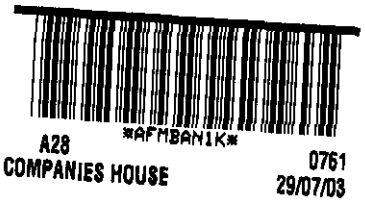
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ENVIROMEC LIMITED

UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002



CHANNON & CO
Chartered Accountants
& Consultants

ENVIROMEC LIMITED

UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

DIRECTORS AND ADVISERS

DIRECTORS

Mrs J C Cole
Mr C J Cole

COMPANY SECRETARY

Mrs J C Cole

REGISTERED NUMBER

4064521

REGISTERED OFFICE

Springbank Cottage
Southerton
Ottery St Mary
Devon
EX11 1SD

ACCOUNTANTS

Channon & Co
Chartered Accountants & Consultants
Kingfisher House
109 Queen Street
NEWTON ABBOT
Devon

INDEX TO ACCOUNTS

Page No.	
1	Report of the Director
2	Accountants Report
3	Profit and Loss Account
4	Balance Sheet
5 - 7	Notes to the Accounts

The following does not form part of the statutory accounts:-

8	Trading and Profit and Loss Account
9	Schedule of Overhead Expenses

ENVIROMEC LIMITED

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 30 SEPTEMBER 2002

The directors' submit their annual report for the year ended 30 September 2002.

Results

The loss after tax for the year amounted to £1,976 as shown on page 3.

Principal Activities

The company is principally engaged in waste management consultancy and property development.

Directors

The directors during the year under review and the shares in the company in which they were beneficially interested on incorporation and at the end of the year were:

	Ordinary shares of £1 each	
	30 September 2002	30 September 2001
Incorporation		
Mrs J C Cole	2	2
Mr C J Cole	-	-

Exemption

In preparing this report, the directors have taken advantage of the special exemptions available to small companies.

On behalf of the board

Date: 27 JULY 2003

ACCOUNTANTS' REPORT TO THE DIRECTORS

OF ENVIROMEC LIMITED

We report on the accounts for the year ended 30 September 2002 as set out on pages 3 to 7, which have been prepared under the accounting policies on page 5. We have not been required to audit these accounts.

Limitation of liability

Our responsibility for this report is only to the directors of the company. We accept no liability to any other party.

Respective responsibilities of the directors and accountants for the accounts

As described on page 4 the directors are responsible for the preparation of the accounts and consider that the company is exempt from an audit and does not require a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions and in order to assist you to fulfil your statutory responsibilities, we have prepared these accounts from the accounting records of the company and from the information and explanations supplied by you.

CHANNON & CO
Chartered Accountants
& Consultants

Kingfisher House
109 Queen Street
Newton Abbot
Devon
TQ12 2BG

Date: 28 JULY 2003 .

ENVIROMEC LIMITED

UNAUDITED PROFIT AND LOSS ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

	2002		2001	
	£	£	£	£
TURNOVER		**23,532**		35,487
Net operating expenses		**25,701**		16,300
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(2,169)**		19,187
Tax on (loss) / profit on ordinary activities		**193**		(1,793)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**(1,976)**		17,394
Dividends		**-**		-
(LOSS) ABSORBEC / PROFIT RETAINED FOR THE YEAR		**(1,976)**		17,394
RETAINED PROFIT BROUGHT FORWARD		**17,394**		-
RETAINED PROFIT CARRIED FORWARD		**15,418**		-

The company has neither acquired or commenced any new business activities in the year nor discontinued any operations.

There is no material difference between the loss for this year and the prior year profit as shown above and that on the historical cost basis.

The profit and loss account contains all the gains and losses recognised in the current and preceding year and the (loss absorbed) / profit retained in these years represents the only movement in shareholders' funds.

The notes set out on pages 5 to 7 form an integral part of these accounts.

ENVIROMEC LIMITED

UNAUDITED BALANCE SHEET

AS AT 30 SEPTEMBER 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		**12,404**		16,539
CURRENT ASSETS					
Debtors	6	**5,841**		3,677	
Cash at bank and in hand		**3,993**		10,295	
		9,834		13,972	
CREDITORS: Amounts falling due within one year	7	**6,818**		13,115	
NET CURRENT ASSETS			**3,016**		857
TOTAL ASSETS			**15,420**		17,396
CAPITAL AND RESERVES					
Called-up share capital	8		**2**		2
Profit and loss account			**15,418**		17,394
SHAREHOLDERS' FUND (EQUITY)	9		**15,420**		17,396

In the directors' opinion the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 30 September 2002. No notice from members requiring an audit has been deposited under section 249B(2).

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Small Entities (effective June 2002).

Approved by the board on

X

Director

Date: 27 JULY 2003

The notes set out on pages 5 to 7 form an integral part of these accounts.

ENVIROMEC LIMITED

NOTES TO THE UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

1 ACCOUNTING POLICIES

a Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b. Turnover

Turnover consists of invoiced sales net of returns, trade discounts and value added tax.

Income from government grants are credited to the profit and loss account as the related expenditure is incurred.

c. Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:-

Technical books	-	25% reducing balance
Equipment	-	25% reducing balance

d. Deferred taxation

Deferred taxation is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 OPERATING (LOSS) / PROFIT

	2002	2001
	£	£
Operating (loss) / profit is stated after charging:		
Net operating expenses including:		
Depreciation	**4,135**	5,511
Directors' emoluments	**4,160**	2,080

3 STAFF COSTS

	2002	2001
	£	£
The cost of employing staff, including the directors, was:		
Wages and salaries	**4,160**	2,080
Social Security Costs	**-**	-
	4,160	2,080

ENVIROMEC LIMITED

NOTES TO THE UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002

4 TAXATION

The tax credit / (charge) on the loss / profit on ordinary activities for the year was as follows:-

	2002 £	2001 £
UK corporation Tax	193	(1,793)

5 TANGIBLE FIXED ASSETS

	Van £	Machinery & Equipment £	Office Equipment & Computer £	Total £
COST				
At 1 October 2001	14,190	3,988	3,872	22,050
Additions	-	-	-	-
At 30 September 2002	**14,190**	**3,988**	**3,872**	**22,050**
DEPRECIATION				
At 1 October 2001	3,547	997	967	5,511
Charge for the year	2,661	748	726	4,135
At 30 September 2002	**6,208**	**1,745**	**1,693**	**9,646**
NET BOOK VALUE				
At 30 September 2002	**7,982**	**2,243**	**2,179**	**12,404**
At 30 September 2001	10,643	2,991	2,905	16,539

6 DEBTORS

	2002 £	2001 £
Trade debtors	5,484	3,677
Other debtors	357	-
	5,841	3,677

7 CREDITORS: Amounts falling due within one year

	2002 £	2001 £
UK Corporation tax	-	1,793
Tax and social security costs	524	811
Other creditors	6,294	10,511
	6,818	13,115

8 SHARE CAPITAL

	Number 2002	Value 2002 £	Number 2001	Value 2001 £
Authorised:				
Ordinary shares of £1 each	**100**	**100**	100	100
Allotted, called up and fully paid:				
Ordinary shares of £1 each	**2**	**2**	2	2

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Opening shareholders' fund	**17,396**	-
Loss for the financial year	**(1,976)**	17,394
New share capital subscribed	**-**	2
Closing shareholders' fund – equity	**15,420**	17,396

10 RELATED PARTY TRANSACTIONS

During the year the company was controlled by its directors and shareholders.

The directors' have provided working capital to the company throughout the year by way of their loan account. The balance at the end of the year was as follows:-

	2002 £	2001 £
C & J Cole	**4,994**	9,781