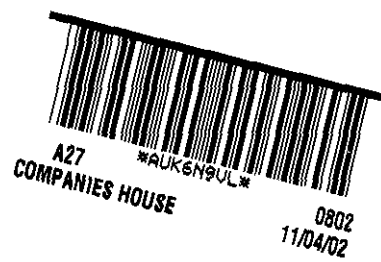


REGISTERED NUMBER: 2615521 (England and Wales)

Abbreviated Financial Statements for the Year Ended 31 August 2001

for

ENVIRO-WASTE LIMITED



ENVIRO-WASTE LIMITED

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ENVIRO-WASTE LIMITED

**Company Information
for the Year Ended 31 August 2001**

DIRECTOR: R A Clark

SECRETARY: M Heath

REGISTERED OFFICE: Teresa Gavin House
Woodford Avenue
Woodford Green
Essex IG8 8FB

REGISTERED NUMBER: 2615521 (England and Wales)

AUDITORS: Ashton Hart David Lee
Registered Auditors
Teresa Gavin House
Woodford Avenue
Woodford Green
Essex
IG8 8FB

ENVIRO-WASTE LIMITED

Report of the Director for the Year Ended 31 August 2001

The director presents his report with the financial statements of the company for the year ended 31 August 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of supplying sludge to land.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2001.

DIRECTORS

The directors during the year under review were:

R A Clark	- appointed 26.4.01
F Taylor	- resigned 26.4.01

The director holding office at 31 August 2001 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 31 August 2001.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

AUDITORS

The auditors, Ashton Hart David Lee, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



R A Clark - DIRECTOR

Dated: 27 February 2002

ENVIRO-WASTE LIMITED

**Report of the Independent Auditors to
ENVIRO-WASTE LIMITED
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages four to fifteen, together with the full financial statements of the company for the year ended 31 August 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to fifteen are properly prepared in accordance with that provision.

Ashton Hart David Lee
Registered Auditors
Teresa Gavin House
Woodford Avenue
Woodford Green
Essex
IG8 8FB



Dated: 27 February 2002

ENVIRO-WASTE LIMITED

Abbreviated Profit and Loss Account for the Year Ended 31 August 2001

		31.8.01	31.8.00
	Notes	£	£
GROSS PROFIT		665,796	667,160
Administrative expenses		517,270	465,669
OPERATING PROFIT	3	148,526	201,491
Directors loan account balance written off	4	31,190	-
		179,716	201,491
Interest payable and similar charges	5	84,008	73,599
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		95,708	127,892
Tax on profit on ordinary activities	6	46,168	50,636
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		49,540	77,256
Dividends	7	-	12,166
		49,540	65,090
Retained profit brought forward		331,148	266,058
RETAINED PROFIT CARRIED FORWARD		<u>£380,688</u>	<u>£331,148</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

ENVIRO-WASTE LIMITED

**Abbreviated Balance Sheet
31 August 2001**

		31.8.01		31.8.00	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	8		51,976		60,436
Tangible assets	9		743,973		1,011,610
			<u>795,949</u>		<u>1,072,046</u>
CURRENT ASSETS:					
Stocks	10	13,900		5,373	
Debtors	11	307,788		313,569	
Cash in hand		159		152	
		<u>321,847</u>		<u>319,094</u>	
CREDITORS: Amounts falling due within one year	12	436,453		535,536	
NET CURRENT LIABILITIES:			<u>(114,606)</u>		<u>(216,442)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			681,343		855,604
CREDITORS: Amounts falling due after more than one year	13		299,655		523,456
			<u>£381,688</u>		<u>£332,148</u>
CAPITAL AND RESERVES:					
Called up share capital	16		1,000		1,000
Profit and loss account			380,688		331,148
SHAREHOLDERS' FUNDS:	19		<u>£381,688</u>		<u>£332,148</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



R A Clark - DIRECTOR

Approved by the Board on 27 February 2002

The notes form part of these financial statements

ENVIRO-WASTE LIMITED

**Cash Flow Statement
for the Year Ended 31 August 2001**

		31.8.01	31.8.00
	Notes	£	£
Net cash inflow from operating activities	1	494,315	368,816
Returns on investments and servicing of finance	2	(84,008)	(73,599)
Taxation		(79,853)	(7,735)
Capital expenditure	2	(216,730)	(235,476)
Equity dividends paid		-	(12,166)
		<u>113,724</u>	<u>39,840</u>
Financing	2	(92,781)	(12,700)
Increase in cash in the period		<u><u>£20,943</u></u>	<u><u>£27,140</u></u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		<u>20,943</u>	<u>27,140</u>
Change in net debt resulting from cash flows		20,943	27,140
New finance leases		254,892	(183,682)
Movement in net debt in the period		<u>275,835</u>	<u>(156,542)</u>
Net debt at 1 September		<u>(746,674)</u>	<u>(590,132)</u>
Net debt at 31 August		<u><u>£(470,839)</u></u>	<u><u>£(746,674)</u></u>

