

Company Registration No. SC110121 (Scotland)

**BRIGGS ENVIRONMENTAL SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**



# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## COMPANY INFORMATION

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|                          |                                                                                                        |                          |
|--------------------------|--------------------------------------------------------------------------------------------------------|--------------------------|
| <b>Directors</b>         | R Briggs                                                                                               |                          |
|                          | D G Lawrie                                                                                             | (Appointed 1 June 2004)  |
|                          | R C Briggs                                                                                             |                          |
|                          | G Humphries                                                                                            | (Appointed 1 March 2005) |
| <b>Secretary</b>         | D E Grant                                                                                              |                          |
| <b>Company number</b>    | SC110121                                                                                               |                          |
| <b>Registered office</b> | Seaforth House<br>Seaforth Place<br>Burntisland<br>Fife<br>KY3 9AX                                     |                          |
| <b>Auditors</b>          | Morris & Young<br>Chartered Accountants & Registered Auditors<br>6 Atholl Crescent<br>Perth<br>PH1 5JN |                          |
| <b>Business address</b>  | Seaforth House<br>Seaforth Place<br>Burntisland<br>Fife<br>KY3 9AX                                     |                          |
| <b>Bankers</b>           | Clydesdale Bank<br>238 Union Street<br>Aberdeen<br>AB1 1TN                                             |                          |

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# BRIGGS ENVIRONMENTAL SERVICES LIMITED

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# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

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The directors present their report and financial statements for the year ended 31 March 2005.

### Principal activities and review of the business

The principal activity of the company continued to be that of providing pollution control and consultancy services.

The directors are pleased with the company's results for the year.

The results for the period sees a significant improvement on the previous year. These results are the result of the changes implemented during the year which included a new management structure and a focussed business strategy.

The directors expect these changes to continue to bear fruit with steady growth in the company performance.

### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

### Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

### Directors

The following directors have held office since 1 April 2004:

|             |                          |
|-------------|--------------------------|
| R Briggs    |                          |
| D E Grant   | (Resigned 30 June 2004)  |
| D G Lawrie  | (Appointed 1 June 2004)  |
| R C Briggs  |                          |
| G Humphries | (Appointed 1 March 2005) |
| A Middleton | (Resigned 30 June 2004)  |

### Directors' interests

The directors' interests in the shares of the company were as stated below:

|             | Ordinary shares of £ 1 each |              |
|-------------|-----------------------------|--------------|
|             | 31 March 2005               | 1 April 2004 |
| R Briggs    | -                           | -            |
| D G Lawrie  | -                           | -            |
| R C Briggs  | -                           | -            |
| G Humphries | -                           | -            |

The interests of the directors in the parent company, Briggs Commercial Limited are disclosed in that company's accounts.

| Charitable donations | 2005 | 2004 |
|----------------------|------|------|
|                      | £    | £    |

During the year the company made the following payments:

|                      |   |       |
|----------------------|---|-------|
| Charitable donations | - | 2,000 |
|----------------------|---|-------|

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# **BRIGGS ENVIRONMENTAL SERVICES LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005**

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### **Taxation status**

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### **Auditors**

Morris & Young were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

### **Directors' responsibilities**

Company law requires the directors 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 directors are required to:

- select suitable accounting policies and then 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.

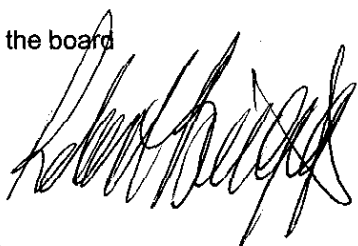
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

On behalf of the board

R Briggs

**Director**

27 July 2005



# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIGGS ENVIRONMENTAL SERVICES LIMITED

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We have audited the financial statements of Briggs Environmental Services Limited on pages 4 to 19 for the year ended 31 March 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

