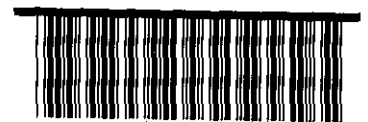


Registration Number 2729607

Waste Exchange Services Limited
Annual Report
for the year ended 30 November 2000



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COMPANIES HOUSE 10/07/01

Waste Exchange Services Limited

Directors, officers and advisors

Director	J Donaldson
Secretary	L Donaldson
Company Number	2729607
Registered Office	Unit 59 Boathouse Lane Stockton on Tees TS18 3AW
Auditors	Frank Brown & Walford 314 Linthorpe Road Middlesbrough TS1 3QX
Business Address	Unit 59 Boathouse Lane Stockton on Tees TS18 3AW
Bankers	Lloyds TSB 27 High Street Stockton on Tees TS18 1SG

Waste Exchange Services Limited

Annual Report for the year ended 30 November 2000

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Waste Exchange Services Limited

Director's Report for the year ended 30 November 2000

The director presents his annual report, together with the audited financial statements of the company and the group, for the year ended 30 November 2000.

Principal activity

The principal activities of the group are dealing with waste products, including exchange, recycling, trading and consultancy services.

Director and his Interest

The director who served during the year and his interest in the company are as stated below:

	Ordinary shares	
	30 November 2000	1 December 1999
J Donaldson	70	70

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 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.

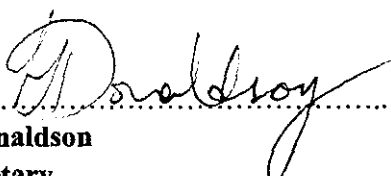
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Frank Brown & Walford be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 6 July 2001
and signed on its behalf


L Donaldson
Secretary

Waste Exchange Services Limited

Auditors' Report to the Shareholders of Waste Exchange Services Limited

We have audited the financial statements on pages 3 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

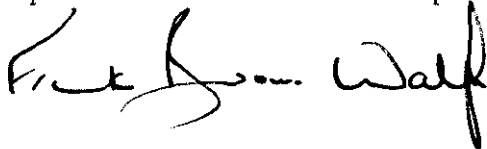
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and 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 affairs of the company and group as at 30 November 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Chartered Accountants and
Registered Auditor**

**314 Linthorpe Road
Middlesbrough
TS1 3QX**

6 July 2001

Waste Exchange Services Limited

Group Profit & Loss Account for the year ended 30 November 2000

		2000		1999	
	Notes	£	£	£	£
Turnover	2				
Continuing operations		1,701,318		1,332,599	
Acquisitions		37,785		-	
		<u>1,739,103</u>		<u>1,332,599</u>	
Cost of sales			(1,377,096)		(1,014,216)
Gross profit			<u>362,007</u>		<u>318,383</u>
Administrative expenses			(304,684)		(265,745)
Other operating income			15,203		4,023
Operating profit	3		<u>72,526</u>		<u>56,661</u>
Continuing operations		56,039		56,661	
Acquisitions		16,487		-	
		<u>72,526</u>		<u>56,661</u>	
Interest receivable and similar income			2,005		1,178
Interest payable and similar charges			(6,623)		(5,773)
Profit on ordinary activities before taxation			<u>67,908</u>		<u>52,066</u>
Tax on profit on ordinary activities	5		(14,562)		(10,747)
Profit on ordinary activities after taxation			<u>53,346</u>		<u>41,319</u>
Dividends			(9,500)		(6,000)
Retained profit for the group			<u>43,846</u>		<u>35,319</u>
Retained profit brought forward			77,039		41,720
Retained profit carried forward			<u>120,885</u>		<u>77,039</u>

There are no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 6 to 13 form an integral part of these financial statements.