The notes form part of these financial statements

ENVIRO-WASTE LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 August 2001

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.8.01 £	31.8.00 £
Operating profit	148,526	201,491
Depreciation charges	238,708	210,303
Profit on sale of fixed assets	(773)	(393)
Increase in stocks	(8,527)	(2,916)
Decrease/(Increase) in debtors	5,781	(38,041)
Increase/(Decrease) in creditors	79,410	(1,628)
Exceptional items	31,190	-
Net cash inflow from operating activities	<u>494,315</u>	<u>368,816</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.8.01 £	31.8.00 £
Returns on investments and servicing of finance		
Interest paid	(2,899)	(2,439)
Interest element of hire purchase and finance lease rentals payments	(81,109)	(71,160)
Net cash outflow for returns on investments and servicing of finance	<u>(84,008)</u>	<u>(73,599)</u>
Capital expenditure		
Purchase of tangible fixed assets	(379,392)	(293,324)
Sale of tangible fixed assets	162,662	57,848
Net cash outflow for capital expenditure	<u>(216,730)</u>	<u>(235,476)</u>
Financing		
Amount withdrawn by directors	(92,781)	(12,700)
Net cash outflow from financing	<u>(92,781)</u>	<u>(12,700)</u>

The notes form part of these financial statements

ENVIRO-WASTE LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 August 2001

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.00 £	Cash flow £	Other non-cash changes £	At 31.8.01 £
Net cash:				
Cash at bank and in hand	152	7		159
Bank overdraft	(32,072)	20,936		(11,136)
	<u>(31,920)</u>	<u>20,943</u>		<u>(10,977)</u>
Debt:				
Hire purchase and finance leases	(714,754)	-	254,892	(459,862)
	<u>(714,754)</u>	<u>-</u>	<u>254,892</u>	<u>(459,862)</u>
Total	<u>(746,674)</u>	<u>20,943</u>	<u>254,892</u>	<u>(470,839)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	152			159
Bank overdraft	(32,072)			(11,136)
Hire purchase and finance leases				
within one year	(191,298)			(160,207)
after one year	(523,456)			(299,655)
	<u>(746,674)</u>			<u>(470,839)</u>

The notes form part of these financial statements

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 15 years straight line

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.8.01	31.8.00
	£	£
Wages and salaries	443,785	420,762
Other pension costs	4,836	4,836
	448,621	425,598

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2001

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	31.8.01	31.8.00
Aministration and clerical	3	3
Management	2	2
Operatives	18	18
	<u>—</u>	<u>—</u>
	23	23
	<u>==</u>	<u>==</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.8.01	31.8.00
	£	£
Hire of plant and machinery	91,277	101,200
Depreciation - owned assets	30,567	55,170
Depreciation - assets on hire purchase contracts and finance leases	199,681	146,673
Profit on disposal of fixed assets	(773)	(393)
Goodwill written off	8,460	8,460
Auditors' remuneration	2,495	2,750
	<u>==</u>	<u>==</u>
Directors' emoluments	-	-
	<u>==</u>	<u>==</u>

4. EXCEPTIONAL ITEMS

This represents loan account balance of Mr F Taylor written-off who resigned as director on 26th April 2001 when the company became a wholly owned subsidiary of Carcarc Holdings Limited.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.8.01	31.8.00
	£	£
Bank interest	2,899	1,939
Interest on other loan	-	500
Hire purchase interest	15,435	17,214
Lease finance interest	65,674	53,946
	<u>==</u>	<u>==</u>
	84,008	73,599
	<u>==</u>	<u>==</u>

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2001

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.8.01	31.8.00
	£	£
Current tax:		
UK corporation tax	16,729	20,346
Corporation tax underprovided	29,439	30,290
	<u>46,168</u>	<u>50,636</u>
Total current tax	<u>46,168</u>	<u>50,636</u>

UK corporation tax has been charged at 20% (2000 - 23.75%).

