       | 416,722            | 201,727            |
| Reclamation provision                              | 97,600             | 97,600             |
| Proposed dividend                                  | 5,208,000          | 5,208,000          |
|  | 8,723,199<br>===== | 8,309,507<br>===== |

SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

NOTES ON THE ACCOUNTS

12. Provisions for liabilities and charges

|   | Contract<br>Dispute | Deferred<br>Taxation | Reclamation<br>Provision | Total     |
|---|---------------------|----------------------|--------------------------|-----------|
|   | £                   | £                    | £                        | £         |
| At 26th January 1986                          | 400,000             | 1,092,693            | 339,805                  | 1,832,498 |
| Transfer (to)/from profit<br>and loss account | -                   | (29,305)             | 24,864                   | (4,441)   |
| Payments during the period                    | -                   | -                    | (1,798)                  | (1,798)   |
|   | -----               | -----                | -----                    | -----     |
| At 29th March 1986                            | 400,000             | 1,063,388            | 362,871                  | 1,826,259 |
|   | =====               | =====                | =====                    | =====     |

The full potential deferred tax liability is as follows:

|  |         |         |
|--|---------|---------|
|  | 29.3.86 | 25.1.86 |
|  | £       | £       |

|                                |           |           |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 1,366,478 | 1,393,404 |
| Other timing differences       | (303,090) | (300,711) |
|                                | -----     | -----     |
|                                | 1,063,388 | 1,092,693 |
|                                | =====     | =====     |

13. Called up share capital

Authorised, allotted, called up and fully paid:

|                                |       |       |
|--------------------------------|-------|-------|
| 100 ordinary shares of £1 each | 100   | 100   |
|                                | ===== | ===== |

14. Revaluation reserve

|  |       |             |
|--|-------|-------------|
| At 26th January 1986                           | -     | 3,885,649   |
| Transfer to profit and loss account:           |       |             |
| Depreciation charge for period                 | -     | (72,096)    |
| Balance on disposal of revalued<br>fixed asset | -     | (3,813,553) |
|  | ----- | -----       |
| At 29th March 1986                             | -     | -           |
|  | ===== | =====       |

15. Profit and loss account

|                                   |           |             |
|-----------------------------------|-----------|-------------|
| At 26th January 1986              | 4,115,438 | 4,204,250   |
| Transfer from revaluation reserve | -         | 3,885,649   |
| Amount transferred from reserves  | (12,676)  | (3,974,461) |
|                                   | -----     | -----       |
| At 29th March 1986                | 4,102,762 | 4,115,438   |
|                                   | =====     | =====       |

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NOTES ON THE ACCOUNTS

16. Capital commitments

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

|   | 29.3.86 | 25.1.86 |
|---|---------|---------|
|   | £       | £       |
| Financial commitments:  |         |         |
| Contracts placed for capital expenditure and not provided for in these accounts | 15,864  | 50,583  |
| Capital expenditure authorised by the directors but not contracted for          | 137,844 | 130,512 |
|   | -----   | -----   |
|   | 153,708 | 181,095 |
|   | =====   | =====   |

Commitments under leases for plant and machinery in the ordinary course of business are as follows:

|               |         |         |
|---------------|---------|---------|
| Within 1 year | 201,107 | 201,107 |
| 2 - 5 years   | 373,522 | 407,040 |
| Over 5 years  | -       | -       |
|               | -----   | -----   |
|               | 574,629 | 608,147 |
|               | =====   | =====   |

17. Contingent liabilities:

(i) Group bank guarantees:

At 29th March 1986 the company and its subsidiaries had a composite banking agreement granting the bank rights to set-off the companies' balances against overdrafts of other companies within the Hanson Trust PLC group, up to a limit of £5,000,000.

(ii) Contract dispute:

The company is in dispute with a major customer concerning the interpretation of a price review clause applicable with effect from 1st January 1984. If the customer's interpretation were to be upheld at arbitration, the maximum liability for the period of 27 months ended 29th March 1986 would be £2,006,000 (25.1.86: £1,856,000) plus interest and legal costs and corporation tax relief thereon would amount to approximately £803,000 (25.1.86: £808,000).

The directors have obtained counsel opinion and are satisfied that the customer claim is unlikely to succeed. However, the possibility of an adverse decision by the arbitrator cannot be ruled out and accordingly it has been considered advisable to make a provision of £400,000.

SHANKS & McEWAN (SOUTHERN) LIMITED  
(Formerly London Brick Landfill Limited)

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18. Ultimate holding company

The ultimate holding company of Shanks & McEwan (Southern) Limited (formerly London Brick Landfill Limited) at 29th March 1986 was Hanson Trust PLC, incorporated in England.

Subsequent to the period end Shanks & McEwan Group PLC acquired the whole share capital of the company from Hanson Trust PLC.

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