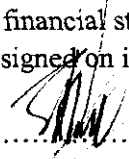
Waste Exchange Services Limited

Group Balance Sheet as at 30 November 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		222,591		153,712
Current Assets					
Stocks	9	56,731		24,007	
Debtors	10	438,964		310,505	
Cash at bank and in hand		83,824		49,308	
		<u>579,519</u>		<u>383,820</u>	
Creditors: amounts falling due within one year	11	(546,152)		(331,280)	
Net Current Assets			33,367		52,540
Total Assets Less Current Liabilities			<u>255,958</u>		<u>206,252</u>
Creditors: amounts falling due after more than one year	12		(55,476)		(54,826)
Provision for Liabilities and Charges	13				
Deferred taxation			(21,866)		(14,660)
Accruals and deferred income	14		(14,667)		(16,663)
Net Assets			<u>163,949</u>		<u>120,103</u>
Capital and Reserves					
Called up share capital	15		118		118
Share premium account	16		42,946		42,946
Profit and loss account	16		120,885		77,039
Shareholders' Funds			<u>163,949</u>		<u>120,103</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 6/7/01
and signed on its behalf by


J Donaldson
Director

The notes on pages 6 to 13 form an integral part of these financial statements.

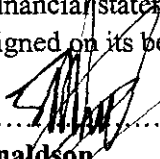
Waste Exchange Services Limited

Company Balance Sheet as at 30 November 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		222,591		153,712
Investments	8		2		-
			<u>222,593</u>		<u>153,712</u>
Current Assets					
Stocks	9	56,731		24,007	
Debtors	10	440,328		310,505	
Cash at bank and in hand		75,447		49,308	
		<u>572,506</u>		<u>383,820</u>	
Creditors: amounts falling due within one year	11	(541,717)		(331,280)	
Net Current Assets			30,789		52,540
Total Assets Less Current Liabilities			<u>253,382</u>		<u>206,252</u>
Creditors: amounts falling due after more than one year	12		(55,476)		(54,826)
Provision for Liabilities and Charges	13		(21,866)		(14,660)
Accruals and deferred income	14		(14,667)		(16,663)
Net Assets			<u>161,373</u>		<u>120,103</u>
Capital and Reserves					
Called up share capital	15		118		118
Share premium account	16		42,946		42,946
Profit and loss account	16		118,309		77,039
Shareholders' Funds			<u>161,373</u>		<u>120,103</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 6 July 2001
and signed on its behalf by


J Donaldson
Director

The notes on pages 6 to 13 form an integral part of these financial statements.

Waste Exchange Services Limited

Notes to Financial Statements for the year ended 30 November 2000

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Basis of Consolidation

The group financial statements consolidate the accounts of the company and all its subsidiary undertakings made up to 30 November 2000 each year; the group profit and loss account includes the results of all subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

Turnover and profits arising on trading between group companies are excluded.

1.3. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	10% - 20% per annum
Fixtures, fittings and equipment	-	25% per annum
Office equipment	-	25% per annum

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes.

1.8. Government grants

Grants are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Waste Exchange Services Limited

Notes to Financial Statements for the year ended 30 November 2000

..... continued

2. Turnover

Turnover represents the net invoiced amount of goods sold and services provided and excludes value added tax .

In the opinion of the director £29,396 of the turnover of the group is attributable to geographic markets outside the UK (1999 £33,947).

3. Operating profit	2000 £	1999 £
Operating profit is stated after charging:		
Depreciation of tangible assets	17,841	17,444
Loss/(profit) on disposal of tangible fixed assets	1,972	(180)
Auditors' remuneration	1,300	1,150
	<u> </u>	<u> </u>
and after crediting:		
Government grants	6,999	1,583
	<u> </u>	<u> </u>

4. Director's emoluments	2000 £	1999 £
Salary and pension scheme contributions	48,450	46,392
	<u> </u>	<u> </u>

5. Taxation	2000 £	1999 £
UK current year taxation		
UK Corporation Tax at 20% (1999 - 20%)	7,393	7,652
Transfer to deferred taxation	7,206	3,118
	<u>14,599</u>	<u>10,770</u>
Prior years		
UK Corporation Tax	(37)	(23)
	<u>14,562</u>	<u>10,747</u>

6. Profit for the year attributable to shareholders

As permitted by Section 230 of the Companies Act 1985 the Profit and Loss Account of the company has not been presented with the financial statements.

