

REGISTERED NUMBER: 2615521 (England and Wales)

Abbreviated Financial Statements for the Year Ended 31 August 2002

for

ENVIRO-WASTE LIMITED



ENVIRO-WASTE LIMITED

Contents of the Financial Statements for the Year Ended 31 August 2002

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors on the Abbreviated Financial Statements	3
Abbreviated Profit and Loss Account	4
Abbreviated Balance Sheet	5
Cash Flow Statement	6
Notes to the Cash Flow Statement	7
Notes to the Abbreviated Financial Statements	9

ENVIRO-WASTE LIMITED

**Company Information
for the Year Ended 31 August 2002**

DIRECTOR: R A Clark

SECRETARY: Mrs J L Clark

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 2002

The director presents his report with the financial statements of the company for the year ended 31 August 2002.

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 2002.

DIRECTOR

R A Clark was the sole director during the year under review.

The director holding office at 31 August 2002 did not hold any beneficial interest in the issued share capital of the company at 1 September 2001 or 31 August 2002.

DONATIONS

During the year the company made charitable donations of £3,457.00 (2001 - £1,658.00).

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: 23 January 2003

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 2002 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 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: 23 January 2003

ENVIRO-WASTE LIMITED

Abbreviated Profit and Loss Account for the Year Ended 31 August 2002

		31.8.02	31.8.01
	Notes	£	£
GROSS PROFIT		827,960	665,796
Administrative expenses		561,880	517,269
OPERATING PROFIT	3	266,080	148,527
Directors loan account balance written off		-	31,190
		266,080	179,717
Interest payable and similar charges	4	74,626	84,008
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		191,454	95,709
Tax on profit on ordinary activities	5	49,764	46,168
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		141,690	49,541
Retained profit brought forward		380,689	331,148
RETAINED PROFIT CARRIED FORWARD		<u>£522,379</u>	<u>£380,689</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.

ENVIRO-WASTE LIMITED

**Abbreviated Balance Sheet
31 August 2002**

		31.8.02		31.8.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	6		43,516		51,976
Tangible assets	7		940,831		743,973
			<u>984,347</u>		<u>795,949</u>
CURRENT ASSETS:					
Stocks	8	10,602		13,900	
Debtors	9	531,113		307,788	
Cash in hand		769		159	
		<u>542,484</u>		<u>321,847</u>	
CREDITORS: Amounts falling due within one year	10	695,075		436,453	
NET CURRENT LIABILITIES:			<u>(152,591)</u>		<u>(114,606)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			831,756		681,343
CREDITORS: Amounts falling due after more than one year	11		308,377		299,654
			<u>£523,379</u>		<u>£381,689</u>
CAPITAL AND RESERVES:					
Called up share capital	15		1,000		1,000
Profit and loss account			522,379		380,689
SHAREHOLDERS' FUNDS:	18		<u>£523,379</u>		<u>£381,689</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 23 January 2003

ENVIRO-WASTE LIMITED

**Cash Flow Statement
for the Year Ended 31 August 2002**

		31.8.02	31.8.01
	Notes	£	£
Net cash inflow from operating activities	1	376,781	494,316
Returns on investments and servicing of finance	2	(74,626)	(84,008)
Taxation		(16,729)	(79,853)
Capital expenditure	2	(321,840)	(216,731)
		<u>(36,414)</u>	<u>113,724</u>
Financing	2	-	(92,781)
(Decrease)/Increase in cash in the period		<u>£(36,414)</u>	<u>£20,943</u>
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		<u>(36,414)</u>	<u>20,943</u>
Change in net debt resulting from cash flows		(36,414)	20,943
New finance leases		<u>(67,812)</u>	<u>254,893</u>
Movement in net debt in the period		(104,226)	275,836
Net debt at 1 September		<u>(470,838)</u>	<u>(746,674)</u>
Net debt at 31 August		<u>£(575,064)</u>	<u>£(470,838)</u>

The notes form part of these financial statements

ENVIRO-WASTE LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 August 2002

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

	31.8.02 £	31.8.01 £
Operating profit	266,080	148,527
Depreciation charges	201,674	238,708
Loss on sale of fixed assets	5,116	-
Profit on sale of fixed assets	(5,538)	(773)
Decrease/(Increase) in stocks	3,298	(8,527)
(Increase)/Decrease in debtors	(223,323)	5,781
Increase in creditors	129,474	79,410
Exceptional items	-	31,190
Net cash inflow from operating activities	376,781	494,316