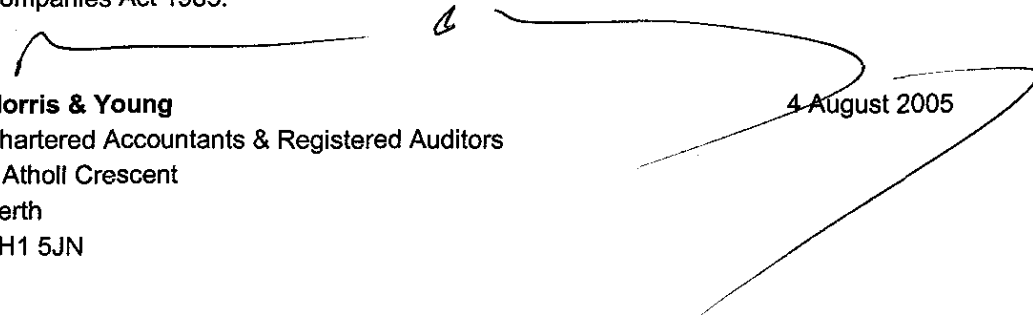
### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Morris & Young**  
Chartered Accountants & Registered Auditors  
6 Atholl Crescent  
Perth  
PH1 5JN

4 August 2005

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

|                                                                 |       |           | 2005             | 2004               |
|-----------------------------------------------------------------|-------|-----------|------------------|--------------------|
|                                                                 | Notes |           | £                | as restated<br>£   |
| <b>Turnover</b>                                                 |       |           |                  |                    |
| Company and share of joint ventures                             | 2     | 8,862,071 | 7,332,488        |                    |
| Less: share of joint venture                                    |       | 4,189,708 | 2,708,111        |                    |
|                                                                 |       |           | <u>4,672,363</u> | <u>4,624,377</u>   |
| Cost of sales                                                   |       |           | (4,272,573)      | (4,496,777)        |
| <b>Gross profit</b>                                             |       |           | <u>399,790</u>   | <u>127,600</u>     |
| Administrative expenses                                         |       |           | (1,108,639)      | (1,469,053)        |
| Other operating income                                          |       |           | 70,000           | 40,883             |
| <b>Operating loss</b>                                           | 3     |           | <u>(638,849)</u> | <u>(1,300,570)</u> |
| Share of operating profit in joint ventures                     |       |           | 1,315,295        | 620,728            |
|                                                                 |       |           | <u>676,446</u>   | <u>(679,842)</u>   |
| Interest payable and similar charges                            | 5     |           | <u>(33,455)</u>  | <u>(25,899)</u>    |
| <b>Profit/(loss) on ordinary activities<br/>before taxation</b> |       |           | 642,991          | (705,741)          |
| Tax on profit/(loss) on ordinary<br>activities*                 | 6     |           | <u>(543,846)</u> | <u>(197,145)</u>   |
| <b>Profit/(loss) on ordinary activities<br/>after taxation</b>  |       |           | 99,145           | (902,886)          |
| Dividends                                                       | 7     |           | -                | (1,000,000)        |
| <b>Retained profit/(loss)</b>                                   | 15    |           | <u>99,145</u>    | <u>(1,902,886)</u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

### \* Tax relates to the following

|                |         |
|----------------|---------|
| Company        | 112,889 |
| Joint Ventures | 430,957 |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

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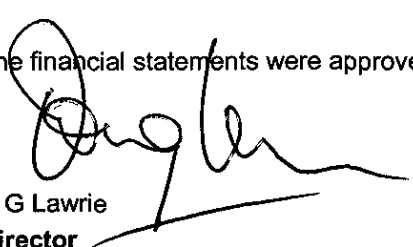
|                                                                         | 2005<br>£      | 2004<br>£        |
|-------------------------------------------------------------------------|----------------|------------------|
| Profit/(loss) for the financial year                                    | 99,145         | (902,886)        |
| Currency translation differences on foreign<br>currency net investments | 39,257         | (23,014)         |
| Total recognised gains and losses relating to the year                  | <u>138,402</u> | <u>(925,900)</u> |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## BALANCE SHEET AS AT 31 MARCH 2005

