

ENVIROWASTE LIMITED

Company Reg. No. 2615521

ABBREVIATED REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1997

Starr & Co.
Chartered Accountants and
Registered Auditors
76 Wellington Road South
Stockport
Cheshire SK1 3SU



SPECIAL AUDIT REPORT TO THE DIRECTORS OF ENVIROWASTE LIMITED
PURSUANT TO PARAGRAPH 8 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated Balance Sheet and Notes on pages 2 to 5 together with the full financial statements of ENVIROWASTE LIMITED for the year ended 31st August 1997.

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the Abbreviated Balance Sheet and Notes have been properly prepared from the full financial statements.

In our opinion, the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part 3 of schedule 8 to that Act in respect of the year ended 31st August 1997 and the Abbreviated Balance Sheet and Notes on pages 2 to 5 have been properly prepared in accordance with that Schedule.

On the date shown below, as auditors of ENVIROWASTE LIMITED we reported to the members on the accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31st August 1997 as follows:

We have audited the financial statements on pages 2 to 5. Our audit was conducted in accordance with auditing standards.

Respective responsibilities of directors and auditors

As described on page 2 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 these 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 at 31st August 1997, and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Starr & Co.
Chartered Accountants and
Registered Auditors
76 Wellington Road South
Stockport
Cheshire SK1 3SU



20/10/97
.....

ENVIROWASTE LIMITEDBALANCE SHEET AT 31ST AUGUST 1997

	Note	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Intangible Assets	2	85,816	94,276
Tangible Assets	3	<u>636,886</u>	<u>659,075</u>
		722,702	753,351
CURRENT ASSETS			
Stocks		7,819	10,815
Debtors		297,477	187,814
Cash in hand		<u>1,276</u>	<u>1,045</u>
		306,572	199,674
CREDITORS			
Amounts falling due within one year		<u>653,658</u>	<u>610,348</u>
NET CURRENT LIABILITIES		(347,086)	(410,674)
TOTAL ASSETS LESS CURRENT LIABILITIES		375,616	342,677
CREDITORS			
Amounts falling due after more than one year		<u>194,984</u>	<u>226,595</u>
NET ASSETS		<u>180,632</u>	<u>116,082</u>
CAPITAL & RESERVES			
Called up share capital	4	1,000	1,000
Reserves		<u>179,632</u>	<u>115,082</u>
		<u>180,632</u>	<u>116,082</u>

The notes on pages 3 to 5 form part of these financial statements.

The directors have taken advantage of the exemptions conferred by Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to these exemptions as a small company.

These Financial Statements were approved by the board of directors on:-

Date.....20/10/97.....

.....
F.Taylor Esq.

ENVIROWASTE LIMITEDNOTES FORMING PART OF THE ABBREVIATED ACCOUNTSFOR THE YEAR ENDED 31ST AUGUST 1997**1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with section 228 of, and schedule 4 to, the Companies Act 1985.

Depreciation

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values over the expected useful lives as follows:-

Plant & Machinery	15%
Motor Vehicles	25%
Fixtures & Fittings	15%

Cash Flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash flow Statements".

Goodwill

Goodwill is amortised over 15 years which the directors consider to be its useful economic life.

Stocks

Stocks are valued at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture or completion.

Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension Costs

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

ENVIROWASTE LIMITEDNOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)FOR THE YEAR ENDED 31ST AUGUST 1997**2 INTANGIBLE FIXED ASSETS**

	<u>Goodwill</u>
	<u>£</u>
Cost:	
At 1st September 1996	126,755
At 31st August 1997	<u>126,755</u>
Amortisation	
At 1st September 1996	32,479
Charge for the year	<u>8,460</u>
At 31st August 1997	<u>40,939</u>
Net Book Amount	
At 31st August 1997	<u>85,816</u>
At 1st September 1996	<u>94,276</u>

3 TANGIBLE FIXED ASSETS

	<u>Total</u>
	<u>£</u>
Cost:	
At 1st September 1996	677,110
Additions	176,461
Disposals	<u>(63,235)</u>
At 31st August 1997	<u>790,336</u>
Depreciation:	
At 1st September 1996	282,762
Charge for the year	176,496
Relating to disposals	<u>(41,081)</u>
At 31st August 1997	<u>418,177</u>
Net book value:	
At 31st August 1997	<u>636,886</u>
At 1st September 1996	<u>394,348</u>

4 SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Authorised:		
Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid:		
Ordinary shares of £1 per share	<u>1,000</u>	<u>1,000</u>

ENVIROWASTE LIMITED

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31ST AUGUST 1997

5 TRANSACTIONS WITH DIRECTORS

During the year the company sold goods to the value of £1,850 (1996 -£6,728) to Qualitech Services Limited, a company in which F.Taylor Esq. is materially interested as a shareholder. The sales were made on a normal trading basis. Furthermore, management charges were made by Dockland Investments Limited £16,167 (1996- £12,000) a company in which F.Taylor Esq. is materially interested as a shareholder.