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

	31.8.02 £	31.8.01 £
Returns on investments and servicing of finance		
Interest paid	(574)	(2,899)
Interest element of hire purchase and finance lease rentals payments	(74,052)	(81,109)
Net cash outflow for returns on investments and servicing of finance	(74,626)	(84,008)
Capital expenditure		
Purchase of tangible fixed assets	(367,655)	(379,393)
Sale of tangible fixed assets	45,815	162,662
Net cash outflow for capital expenditure	(321,840)	(216,731)
Financing		
Amount withdrawn by directors	-	(92,781)
Net cash outflow from financing	-	(92,781)

ENVIRO-WASTE LIMITED

Notes to the Cash Flow Statement for the Year Ended 31 August 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.01 £	Cash flow £	Other non-cash changes £	At 31.8.02 £
Net cash:				
Cash at bank and in hand	159	610		769
Bank overdraft	(11,136)	(37,024)		(48,160)
	<u>(10,977)</u>	<u>(36,414)</u>		<u>(47,391)</u>
Debt:				
Hire purchase and finance leases	(459,861)	-	(67,812)	(527,673)
	<u>(459,861)</u>	<u>-</u>	<u>(67,812)</u>	<u>(527,673)</u>
Total	<u>(470,838)</u>	<u>(36,414)</u>	<u>(67,812)</u>	<u>(575,064)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	159			769
Bank overdraft	(11,136)			(48,160)
Hire purchase and finance leases				
within one year	(160,207)			(219,296)
after one year	(299,654)			(308,377)
	<u>(470,838)</u>			<u>(575,064)</u>

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2002

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.

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.

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.

2. STAFF COSTS

	31.8.02	31.8.01
	£	£
Wages and salaries	554,417	443,785
Other pension costs	4,836	4,836
	<u>559,253</u>	<u>448,621</u>

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2002

2. STAFF COSTS - continued

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

	31.8.02	31.8.01
Aministration and clerical	3	3
Management	1	2
Operatives	20	18
	<u>—</u>	<u>—</u>
	24	23
	<u>—</u>	<u>—</u>

3. OPERATING PROFIT

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

	31.8.02	31.8.01
	£	£
Hire of plant and machinery	113,843	91,277
Depreciation - owned assets	38,585	30,567
Depreciation - assets on hire purchase contracts and finance leases	154,629	199,681
Profit on disposal of fixed assets	(422)	(773)
Goodwill written off	8,460	8,460
Auditors' remuneration	3,000	2,495
	<u>—</u>	<u>—</u>

Directors' emoluments	-	-
	<u>—</u>	<u>—</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.8.02	31.8.01
	£	£
Bank interest	574	2,899
Hire purchase interest	12,559	15,435
Lease finance interest	61,493	65,674
	<u>—</u>	<u>—</u>
	74,626	84,008
	<u>—</u>	<u>—</u>

5. TAXATION

Analysis of the tax charge

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

	31.8.02	31.8.01
	£	£
Current tax:		
UK corporation tax	49,764	16,729
Corporation tax underprovided	-	29,439
	<u>—</u>	<u>—</u>
Total current tax	49,764	46,168
	<u>—</u>	<u>—</u>
Tax on profit on ordinary activities	49,764	46,168
	<u>—</u>	<u>—</u>

UK corporation tax has been charged at 25.84% (2001 - 20%).

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2002

6. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
COST:	
At 1 September 2001 and 31 August 2002	<u>126,755</u>
AMORTISATION:	
At 1 September 2001	74,779
Charge for year	<u>8,460</u>
At 31 August 2002	<u>83,239</u>
NET BOOK VALUE:	
At 31 August 2002	<u><u>43,516</u></u>
At 31 August 2001	<u><u>51,976</u></u>

