REGISTERED NUMBER: 2615521 (England and Wales)

Abbreviated Accounts for the Year Ended 31 August 2005

for

ENVIRO-WASTE LIMITED



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ENVIRO-WASTE LIMITED

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ENVIRO-WASTE LIMITED

Company Information
for the Year Ended 31 August 2005

DIRECTORS:	G J Betts J Clark
SECRETARY:	P P Betts
REGISTERED OFFICE:	Sterling House Langston Road Loughton Essex IG10 3FA
REGISTERED NUMBER:	2615521 (England and Wales)
AUDITORS:	Ashton Hart David Lee Registered Auditors Sterling House Langston Road Loughton Essex IG10 3FA

ENVIRO-WASTE LIMITED

Report of the Directors for the Year Ended 31 August 2005

The directors present their report with the accounts of the company for the year ended 31 August 2005.

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 accounts.

DIVIDENDS
No dividends will be distributed for the year ended 31 August 2005.

DIRECTORS
The directors during the year under review were:

G J Betts
J Clark - appointed 27.6.05

The directors holding office at 31 August 2005 did not hold any beneficial interest in the issued share capital of the company at 1 September 2004 (or date of appointment if later) or 31 August 2005.

DONATIONS
During the year the company made charitable donations of £3,515.00 (2004 - £238.00).

STATEMENT OF DIRECTORS' RESPONSIBILITIES
Company law requires the directors 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 directors are 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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:



G J Betts - Director

19 January 2006

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

We have examined the abbreviated accounts on pages four to fifteen, together with the full financial statements of the company for the year ended 31 August 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages four to fifteen are properly prepared in accordance with that provision.



Ashton Hart David Lee
Registered Auditors
Sterling House
Langston Road
Loughton
Essex
IG10 3FA

19 January 2006

Abbreviated Profit and Loss Account for the Year Ended 31 August 2005

	Notes	31.8.05 £	31.8.04 £
GROSS PROFIT		1,122,700	908,352
Administrative expenses		759,927	637,981
OPERATING PROFIT	3	362,773	270,371
Interest payable and similar charges	4	76,555	75,919
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		286,218	194,452
Tax on profit on ordinary activities	5	79,315	17,850
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		206,903	176,602
RETAINED PROFIT FOR THE YEAR		206,903	176,602

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 abbreviated accounts

ENVIRO-WASTE LIMITED

Abbreviated Balance Sheet
31 August 2005

	Notes	31.8.05 £	£	31.8.04 £	£
FIXED ASSETS					
Intangible assets	6		18,136		26,596
Tangible assets	7		1,763,143		1,508,946
			1,781,279		1,535,542
CURRENT ASSETS					
Stocks	8	13,616		15,788	
Debtors	9	765,957		575,390	
Cash at bank and in hand		656		48,915	
		780,229		640,093	
CREDITORS					
Amounts falling due within one year	10	1,142,669		1,063,697	
NET CURRENT LIABILITIES			(362,440)		(423,604)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,418,839		1,111,938
CREDITORS					
Amounts falling due after more than one year	11		474,109		374,111
			944,730		737,827
CAPITAL AND RESERVES					
Called up share capital	15		1,000		1,000
Profit and loss account	16		943,730		736,827
SHAREHOLDERS' FUNDS	20		944,730		737,827

These abbreviated accounts 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:



G J Betts - Director

Approved by the Board on 19 January 2006

The notes form part of these abbreviated accounts

ENVIRO-WASTE LIMITED

Cash Flow Statement
for the Year Ended 31 August 2005

	Notes	31.8.05 £	£	31.8.04 £	£
Net cash inflow from operating activities	1		595,516		573,365
Returns on investments and servicing of finance	2		(76,555)		(75,919)
Taxation			(17,849)		(1)
Capital expenditure	2		(605,391)		(853,990)
			(104,279)		(356,545)
Financing	2		36,249		416,982
(Decrease)/Increase in cash in the period			(68,030)		60,437

Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(68,030)		60,437	
Cash inflow from increase in debt and lease financing		(136,249)		(416,982)	
Change in net debt resulting from cash flows			(204,279)		(356,545)
Movement in net debt in the period			(204,279)		(356,545)
Net debt at 1 September			(864,676)		(508,131)
Net debt at 31 August			(1,068,955)		(864,676)

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement for the Year Ended 31 August 2005

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

	31.8.05 £	31.8.04 £
Operating profit	362,773	270,371
Depreciation charges	360,131	291,085
(Profit)/Loss on disposal of fixed assets	(477)	9,583
Decrease/(Increase) in stocks	2,172	(12,601)
(Increase)/Decrease in debtors	(140,567)	150,200
Increase/(Decrease) in creditors	11,484	(135,273)
Net cash inflow from operating activities	595,516	573,365

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

	31.8.05 £	31.8.04 £
Returns on investments and servicing of finance		
Interest paid	(25,678)	(3,832)
Interest element of hire purchase and finance lease rental payments	(50,877)	(72,087)
Net cash outflow for returns on investments and servicing of finance	(76,555)	(75,919)
Capital expenditure		
Purchase of tangible fixed assets	(619,291)	(908,540)
Sale of tangible fixed assets	13,900	54,550
Net cash outflow for capital expenditure	(605,391)	(853,990)
Financing		
New loans in year	-	337,121
Loan reduction in year	(13,066)	-
Loans due from group undertakings	(100,000)	-
Capital repayments in year	149,315	79,861
Net cash inflow from financing	36,249	416,982

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 August 2005

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.04 £	Cash flow £	At 31.8.05 £
Net cash:			
Cash at bank and in hand	48,915	(48,259)	656
Bank overdraft	-	(19,771)	(19,771)
	48,915	(68,030)	(19,115)
Debt:			
Hire purchase and finance leases	(576,470)	(149,315)	(725,785)
Debts falling due within one year	(337,121)	13,066	(324,055)
	(913,591)	(136,249)	(1,049,840)
Total	(864,676)	(204,279)	(1,068,955)

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2005

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
Stocks are 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.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

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

	31.8.05	31.8.04
	£	£
Wages and salaries	845,831	687,144
Other pension costs	4,836	4,836
	850,667	691,980

continued...

2. **STAFF COSTS - *continued***

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

	31.8.05	31.8.04
Administration and clerical	4	3
Management	4	4
Operatives	27	23
	35	30

3. **OPERATING PROFIT**

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

	31.8.05	31.8.04
	£	£
Hire of plant and machinery	112,644	107,122
Other operating leases	-	13,300
Depreciation - owned assets	28,828	56,148
Depreciation - assets on hire purchase contracts and finance leases	322,843	226,477
(Profit)/Loss on disposal of fixed assets	(477)	9,583
Goodwill amortisation	8,460	8,460
Auditors' remuneration	3,000	3,000
Directors' emoluments	-	-

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.8.05	31.8.04
	£	£
Bank interest	570	21
Bank loan interest	25,108	3,811
Hire purchase	31,388	23,440
Leasing charges	19,489	48,647
	76,555	75,919

5. **TAXATION**

Analysis of the tax charge

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

	31.8.05	31.8.04
	£	£
Current tax:		
UK corporation tax	79,315	17,850
Tax on profit on ordinary activities	79,315	17,850

continued...

6. **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 1 September 2004 and 31 August 2005	126,755
AMORTISATION	
At 1 September 2004	100,159
Amortisation for year	8,460
At 31 August 2005	108,619
NET BOOK VALUE	
At 31 August 2005	18,136
At 31 August 2004	26,596

7. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 September 2004	412,444	1,958,457	98,280	139,754	2,608,935
Additions	-	601,988	8,133	9,170	619,291
Disposals	-	(244,900)	(19,212)	(27,270)	(291,382)
At 31 August 2005	412,444	2,315,545	87,201	121,654	2,936,844
DEPRECIATION					
At 1 September 2004	4,087	990,403	40,682	64,817	1,099,989
Charge for year	16,476	291,712	12,352	31,131	351,671
Eliminated on disposal	-	(239,972)	(19,212)	(18,775)	(277,959)
At 31 August 2005	20,563	1,042,143	33,822	77,173	1,173,701
NET BOOK VALUE					
At 31 August 2005	391,881	1,273,402	53,379	44,481	1,763,143
At 31 August 2004	408,357	968,054	57,598	74,937	1,508,946

continued...

