

WASTE EXCHANGE SERVICES LIMITED

ABBREVIATED FINANCIAL STATEMENTS

30 NOVEMBER 1998

Registered number: 2729607

FRANK BROWN & WALFORD
CHARTERED ACCOUNTANTS



WASTE EXCHANGE SERVICES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30 November 1998

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WASTE EXCHANGE SERVICES LIMITED

**Auditors' report to
Waste Exchange Services Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 30 November 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

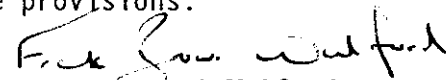
The director is responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered 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 does 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 sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.


Frank Brown & Walford
Registered Auditors
Chartered Accountants

314 Linthorpe Road
Middlesbrough

14 June 1999

WASTE EXCHANGE SERVICES LIMITED

ABBREVIATED BALANCE SHEET

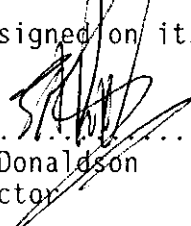
at 30 November 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	2		135,800		33,686
Current assets					
Stocks			29,849		25,499
Debtors			174,429		116,304
Cash at bank and in hand			50,754		3,263
			<u>255,032</u>		<u>145,066</u>
Creditors: amounts falling due within one year	3		(290,715)		(122,637)
Net current (liabilities)/assets			(35,683)		22,429
Total assets less current liabilities			<u>100,117</u>		<u>56,115</u>
Creditors: amounts falling due after more than one year			(3,791)		(1,875)
Provision for liabilities and charges			(11,542)		-
			<u>84,784</u>		<u>54,240</u>
Capital and reserves					
Called up share capital	4		118		118
Share premium account			42,946		42,946
Profit and loss account			41,720		11,176
Total shareholders' funds			<u>84,784</u>		<u>54,240</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on ~~13~~ June 1999

and signed on its behalf by:



 J A Donaldson
 Director

WASTE EXCHANGE SERVICES LIMITED
NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	10% to 20% per annum
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Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and a proportion of attributable overheads.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

WASTE EXCHANGE SERVICES LIMITED
 NOTES ON ABBREVIATED FINANCIAL STATEMENTS
 30 November 1998

2 Fixed assets

	Tangible fixed assets £
Cost	
1 December 1997	49,787
Additions	108,990
	158,777
Depreciation	
1 December 1997	16,101
Charge for year	6,876
	22,977
Net book amount	
30 November 1998	135,800
1 December 1997	33,686

3 Creditors

Creditors amounting to £12,822 (1997 £34,928) are secured.

WASTE EXCHANGE SERVICES LIMITED
NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 1998

4 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>118</u>	<u>118</u>	<u>118</u>	<u>118</u>

5 Leasing commitments

The company has an annual commitment under a lease of land and buildings of £16,104 (1997 £7,977) expiring between one to two years from the balance sheet date.

The company has an annual commitment under operating leases as follows:

- expiring within one year of the balance sheet date	<u>£4,417</u>
- expiring between one and two years from the balance sheet date	<u>£7,277</u>

6 Related parties

Mr I Stark is a shareholder in Waste Exchange Services Limited and is a director of Chemoxy International Plc. During the year the company entered into transactions at arms length with Chemoxy International Plc, making sales of £4,822 in the year and purchasing goods totalling £2,010. At 30 November 1998 Chemoxy International Plc owed the company £389 which is included in trade debtors and was owed £2,362 which is included in trade creditors.

7 Post Balance Sheet Events

Subsequent to the year end the company obtained a bank loan of £65,000, repayable over ten years, to finance equipment purchased during the year.