The results after taxation of the company for the year ended 30 November 2000 showed a profit of £50,770 (30 November 1999 - £41,319).

Waste Exchange Services Limited

Notes to Financial Statements for the year ended 30 November 2000

..... continued

7. Tangible fixed assets

	Plant & machinery £	Fixtures, fittings & equipment £	Office Equipment £	Total £
Group				
Cost				
At 1 December 1999	171,779	1,092	21,082	193,953
Additions	79,946	735	11,011	91,692
Disposals	(6,500)	-	-	(6,500)
At 30 November 2000	<u>245,225</u>	<u>1,827</u>	<u>32,093</u>	<u>279,145</u>
Depreciation				
At 1 December 1999	34,762	339	5,140	40,241
On disposals	(1,528)	-	-	(1,528)
Charge for the year	13,553	163	4,125	17,841
At 30 November 2000	<u>46,787</u>	<u>502</u>	<u>9,265</u>	<u>56,554</u>
Net book values				
At 30 November 2000	<u>198,438</u>	<u>1,325</u>	<u>22,828</u>	<u>222,591</u>
At 30 November 1999	<u>137,017</u>	<u>753</u>	<u>15,942</u>	<u>153,712</u>

	Plant & machinery £	Fixtures, fittings & equipment £	Office Equipment £	Total £
Company				
Cost				
At 1 December 1999	171,779	1,092	21,082	193,953
Additions	79,946	735	11,011	91,692
Disposals	(6,500)	-	-	(6,500)
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Depreciation				
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On disposals	(1,528)	-	-	(1,528)
Charge for the year	13,553	163	4,125	17,841
At 30 November 2000	<u>46,787</u>	<u>502</u>	<u>9,265</u>	<u>56,554</u>
Net book values				
At 30 November 2000	<u>198,438</u>	<u>1,325</u>	<u>22,828</u>	<u>222,591</u>
At 30 November 1999	<u>137,017</u>	<u>753</u>	<u>15,942</u>	<u>153,712</u>

Waste Exchange Services Limited

Notes to Financial Statements for the year ended 30 November 2000

..... continued

7. Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2000		1999	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Group				
Plant and machinery	12,350	650	5,456	963
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Company				
Plant and machinery	12,350	650	5,456	963
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. Fixed Asset Investments

Company	2000 £	1999 £
Subsidiary undertaking	2	-
	<u> </u>	<u> </u>

On 14 April 2000 the group acquired Adroit Chemicals Limited for a cash consideration of £2.

The principal business activity of the subsidiary undertaking is the sale of domestic cleaning products.

The group owns 100% of the ordinary share capital of the subsidiary undertaking and has full control.

The subsidiary undertaking was incorporated on 14 April 2000 and commenced to trade on 1 July 2000.

9. Stocks	2000 £	1999 £
Group		
Stocks	56,731	24,007
	<u> </u>	<u> </u>
Company		
Stocks	56,731	24,007
	<u> </u>	<u> </u>

Waste Exchange Services Limited

Notes to Financial Statements for the year ended 30 November 2000

..... continued

10. Debtors

	2000 £	1999 £
Group		
Trade debtors	406,147	300,123
Prepayments and accrued income	32,817	10,382
	<u>438,964</u>	<u>310,505</u>
Company		
Trade debtors	394,011	300,123
Amount owed by subsidiary undertaking	13,500	-
Prepayments and accrued income	32,817	10,382
	<u>440,328</u>	<u>310,505</u>