|                                                       | Notes | 2005<br>£        | £ | 2004<br>£        | £ |
|-------------------------------------------------------|-------|------------------|---|------------------|---|
| <b>Fixed assets</b>                                   |       |                  |   |                  |   |
| Tangible assets                                       | 8     | 548,137          |   | 634,756          |   |
| <b>Investments in joint ventures:</b>                 | 9     |                  |   |                  |   |
| Share of gross assets                                 |       | 2,307,959        |   | 1,407,578        |   |
| Share of gross liabilities                            |       | (876,810)        |   | (701,044)        |   |
|                                                       |       | <u>1,431,149</u> |   | <u>706,534</u>   |   |
|                                                       |       | 1,979,286        |   | 1,341,290        |   |
| <b>Current assets</b>                                 |       |                  |   |                  |   |
| Stocks                                                | 10    | 326,341          |   | 334,261          |   |
| Debtors                                               | 11    | 1,630,203        |   | 4,025,592        |   |
| Cash at bank and in hand                              |       | 85,961           |   | 10,465           |   |
|                                                       |       | <u>2,042,505</u> |   | <u>4,370,318</u> |   |
| <b>Creditors: amounts falling due within one year</b> | 12    | (2,504,185)      |   | (4,332,404)      |   |
| <b>Net current (liabilities)/assets</b>               |       | <u>(461,680)</u> |   | <u>37,914</u>    |   |
| <b>Total assets less current liabilities</b>          |       | <u>1,517,606</u> |   | <u>1,379,204</u> |   |
| <b>Capital and reserves</b>                           |       |                  |   |                  |   |
| Called up share capital                               | 14    | 1,000            |   | 1,000            |   |
| Other reserves                                        | 15    | (319,782)        |   | (359,039)        |   |
| Profit and loss account                               | 15    | 1,836,388        |   | 1,737,243        |   |
| <b>Shareholders' funds - equity interests</b>         | 16    | <u>1,517,606</u> |   | <u>1,379,204</u> |   |

The financial statements were approved by the Board on 27 July 2005

  
D G Lawrie  
Director

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

|                                                                                      | 2005     |             | 2004     |             |
|--------------------------------------------------------------------------------------|----------|-------------|----------|-------------|
|                                                                                      | £        | £           | £        | £           |
| <b>Net cash (outflow)/inflow from operating activities</b>                           |          | (1,106,473) |          | 1,354,582   |
| <b>Returns on investments and servicing of finance</b>                               |          |             |          |             |
| Interest paid                                                                        | (33,455) |             | (25,899) |             |
| Dividends received from joint ventures                                               | 198,980  |             | 333,160  |             |
|                                                                                      |          |             |          |             |
| <b>Net cash inflow for returns on investments and servicing of finance</b>           |          | 165,525     |          | 307,261     |
| <b>Taxation</b>                                                                      |          | (62,668)    |          | (108,363)   |
| <b>Capital expenditure</b>                                                           |          |             |          |             |
| Payments to acquire tangible assets                                                  | (61,952) |             | (60,193) |             |
| Receipts from sales of tangible assets                                               | 66,551   |             | -        |             |
|                                                                                      |          |             |          |             |
| <b>Net cash inflow/(outflow) for capital expenditure</b>                             |          | 4,599       |          | (60,193)    |
| <b>Equity dividends paid</b>                                                         |          | -           |          | (1,000,000) |
|                                                                                      |          |             |          |             |
| <b>Net cash (outflow)/inflow before management of liquid resources and financing</b> |          | (999,017)   |          | 493,287     |
|                                                                                      |          |             |          |             |
| <b>(Decrease)/increase in cash in the year</b>                                       |          | (999,017)   |          | 493,287     |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

| 1 | Reconciliation of operating loss to net cash (outflow)/inflow from operating activities | 2005               | 2004             |
|---|-----------------------------------------------------------------------------------------|--------------------|------------------|
|   |                                                                                         | £                  | £                |
|   | Operating loss                                                                          | (638,849)          | (1,300,570)      |
|   | Depreciation of tangible assets                                                         | 71,651             | 78,111           |
|   | Loss on disposal of tangible assets                                                     | 10,369             | 40,906           |
|   | Decrease in stocks                                                                      | 7,920              | 380,909          |
|   | Decrease in debtors                                                                     | 2,450,878          | 782,405          |
|   | (Decrease)/Increase in creditors within one year                                        | (3,008,442)        | 1,372,821        |
|   | <b>Net cash (outflow)/inflow from operating activities</b>                              | <b>(1,106,473)</b> | <b>1,354,582</b> |