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 2004	1,497,727	118,291	1,616,018
Additions	456,925	-	456,925
At 31 August 2005	1,954,652	118,291	2,072,943
DEPRECIATION			
At 1 September 2004	676,859	60,713	737,572
Charge for year	291,712	31,131	322,843
At 31 August 2005	968,571	91,844	1,060,415
NET BOOK VALUE			
At 31 August 2005	986,081	26,447	1,012,528
At 31 August 2004	820,868	57,578	878,446

8. **STOCKS**

	31.8.05 £	31.8.04 £
Stock of fuels	13,616	15,788

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.05 £	31.8.04 £
Trade debtors	669,690	551,261
Amounts owed by group undertakings	50,000	-
Prepayments and accrued income	46,267	24,129
	765,957	575,390

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.05 £	31.8.04 £
Bank loans and overdrafts (see note 12)	343,826	337,121
Hire purchase contracts and finance leases (see note 13)	251,676	202,359
Trade creditors	285,844	273,958
Amounts owed to group undertakings	72,634	122,634
Tax	79,315	17,849
Social security and other taxes	21,399	18,219
VAT	36,859	49,887
Other creditors	-	9,568
Accrued expenses	51,116	32,102
	1,142,669	1,063,697

continued...

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

	31.8.05	31.8.04
	£	£
Hire purchase contracts and finance leases (see note 13)	474,109	374,111

12. LOANS

An analysis of the maturity of loans is given below:

	31.8.05	31.8.04
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	19,771	-
Bank loans	324,055	337,121
	343,826	337,121

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.

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts		Finance leases	
	31.8.05	31.8.04	31.8.05	31.8.04
	£	£	£	£
Gross obligations repayable:				
Within one year	255,999	186,924	33,658	45,052
Between one and five years	485,559	339,205	57,313	95,226
	741,558	526,129	90,971	140,278
Finance charges repayable:				
Within one year	28,428	20,064	9,553	9,553
Between one and five years	61,355	40,825	7,408	19,495
	89,783	60,889	16,961	29,048
Net obligations repayable:				
Within one year	227,571	166,860	24,105	35,499
Between one and five years	424,204	298,380	49,905	75,731
	651,775	465,240	74,010	111,230

continued...

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.05	31.8.04
	£	£
Bank overdraft	19,771	-
Hire purchase contracts and finance leases	725,785	576,470
	745,556	576,470

15. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.8.05 £	31.8.04 £
100,000	Ordinary	£1	100,000	100,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.8.05 £	31.8.04 £
1,000	Ordinary	£1	1,000	1,000

16. RESERVES

	Profit and loss account £
At 1 September 2004	736,827
Retained profit for the year	206,903
At 31 August 2005	943,730

17. 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.

18. CONTINGENT LIABILITIES

On 12 July 2004 a fatal incident occurred in which three employees of the company died in a nursery tank at East Wareham, Norfolk. The Health & Safety Executive has carried out an investigation in to the deaths of these employees and breaches of possible Health & Safety offences.

Although the company is insured against the civil consequences of any breaches of the Health & Safety legislation, but not insured against criminal penalties. It is also insured in respect of legal costs of defending any criminal action. As yet no charges have been brought against the company and it is difficult to quantify the amount of fines it may suffer for possible breaches. In these circumstances the directors have decided not to make any provision in the accounts.

19. 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.

continued...

20. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.8.05	31.8.04
	£	£
Profit for the financial year	206,903	176,602
Net addition to shareholders' funds	206,903	176,602
Opening shareholders' funds	737,827	561,225
Closing shareholders' funds	944,730	737,827
Equity interests	944,730	737,827