7. DIVIDENDS

	31.8.01	31.8.00
	£	£
Equity shares:		
Final - ordinary shares	-	12,166
	<u>-</u>	<u>12,166</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1 September 2000 and 31 August 2001	126,755
AMORTISATION:	
At 1 September 2000	66,319
Charge for year	8,460
	<u>74,779</u>
At 31 August 2001	<u>74,779</u>
NET BOOK VALUE:	
At 31 August 2001	51,976
At 31 August 2000	<u>60,436</u>

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2001

9. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 September 2000	1,334,653	42,179	185,573	1,562,405
Additions	73,725	3,930	46,845	124,500
Disposals	(159,950)	-	(146,985)	(306,935)
At 31 August 2001	1,248,428	46,109	85,433	1,379,970
DEPRECIATION:				
At 1 September 2000	480,736	18,237	51,822	550,795
Charge for year	186,266	5,280	38,702	230,248
Eliminated on disposals	(94,460)	-	(50,586)	(145,046)
At 31 August 2001	572,542	23,517	39,938	635,997
NET BOOK VALUE:				
At 31 August 2001	675,886	22,592	45,495	743,973
At 31 August 2000	853,917	23,941	133,752	1,011,610

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 September 2000	1,041,131	164,685	1,205,816
Additions	44,500	45,995	90,495
Disposals	(159,950)	(146,985)	(306,935)
Transferred to ownership	(101,150)	-	(101,150)
At 31 August 2001	824,531	63,695	888,226
DEPRECIATION:			
At 1 September 2000	268,125	32,804	300,929
Charge for year	161,919	37,762	199,681
Eliminated on disposals	(94,460)	(50,586)	(145,046)
Transferred to ownership	(78,414)	-	(78,414)
At 31 August 2001	257,170	19,980	277,150
NET BOOK VALUE:			
At 31 August 2001	567,361	43,715	611,076
At 31 August 2000	773,006	131,881	904,887

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2001

10. STOCKS

	31.8.01	31.8.00
	£	£
Stock of fuels	13,900	5,373
	<u> </u>	<u> </u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.01	31.8.00
	£	£
Trade debtors	294,688	286,964
Other debtors	2,050	5,288
Prepayments & accrued income	11,050	21,317
	<u> </u>	<u> </u>
	307,788	313,569
	<u> </u>	<u> </u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.01	31.8.00
	£	£
Bank loans and overdrafts (see note 14)	11,136	32,072
Hire purchase contracts and finance leases (see note 15)	160,207	191,298
Trade creditors	67,237	79,933
Directors current accounts	-	92,781
Other creditors	6,986	588
Amounts due to group undertakings	113,345	-
Value added tax	36,167	23,013
Social security & other taxes	11,472	18,464
Taxation	16,729	50,414
Accrued expenses	13,174	46,973
	<u> </u>	<u> </u>
	436,453	535,536
	<u> </u>	<u> </u>

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

	31.8.01	31.8.00
	£	£
Hire purchase contracts and finance leases (see note 15)	299,655	523,456
	<u> </u>	<u> </u>

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2001

14. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.8.01 £	31.8.00 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>11,136</u>	<u>32,072</u>

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts		Finance leases	
	31.8.01 £	31.8.00 £	31.8.01 £	31.8.00 £
Gross obligations repayable:				
Within one year	23,930	39,528	136,277	151,770
Between one and five years	<u>38,761</u>	<u>109,457</u>	<u>260,894</u>	<u>413,999</u>
	<u>62,691</u>	<u>148,985</u>	<u>397,171</u>	<u>565,769</u>
Net obligations repayable:				
Within one year	23,930	39,528	136,277	151,770
Between one and five years	<u>38,761</u>	<u>109,457</u>	<u>260,894</u>	<u>413,999</u>
	<u>62,691</u>	<u>148,985</u>	<u>397,171</u>	<u>565,769</u>

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.8.01 £	31.8.00 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.8.01 £	31.8.00 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

17. ULTIMATE PARENT COMPANY

At the balance sheet date, the director regarded Carcarc Holdings Limited a company incorporated in England and Wales as the ultimated parent company and the ultimate controlling party.

18. RELATED PARTY DISCLOSURES

The company has taken advatage of exemptions under FRS 8 not to disclose transactions with other group companies as it is a wholly owned subsidiary.

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2001

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.8.01	31.8.00
	£	£
Profit for the financial year	49,540	77,256
Dividends	-	(12,166)
Net addition to shareholders' funds	<u>49,540</u>	<u>65,090</u>
Opening shareholders' funds	332,148	267,058
Closing shareholders' funds	<u><u>381,688</u></u>	<u><u>332,148</u></u>
Equity interests	<u><u>381,688</u></u>	<u><u>332,148</u></u>