| 2 | Analysis of net debt     | 1 April 2004     | Cash flow        | Other non-cash changes | 31 March 2005      |
|---|--------------------------|------------------|------------------|------------------------|--------------------|
|   |                          | £                | £                | £                      | £                  |
|   | Net cash:                |                  |                  |                        |                    |
|   | Cash at bank and in hand | 10,465           | 75,496           | -                      | 85,961             |
|   | Bank overdrafts          | (200,829)        | (1,074,513)      | -                      | (1,275,342)        |
|   |                          | <u>(190,364)</u> | <u>(999,017)</u> | <u>-</u>               | <u>(1,189,381)</u> |
|   | <b>Net debt</b>          | <b>(190,364)</b> | <b>(999,017)</b> | <b>-</b>               | <b>(1,189,381)</b> |

| 3 | Reconciliation of net cash flow to movement in net debt | 2005               | 2004             |
|---|---------------------------------------------------------|--------------------|------------------|
|   |                                                         | £                  | £                |
|   | (Decrease)/increase in cash in the year                 | (999,017)          | 493,287          |
|   | <b>Movement in net debt in the year</b>                 | <b>(999,017)</b>   | <b>493,287</b>   |
|   | Opening net debt                                        | (190,364)          | (683,651)        |
|   | <b>Closing net debt</b>                                 | <b>(1,189,381)</b> | <b>(190,364)</b> |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |                                               |
|--------------------------------|-----------------------------------------------|
| Land and buildings freehold    | None                                          |
| Land and buildings leasehold   | None                                          |
| Fixtures, fittings & equipment | 10 - 15% Reducing balance & 33% Straight line |
| Motor vehicles                 | 25% Reducing balance                          |

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and 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 a constant periodic rate of charge on the net obligation 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 and work in progress are valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### 1.8 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 1 Accounting policies

(continued)

#### 1.10 Liquid resources

Included in liquid resources are current asset investments held as readily disposable stores of value. There has been no change in the definition of liquid resources during the year.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity.

The segmental analysis by geographical area is disclosed in the group accounts.

| 3 | Operating loss                                 | 2005<br>£         | 2004<br>£         |
|---|------------------------------------------------|-------------------|-------------------|
|   | Operating loss is stated after charging:       |                   |                   |
|   | Depreciation of tangible assets                | 71,651            | 78,111            |
|   | Loss on disposal of tangible assets            | 10,369            | 40,906            |
|   | Loss on foreign exchange transactions          | 38,671            | 43,508            |
|   | Operating lease rentals                        | 283,273           | 380,915           |
|   | Auditors' remuneration                         | 3,000             | 3,000             |
|   | and after crediting:                           |                   |                   |
|   | Profit on foreign exchange transactions        | (556)             | (67,289)          |
|   |                                                | <u>          </u> | <u>          </u> |
| 4 | Investment income                              | 2005<br>£         | 2004<br>£         |
|   | Income from participating interests            | 198,980           | 452,955           |
|   |                                                | <u>          </u> | <u>          </u> |
| 5 | Interest payable                               | 2005<br>£         | 2004<br>£         |
|   | On bank loans and overdrafts                   | 3,366             | 21,285            |
|   | On other loans wholly repayable within 5 years | -                 | 1,200             |
|   | Hire purchase interest                         | 10,055            | -                 |
|   | On overdue tax                                 | 20,034            | 3,414             |
|   |                                                | <u>          </u> | <u>          </u> |
|   |                                                | 33,455            | 25,899            |
|   |                                                | <u>          </u> | <u>          </u> |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