7. TANGIBLE FIXED ASSETS

	<u>Plant and machinery</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£	£
COST:				
At 1 September 2001	1,248,428	46,109	85,433	1,379,970
Additions	351,868	3,646	79,953	435,467
Disposals	<u>(100,046)</u>	<u>-</u>	<u>(63,695)</u>	<u>(163,741)</u>
At 31 August 2002	<u>1,500,250</u>	<u>49,755</u>	<u>101,691</u>	<u>1,651,696</u>
DEPRECIATION:				
At 1 September 2001	572,543	23,517	39,939	635,999
Charge for year	168,853	5,320	19,041	193,214
Eliminated on disposals	<u>(87,234)</u>	<u>-</u>	<u>(31,114)</u>	<u>(118,348)</u>
At 31 August 2002	<u>654,162</u>	<u>28,837</u>	<u>27,866</u>	<u>710,865</u>
NET BOOK VALUE:				
At 31 August 2002	<u><u>846,088</u></u>	<u><u>20,918</u></u>	<u><u>73,825</u></u>	<u><u>940,831</u></u>
At 31 August 2001	<u><u>675,886</u></u>	<u><u>22,592</u></u>	<u><u>45,495</u></u>	<u><u>743,973</u></u>

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2002

7. TANGIBLE FIXED ASSETS - continued

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 2001	824,531	63,695	888,226
Additions	232,655	79,769	312,424
Disposals	(7,750)	(63,695)	(71,445)
	<u>1,049,436</u>	<u>79,769</u>	<u>1,129,205</u>
DEPRECIATION:			
At 1 September 2001	257,171	19,981	277,152
Charge for year	135,990	18,639	154,629
Eliminated on disposals	(2,714)	(31,114)	(33,828)
	<u>390,447</u>	<u>7,506</u>	<u>397,953</u>
NET BOOK VALUE:			
At 31 August 2002	<u>658,989</u>	<u>72,263</u>	<u>731,252</u>
At 31 August 2001	<u>567,361</u>	<u>43,715</u>	<u>611,076</u>

8. STOCKS

	31.8.02	31.8.01
	£	£
Stock of fuels	<u>10,602</u>	<u>13,900</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.02	31.8.01
	£	£
Trade debtors	519,541	294,688
Other debtors	-	2,050
Prepayments & accrued income	11,572	11,050
	<u>531,113</u>	<u>307,788</u>

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2002

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.02	31.8.01
	£	£
Bank loans and overdrafts (see note 12)	48,160	11,136
Hire purchase contracts and finance leases (see note 13)	219,296	160,207
Trade creditors	127,028	67,237
Other creditors	12,115	6,986
Amounts due to group undertakings	122,635	113,345
Value added tax	55,296	36,167
Social security & other taxes	26,963	11,472
Taxation	49,764	16,729
Accrued expenses	33,818	13,174
	<u>695,075</u>	<u>436,453</u>

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

	31.8.02	31.8.01
	£	£
Hire purchase contracts and finance leases (see note 13)	<u>308,377</u>	<u>299,654</u>

12. LOANS AND OVERDRAFTS

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

	31.8.02	31.8.01
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>48,160</u>	<u>11,136</u>

The bank overdraft is secured on a unschedule debenture dated 2 August 2002 incorporating a fixed and floating charge over all the current and future assets of the company.

On 7 August 2002 the company has given guarantee to National Westminster Bank Plc covering the liabilities of Carcarc Limited a group undertaking.

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2002

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts		Finance leases	
	31.8.02	31.8.01	31.8.02	31.8.01
	£	£	£	£
Gross obligations repayable:				
Within one year	100,722	29,490	187,308	189,492
Between one and five years	213,048	43,117	168,195	357,523
	<u>313,770</u>	<u>72,607</u>	<u>355,503</u>	<u>547,015</u>
Finance charges repayable:				
Within one year	15,519	5,560	53,215	53,215
Between one and five years	29,764	4,357	43,102	96,629
	<u>45,283</u>	<u>9,917</u>	<u>96,317</u>	<u>149,844</u>
Net obligations repayable:				
Within one year	85,203	23,930	134,093	136,277
Between one and five years	183,284	38,760	125,093	260,894
	<u>268,487</u>	<u>62,690</u>	<u>259,186</u>	<u>397,171</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.02	31.8.01
	£	£
Bank overdrafts	48,160	11,136
Hire purchase contracts and finance leases	527,673	459,861
	<u>575,833</u>	<u>470,997</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.8.02	31.8.01
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.8.02	31.8.01
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

16. ULTIMATE PARENT COMPANY

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

ENVIRO-WASTE LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 August 2002

17. RELATED PARTY DISCLOSURES

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

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.8.02	31.8.01
	£	£
Profit for the financial year	141,690	49,541
Net addition to shareholders' funds	141,690	49,541
Opening shareholders' funds	381,689	332,148
Closing shareholders' funds	523,379	381,689
Equity interests	523,379	381,689