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Leigh Bardon Limited

Abbreviated financial statements for the period ended 31 December 1995

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Statement of directors' responsibilities for preparing financial statements

Company law requires the directors to prepare accounts for each financial year that 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 year. In preparing these accounts, the directors confirm that they have:

- selected suitable accounting policies and have applied them consistently;
- made judgements and estimates which are reasonable and prudent;
- prepared the accounts on a going concern basis.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



C J Horton
Company secretary
11 June 1996

**Report of the auditors to the directors of Leigh Bardon Limited
under schedule 8 paragraph 24 of the Companies Act 1985**

Respective responsibilities of directors and auditors

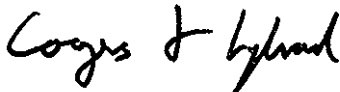
The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 1 and whether the abbreviated financial statements have been properly prepared in accordance with that schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. 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 annual financial statements.

Opinion

In our opinion the company is entitled to the exemptions conferred by Section A of Part III Schedule 8 to the Companies Act 1985 and that the abbreviated financial statements have been properly prepared in accordance with that schedule.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
Leicester: 11 June 1996

Other information

We reported as auditors of Leigh Bardon Limited to the members on 11 June 1996 on the company's annual financial statements prepared under section 226 of the Companies Act 1985 and our report was as follows:-

Report of the auditors to the members of Leigh Bardon Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors.

As described on page 3 the company's directors are 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.

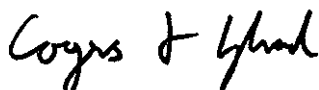
Basis of opinion

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 directors in the preparation of the financial statements, and of 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 the company's affairs at 31 December 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors

Leicester: 11 June 1996

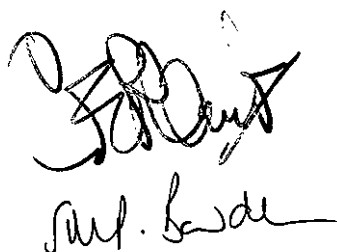
**Abbreviated balance sheet
at 31 December 1995**

	Notes	1995 £
Fixed assets		
Tangible fixed assets	2	3,525,885
Current assets		
Debtors	3	4,855
Creditors: amounts falling due within one year	4	(28,189)
Net current liabilities		<u>(23,334)</u>
Total assets less current liabilities		<u>3,502,551</u>
Capital and reserves		
Called up share capital	5	3,500,000
Profit and loss account		<u>2,551</u>
Equity shareholders' funds		<u>3,502,551</u>

The directors have taken advantage of the exemptions conferred by Section A Part III of Schedule 8 to the Companies Act 1985, on the grounds that, in the directors' opinion, as it meets the conditions, the company is entitled to benefit from those exemptions as a small company.

The financial statements on pages 4 to 7 were approved by the board of directors on 11 June 1996 and were signed on its behalf by:

G E Plant
S M P Bowden
Directors



Handwritten signatures of G E Plant and S M P Bowden.

**Notes to the abbreviated financial statements
for the year ended 31 December 1995**

1 Accounting policies

Fundamental accounting concept

The accounts have been prepared under the going concern concept, on the basis that firstly, the company will be successful in obtaining a licence for its existing waste disposal site and, secondly, that the joint venture partners have agreed to provide adequate funds for the company to meet its liabilities as they fall due.

Accounting convention

The accounts are prepared under the historical cost convention.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Fixed assets

Landfill sites are stated at cost less amounts written off. Costs incurred on the development of sites prior to their becoming operational are capitalised. Depreciation is provided to the extent that the capacity of each site is utilised in the period, commencing when the asset becomes operational.

Other fixed assets are stated at cost less depreciation which is charged on a straight line basis over their estimated useful life as follows:

Freehold buildings	50 years
Short leasehold land and buildings	Over the life of the void

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable a liability will crystallise.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

2 Tangible fixed assets

	Land and buildings £
Cost and net book value	
Additions during the period	3,525,885
At 31 December 1995	<u>3,525,885</u>

No depreciation has been charged as the site was not operational during the period.

3 Debtors

	1995 £
Other debtors	<u>4,855</u>

Included in debtors are amounts of £3,197 which are due after more than one year.

4 Creditors: amounts falling due within one year

	1995 £
Bank overdraft	2,124
Trade creditors	17,214
Corporation tax	4,048
Other taxation and social security	2,500
Accruals and deferred income	<u>2,303</u>
	<u>28,189</u>

Leigh Bardon Limited

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5 Share capital

	1995 £
Authorised	
2,500,000 "A" ordinary shares of £1 each	2,500,000
2,500,000 "B" ordinary shares of £1 each	2,500,000
	5,000,000
Allotted, called up and fully paid	
2,500,000 "A" ordinary shares of £1 each	2,500,000
Allotted and partially called up and paid	
2,500,000 "B" ordinary shares of £1 each	1,000,000
	3,500,000

During the period, the company issued two separate classes of shares to its joint venture investors in order to fund the development of its landfill site. The "A" ordinary shares of £1 each and the "B" ordinary shares of £1 each attract the same rights. The "A" shares are fully paid. The "B" shares are called up and paid to the extent of 40p per £1 share.