| 6 | Taxation                                                                                                             | 2005<br>£ | 2004<br>£ |
|---|----------------------------------------------------------------------------------------------------------------------|-----------|-----------|
|   | <b>Domestic current year tax</b>                                                                                     |           |           |
|   | Adjustment for prior years                                                                                           | 112,889   | 21,171    |
|   | <b>Current tax charge</b>                                                                                            | 112,889   | 21,171    |
|   | <b>Deferred tax</b>                                                                                                  |           |           |
|   | Deferred tax charge/credit current year                                                                              | -         | (71,668)  |
|   |                                                                                                                      | 112,889   | (50,497)  |
|   | <b>Factors affecting the tax charge for the year</b>                                                                 |           |           |
|   | Loss on ordinary activities before taxation                                                                          | (473,324) | (873,514) |
|   | Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2004: 0.00%) | -         | -         |
|   | Effects of:                                                                                                          |           |           |
|   | Adjustments to previous periods                                                                                      | 112,889   | 21,171    |
|   |                                                                                                                      | 112,889   | 21,171    |
|   | <b>Current tax charge</b>                                                                                            | 112,889   | 21,171    |

The company has estimated losses of £ 1,485,819 (2004: £ 1,323,487) available for carry forward against future trading profits.

| 7 | Dividends             | 2005<br>£ | 2004<br>£ |
|---|-----------------------|-----------|-----------|
|   | Ordinary interim paid | -         | 1,000,000 |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 8 Tangible fixed assets

|                       | Land and<br>buildings<br>freehold<br>£ | Land and<br>buildings<br>leasehold<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|-----------------------|----------------------------------------|-----------------------------------------|-------------------------------------------|------------------------|------------|
| <b>Cost</b>           |                                        |                                         |                                           |                        |            |
| At 1 April 2004       | 64,662                                 | 2,000                                   | 798,794                                   | 117,502                | 982,958    |
| Additions             | -                                      | 20,968                                  | 18,757                                    | 22,227                 | 61,952     |
| Disposals             | (64,551)                               | (2,000)                                 | (20,309)                                  | -                      | (86,860)   |
| At 31 March 2005      | 111                                    | 20,968                                  | 797,242                                   | 139,729                | 958,050    |
| <b>Depreciation</b>   |                                        |                                         |                                           |                        |            |
| At 1 April 2004       | 111                                    | -                                       | 277,835                                   | 70,256                 | 348,202    |
| On disposals          | -                                      | -                                       | (9,940)                                   | -                      | (9,940)    |
| Charge for the year   | -                                      | -                                       | 58,450                                    | 13,201                 | 71,651     |
| At 31 March 2005      | 111                                    | -                                       | 326,345                                   | 83,457                 | 409,913    |
| <b>Net book value</b> |                                        |                                         |                                           |                        |            |
| At 31 March 2005      | -                                      | 20,968                                  | 470,897                                   | 56,272                 | 548,137    |
| At 31 March 2004      | 64,551                                 | 2,000                                   | 520,959                                   | 47,246                 | 634,756    |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 9 Fixed asset investments

#### Interests in joint ventures:

##### Cost

Company's share of post-acquisition reserves:

|                                                 |                  |
|-------------------------------------------------|------------------|
| At 1 April 2004                                 | 706,534          |
| Exchange adjustment                             | 39,257           |
| Share issue                                     | -                |
| Share of retained profits/(losses) for the year | 685,358          |
|                                                 | <u>1,431,149</u> |
| At 31 March 2005                                | <u>1,431,149</u> |

#### Fixed asset investments - other

Alpina Briggs Defesa Ambiental S.A.

Alpina Briggs Defesa Ambiental S.A. provides pollution control services. The company owns 33 1/3% of the common share capital of the company.

Accounts for the year ended 31 March 2005

|                   |           |
|-------------------|-----------|
| Share of turnover | 4,090,924 |
|-------------------|-----------|

|                            |           |
|----------------------------|-----------|
| Share of profit before tax | 1,229,544 |
| Taxation                   | (430,957) |

|                  |                |
|------------------|----------------|
| Profit after tax | <u>798,587</u> |
|------------------|----------------|

#### Share of assets

|                |                  |
|----------------|------------------|
| Fixed assets   | 360,631          |
| Current assets | 1,698,497        |
|                | <u>2,059,128</u> |

#### Share of liabilities

|                              |                  |
|------------------------------|------------------|
| Due within one year or less  | (606,272)        |
| Due after more than one year | (146,319)        |
|                              | <u>(752,591)</u> |

|                     |                  |
|---------------------|------------------|
| Share of net assets | <u>1,306,537</u> |
|---------------------|------------------|

#### Fixed asset investments - other

Briggs Egypt Marine Environmental Services

Briggs Egypt Marine Environmental Services provides pollution control services. The company owns 50% of the share capital of the company.