11. Creditors: amounts falling due within one year

	2000 £	1999 £
Group		
Bank overdraft (secured)	22,559	28,945
Bank loan (secured)	6,500	6,500
Net obligations under finance leases and hire purchase contracts	2,594	2,167
Trade creditors	363,973	215,024
Corporation tax	7,393	7,652
Other taxes and social security costs	21,007	20,716
Other creditors	9,853	2,000
Accruals and deferred income	112,273	48,276
	<u>546,152</u>	<u>331,280</u>
Company		
Bank overdraft (secured)	22,559	28,945
Bank loan (secured)	6,500	6,500
Net obligations under finance leases and hire purchase contracts	2,594	2,167
Trade creditors	356,190	215,024
Amounts owed to subsidiary undertaking	10,002	-
Corporation tax	6,983	7,652
Other taxes and social security costs	15,013	20,716
Other creditors	9,853	2,000
Accruals and deferred income	112,023	48,276
	<u>541,717</u>	<u>331,280</u>

Waste Exchange Services Limited

Notes to Financial Statements for the year ended 30 November 2000

..... continued

12. Creditors: amounts falling due after more than one year	2000 £	199 £
Group		
Bank loan (secured)	46,583	53,083
Net obligations under finance leases and hire purchase contracts	8,893	1,743
	<u>55,476</u>	<u>54,826</u>
Company		
Bank loan (secured)	46,583	53,083
Net obligations under finance leases and hire purchase contracts	8,893	1,743
	<u>55,476</u>	<u>54,826</u>

The bank loan repayable by instalments due after more than five years is £20,583 (1999 £27,083).

13. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	Provided	
	2000 £	1999 £
Group and Company		
Accelerated capital allowances	<u>21,866</u>	<u>14,660</u>

Movements on the provision for deferred taxation are:

	2000 £	1999 £
At 1 December 1999	14,660	11,542
Transferred from profit and loss account	7,206	3,118
At 30 November 2000	<u>21,866</u>	<u>14,660</u>

Waste Exchange Services Limited

**Notes to Financial Statements
for the year ended 30 November 2000**

..... continued

14. Accruals and deferred income	2000	1999	
	£	£	
Group and Company			
Deferred income	14,667	16,663	
	<u> </u>	<u> </u>	
15. Share capital	2000	1999	
	£	£	
Authorised			
100,000 Ordinary shares of £1 each	100,000	100,000	
	<u> </u>	<u> </u>	
Allotted, called up and fully paid			
118 Ordinary shares of £1 each	118	118	
	<u> </u>	<u> </u>	
16. Reserves			
	Share premium account	Profit and loss account	Total
	£	£	£
Group			
At 1 December 1999	42,946	77,039	119,985
Retained profit for the year	-	43,846	43,846
	<u> </u>	<u> </u>	<u> </u>
At 30 November 2000	42,946	120,885	163,831
	<u> </u>	<u> </u>	<u> </u>
Company			
At 1 December 1999	42,946	77,039	119,985
Retained profit for the year	-	41,270	41,270
	<u> </u>	<u> </u>	<u> </u>
At 30 November 2000	42,946	118,309	161,255
	<u> </u>	<u> </u>	<u> </u>

Waste Exchange Services Limited
Notes to Financial Statements
for the year ended 30 November 2000

..... continued

17. Leasing commitments

The company has an annual commitment under a lease of land and buildings of £12,000 (1999 £16,341) expiring between two to five years.

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

	2000 £	1999 £
- expiring within one year of the balance sheet date	3,412	7,277
- expiring between one and two years from the balance sheet date	4,965	3,412
- expiring between three and five years from the balance sheet date	11,484	4,965

18. Related party transactions

Mr I Stark is a shareholder in the company and is a director of Ascot International Plc. During the year the company entered into transactions at arms length with Ascot International Plc, making sales of £14,978 in the year and purchasing goods totalling £87,768. At 30 November 2000 Ascot International Plc owed the company £4,891 which is included in trade debtors and was owed £44,574 which is included in trade creditors.

19. Controlling parties

The group company is controlled by the director by virtue of his interest in the share capital of the company.