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FAVERDALE RECYCLING CENTRE LIMITED
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FAVERDALE NORTH, FAVERDALE INDUSTRIAL ESTATE
DARLINGTON

ACCOUNTS FOR THE YEAR ENDED
=====

31 JULY 2000
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FORTUNE & HARGREAVES
Chartered Accountants

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FAVERDALE RECYCLING CENTRE LIMITED
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REPORT AND ACCOUNTS
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FOR THE YEAR ENDED 31 JULY 2000
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CONTENTS	Page
Directors' report	1
Responsibilities of the directors	2
Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes	6-8
(For the information of the directors only)	
Trading and profit & loss account	9

FAVERDALE RECYCLING CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2000

DIRECTORS J A WARD

The directors present their report and the accounts for the year ended 31 July 2000.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be the recycling of waste products.

DIRECTORS' INTERESTS IN SHARES

The directors' shareholdings at the beginning and at the end of the year were as follows :-

	31 July 2000	31 July 1999
J A Ward	950	950

AUDITORS

In accordance with section 384 of the Companies Act 1985, a resolution proposing the reappointment of Fortune & Hargreaves as auditors to the company will be put to the Annual General Meeting.

Advantage has been taken in the preparation of the directors report of the special exemption conferred by Part II of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

By Order of the Board

MRS D WARD

Secretary
24 November 2000

Deborah Ward

FAVERDALE RECYCLING CENTRE LIMITED

RESPONSIBILITIES OF THE DIRECTORS

Company law requires the directors to prepare accounts 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 accounts, the directors have:

- (a) selected suitable accounting policies and applied them consistently;
- (b) made judgements and estimates that are reasonable and prudent;
- (c) followed applicable accounting standards; and
- (d) prepared the accounts on the going concern basis.

The directors are responsible for keeping proper 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 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.



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page 2

FAVERDALE RECYCLING CENTRE LIMITED

YEAR ENDED 31 JULY 2000

ACCOUNTANTS' REPORT

In accordance with the instructions given to us, we have prepared the attached accounts from the accounting records and from information and explanations given to us. We have not carried out an audit and accordingly express no opinion on the accounts.

24 November 2000

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2000

	Notes	£	£	1999 £
TURNOVER -	2			
Continuing operations			300,214	201,361
Change in stocks of finished goods and work-in-progress			-	-
Other operating income			-	-
			300,214	201,361
Raw materials and consumables		-		-
Other external charges		49,091		58,798
Staff costs		58,271		9,355
Depreciation		49,921		44,600
Other operating charges		(732)		-
			156,551	112,753
OPERATING PROFIT -			143,663	88,608
Continuing operations	4			
Other interest payable			(12,273)	(13,374)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX			131,390	75,234
Tax on profit on ordinary activities	5		29,995	16,150
RETAINED PROFIT FOR THE YEAR			£101,395	£59,084
RETAINED PROFITS				
Retained profit at 31 July 1999			80,775	21,691
RETAINED PROFIT FOR THE YEAR			101,395	59,084
Retained profit at 31 July 2000			£182,170	£80,775

The notes on pages 6 to 8 form part of these accounts

BALANCE SHEET

31 JULY 2000

	Notes	£	£	1999 £
FIXED ASSETS				
Tangible assets	6		414,897	422,351
CURRENT ASSETS	7	-		4,960
CREDITORS : amounts falling due within one year	8	125,778		228,209
NET CURRENT LIABILITIES			(125,778)	(223,249)
TOTAL ASSETS LESS CURRENT LIABILITIES			289,119	199,102
CREDITORS : amount falling due after more than one year	9		(105,949)	(117,327)
NET ASSETS			£183,170	£81,775
CAPITAL & RESERVES				
Called up share capital	11		1,000	1,000
Profit and loss account			182,170	80,775
SHAREHOLDERS' FUNDS			£183,170	£81,775

1. The directors acknowledge their responsibilities for ensuring the company keeps accounting records that comply with s221 and preparing accounts that give a true and fair view in accordance with s226 and otherwise comply with the Companies Act 1995.
2. The directors confirm the company was entitled to exemption from an audit under s249A(2) and no notice was deposited under s249B(2) in relation to these accounts.
3. Advantage has been taken in the preparation of the accounts of the special exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

Approved by the board on 24 November 2000
and signed on it's behalf by:

J A WARD



The notes on pages 6 to 8 form part of these accounts

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2000

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

DEPRECIATION

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows :

Freehold buildings	- over 10 years
Plant & machinery	-25%
Motor vehicles	-25%

DEFERRED TAXATION

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will crystallise. Advance corporation tax is carried forward to the extent that it is expected to be recovered.

GOVERNMENT GRANTS

Government grants received are treated as deferred credits and credited to profit and loss account over the estimated useful life of the relevant fixed assets.

2. TURNOVER

Turnover consists of the amount invoiced (excluding VAT) for goods and services during the year.

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2000

	2000	1999
3. OPERATING PROFIT		

This is stated after charging:

	£	£
Auditors' remuneration	900	750
Depreciation	49,921	44,600
Accountancy	3,240	3,068

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the year		
Corporation tax at 21%	26,314	16,150
Underprovision for previous years	3,681	-
	<u>£29,995</u>	<u>£16,150</u>

5. TANGIBLE FIXED ASSETS

	Freehold Land £	Freehold Land and buildings £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation:					
1 August 1999	20,657	293,833	130,152	25,039	469,681
Additions at cost	-	-	47,235	-	47,235
Disposals	-	-	(6,938)	-	(6,938)
31 July 2000	<u>20,657</u>	<u>293,833</u>	<u>170,449</u>	<u>25,039</u>	<u>509,978</u>
Depreciation:					
1 August 1999	-	8,510	32,560	6,260	47,330
Provision for year	-	5,780	37,881	6,260	49,921
Disposals	-	-	(2,170)	-	(2,170)
31 July 2000	<u>-</u>	<u>14,290</u>	<u>68,271</u>	<u>12,520</u>	<u>95,081</u>
Net book values:					
31 July 2000	<u>£20,657</u>	<u>£279,543</u>	<u>£102,178</u>	<u>£12,519</u>	<u>£414,897</u>
31 July 1999	<u>£20,657</u>	<u>£285,323</u>	<u>£97,592</u>	<u>£18,779</u>	<u>£422,351</u>

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2000

6. CURRENT ASSETS

Debtors	-	4,960
	-	£4,960

7. CREDITORS: amounts falling due within one year

Associated company loan	37,386	181,249
VAT	22,734	-
Corporation tax	35,558	16,150
Accruals	4,900	5,610
Bank loans	25,200	25,200
	£125,778	£228,209

8. CREDITORS: amounts falling due after more than one year

Long term bank loans	105,949	117,327
	£105,949	£117,327

The bank loan is repayable at the rate of £2100 per month.

9. DEFERRED TAXATION

The amount provided for deferred taxation is the entire potential amount calculated using the liability method.

10. SHARE CAPITAL

Authorised Shares of £1 each	£1,000	£1,000
Allotted, issued and fully paid Shares of £1 each	£1,000	£1,000

11. STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

OPERATING PROFIT	101,395	59,084
	£101,395	£59,084