Accounts for the year ended 31 March 2005

|                   |               |
|-------------------|---------------|
| Share of turnover | <u>98,784</u> |
|-------------------|---------------|

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

|                              |                  |
|------------------------------|------------------|
| Share of profit before tax   | 85,751           |
| Taxation                     | -                |
| Profit after tax             | <u>85,751</u>    |
| Share of assets              |                  |
| Fixed assets                 | 95,267           |
| Current assets               | 153,565          |
|                              | <u>248,832</u>   |
| Share of liabilities         |                  |
| Due within one year or less  | (124,220)        |
| Due after more than one year | -                |
|                              | <u>(124,220)</u> |
| Share of net assets          | <u>124,612</u>   |

### 10 Stocks and work in progress

|                                     | 2005<br>£      | 2004<br>£      |
|-------------------------------------|----------------|----------------|
| Work in progress                    | 242,710        | 248,586        |
| Finished goods and goods for resale | 83,631         | 85,675         |
|                                     | <u>326,341</u> | <u>334,261</u> |

### 11 Debtors

|                                                           | 2005<br>£        | 2004<br>£        |
|-----------------------------------------------------------|------------------|------------------|
| Trade debtors                                             | 635,054          | 1,020,029        |
| Amounts owed by parent and fellow subsidiary undertakings | 96,676           | 2,069,701        |
| Corporation tax                                           | 246,077          | 190,588          |
| Other debtors                                             | 587,211          | 549,583          |
| Prepayments and accrued income                            | 65,185           | 195,691          |
|                                                           | <u>1,630,203</u> | <u>4,025,592</u> |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

| 12 Creditors: amounts falling due within one year         | 2005<br>£        | 2004<br>£        |
|-----------------------------------------------------------|------------------|------------------|
| Bank loans and overdrafts                                 | 1,275,342        | 200,829          |
| Trade creditors                                           | 335,983          | 439,278          |
| Amounts owed to parent and fellow subsidiary undertakings | 42,659           | 93,788           |
| Amounts owed to subsidiary undertakings                   | -                | 2,798,831        |
| Corporation tax                                           | 105,710          | -                |
| Other taxes and social security costs                     | 85,035           | 159,413          |
| Other creditors                                           | 211,545          | 453,961          |
| Accruals and deferred income                              | 447,911          | 186,304          |
|                                                           | <u>2,504,185</u> | <u>4,332,404</u> |

The bank overdraft is secured by means of a floating charge over the assets of the company.

### 13 Pension costs

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

|                                                   | 2005<br>£     | 2004<br>£     |
|---------------------------------------------------|---------------|---------------|
| Contributions payable by the company for the year | <u>29,769</u> | <u>40,901</u> |

| 14 Share capital                          | 2005<br>£    | 2004<br>£    |
|-------------------------------------------|--------------|--------------|
| <b>Authorised</b>                         |              |              |
| 1,000 Ordinary shares of £1 each          | <u>1,000</u> | <u>1,000</u> |
| <b>Allotted, called up and fully paid</b> |              |              |
| 1,000 Ordinary shares of £1 each          | <u>1,000</u> | <u>1,000</u> |

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

### 15 Statement of movements on reserves

|                                          | Other<br>reserves<br>(see below)<br>£ | Profit and<br>loss<br>account<br>£ |
|------------------------------------------|---------------------------------------|------------------------------------|
| Balance at 1 April 2004                  | (359,039)                             | 1,737,243                          |
| Retained profit for the year             | -                                     | 99,145                             |
| Foreign currency translation differences | 39,257                                | -                                  |
|                                          | <u>(319,782)</u>                      | <u>1,836,388</u>                   |
| Balance at 31 March 2005                 | <u>(319,782)</u>                      | <u>1,836,388</u>                   |

#### Other reserves

##### Exchange reserves

|                                          |                  |
|------------------------------------------|------------------|
| Balance at 1 April 2004                  | (359,039)        |
| Foreign currency translation differences | 39,257           |
|                                          | <u>(319,782)</u> |
| Balance at 31 March 2005                 | <u>(319,782)</u> |

### 16 Reconciliation of movements in shareholders' funds

|                                                    | 2005<br>£        | 2004<br>£          |
|----------------------------------------------------|------------------|--------------------|
| Profit/(Loss) for the financial year               | 99,145           | (902,886)          |
| Dividends                                          | -                | (1,000,000)        |
|                                                    | <u>99,145</u>    | <u>(1,902,886)</u> |
| Other recognised gains and losses                  | 39,257           | (23,014)           |
|                                                    | <u>138,402</u>   | <u>(1,925,900)</u> |
| Net addition to/(depletion in) shareholders' funds | 138,402          | (1,925,900)        |
| Opening shareholders' funds                        | 1,379,204        | 3,305,104          |
|                                                    | <u>1,517,606</u> | <u>1,379,204</u>   |
| Closing shareholders' funds                        | <u>1,517,606</u> | <u>1,379,204</u>   |

### 17 Contingent liabilities

The company's bankers hold a floating charge over the assets of the company which also serves to guarantee the borrowings of the parent company Briggs Commercial Limited and the other members of the group.

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

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### 18 Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

|                    | <b>Land and buildings</b> |                |
|--------------------|---------------------------|----------------|
|                    | <b>2005</b>               | <b>2004</b>    |
|                    | <b>£</b>                  | <b>£</b>       |
| Expiry date:       |                           |                |
| Within one year    | 116,890                   | 116,890        |
| In over five years | 113,189                   | 72,825         |
|                    | <u>230,079</u>            | <u>189,715</u> |

### 19 Directors' emoluments

|                                                         | <b>2005</b>   | <b>2004</b>    |
|---------------------------------------------------------|---------------|----------------|
|                                                         | <b>£</b>      | <b>£</b>       |
| Emoluments for qualifying services                      | 14,440        | 131,317        |
| Company pension contributions to money purchase schemes | 2,970         | 10,458         |
|                                                         | <u>17,410</u> | <u>141,775</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004- 2).

# BRIGGS ENVIRONMENTAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

|                             | 2005<br>Number | 2004<br>Number |
|-----------------------------|----------------|----------------|
| Production & sales          | 46             | 54             |
| Management & administration | 10             | 12             |
|                             | <u>56</u>      | <u>66</u>      |

#### Employment costs

|                       | £                | £                |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,765,201        | 2,226,444        |
| Social security costs | 159,143          | 175,274          |
| Other pension costs   | 29,769           | 40,901           |
|                       | <u>1,954,113</u> | <u>2,442,619</u> |

### 21 Restatement of Profit & Loss Account

The Directors have reviewed the costs in the business which has resulted in a re-allocation between administrative expenses and cost of sales. The profit effect of these re-allocations is nil.

### 22 Control

The ultimate parent company is Briggs Commercial Limited, a company registered in Scotland.

Briggs Commercial Limited prepares group financial statements and copies can be obtained from Companies House, 37 Castle Terrace, Edinburgh

# **BRIGGS ENVIRONMENTAL SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005**

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### **23 Related party transactions**

The company is exempt from disclosing the transactions with the other members of the group as it is a wholly owned subsidiary and group accounts are prepared.

During the year the company has been charged rent of £96,000 for the warehouse in Baku to Briggs Commercial Limited Pension Scheme. There is £120,000 due to Briggs Commercial Limited Pension Scheme at the year end.

During the year the company has paid expenses of £256,805 on behalf of Briggs Spilfyter Limited, a company that is a joint venture of Briggs Commercial Limited. The company has received funds of £12,252 on behalf of Briggs Spilfyter Limited. These transactions have been entered in a loan account and the balance due by Briggs Spilfyter Limited at the period end is £444,988. Briggs Spilfyter Limited has supplied goods of £44,626 to the company. There is a balance in trade creditors of £184,210 due to Briggs Spilfyter Limited. No provisions have been made against any of the debts due from the related parties identified nor have any amounts been written off in the year in respect of debts due to or from related parties.