

Company Registration No SC110121 (Scotland)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2007

THURSDAY



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COMPANIES HOUSE

BRIGGS ENVIRONMENTAL SERVICES LIMITED

DIRECTORS AND ADVISERS

Directors	R Briggs G Crookston R C Briggs G Humphries	(Appointed 31 August 2006)
Secretary	G A T Clarkson	
Company number	SC110121	
Registered office	Seaforth House Seaforth Place Burntisland Fife KY3 9AX	
Registered auditors	Morris & Young Chartered Accountants & Registered Auditors 6 Atholl Crescent Perth PH1 5JN	
Business address	Seaforth House Seaforth Place Burntisland Fife KY3 9AX	
Bankers	Clydesdale Bank 238 Union Street Aberdeen AB1 1TN	

BRIGGS ENVIRONMENTAL SERVICES LIMITED

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BRIGGS ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and financial statements for the year ended 31 March 2007

Directors

The following directors have held office since 1 April 2006

R Briggs

G Crookston

(Appointed 31 August 2006)

D G Lawrie

(Resigned 30 June 2006)

R C Briggs

G Humphries

Principal activities and review of the business

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

Performance Review

Turnover for the year, including share of joint ventures, of £9.2 million was up 7% on the previous year. During the year, revenues from our joint ventures in Brazil and Egypt were slightly lower, but revenues from company trading increased by in excess of 30%. The company returned to a trading profit, generating a gross profit percentage of 2% in 2006/07 compared to 12% loss in the previous financial year. Return on capital employed for the period was 0.1%.

Market Developments

The company is continuing to develop its business in the UK from the loss position of the previous year, and we expect the results in 2007/2008 to further reflect that progress. A number of new opportunities have been identified, in particular overseas. The joint ventures in Egypt and Brazil continue to do well, and the Brazilian contract has been renewed for a further 6 years following a competitive tender process. Additionally, we have established a new joint venture in Malta, for which the early signs are very encouraging.

Business Risks

With regard to our Environmental Services activities in the UK, utilisation of the workforce is the key to profitability in this area. Most of the revenue generated in this area is on a call out basis and subject to significant fluctuations. We are progressively offering an extended supply chain to clients, encompassing a full range of services, and thereby reducing the risk of low utilization. The joint venture operations are stable following the renewal of the core contract.

Trading

The results in the year are encouraging, and are a consequence of the management effort which has been applied to improve the UK trading position, which is reflected in the significant increase in trading turnover. In addition, the existing joint ventures overseas continue to prosper, and opportunities are arising in new geographical markets.

BRIGGS ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

Health & Safety

Health and Safety is a key foundation upon which we build in every area of our business. During the past 12 months the Board has continued to focus a significant effort in monitoring and improving our health and safety performance, including the appointment of a new Health, Safety and Quality Manager. For the period April 2006 to March 2007 our Incident Frequency Rate (IFR) was 0.6 per 100,000 man hours.

The target for the next 12 months is to continuously improve our performance in all areas of health and safety.

Corporate Responsibility

The Briggs Group is currently in the process of compiling a comprehensive Corporate and Social Responsibility Policy. It will be aligned to an agreed set of core values which will be the foundation of our long term principles and Group Tenets of operation. This is a high priority within the company and is being championed by the Chairman and Managing Director. Briggs understands that it not only has a responsibility for all its employees' well being, but also that of the community as a whole.

The policy will incorporate Health and Safety, Service Delivery, Business and Energy Efficiency, Environmental Management, Sustainability, Workplace, Training and Development, and Business Ethics. Each area will have clearly defined Standards of Performance and Key Performance Indicators set, and these will be monitored and reported to the Board on a frequent basis.

Headcount

The permanent headcount has slightly decreased over the year, as we continue to increase efficiency. We have brought in temporary employees to cover the peak requirements in our marine operations as required, which is the most cost effective way of delivering our business. The total headcount, including contract staff, as at 31 March 2007 was 84 excluding our joint ventures in Egypt, Brazil and Malta (31 March 2006 = 87).

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

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.

BRIGGS ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



R Briggs

Director

25 January 2008

BRIGGS ENVIRONMENTAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BRIGGS ENVIRONMENTAL SERVICES LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Briggs Environmental Services Limited for the year ended 31 March 2007 set out on pages 6 to 27. These financial statements have been prepared under 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 auditors' 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 group's and 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.

BRIGGS ENVIRONMENTAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BRIGGS ENVIRONMENTAL SERVICES LIMITED

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the directors' report is consistent with the financial statements



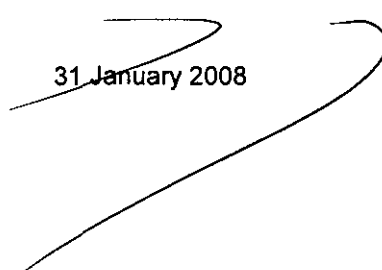
Morris & Young

Chartered Accountants & Registered Auditors

6 Atholl Crescent

PERTH

PH1 5JN



31 January 2008

BRIGGS ENVIRONMENTAL SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Turnover	2		
Group and share of joint ventures		9,158,009	8,581,372
Less share of joint venture		(4,304,773)	(4,938,538)
Group turnover		4,853,236	3,642,834
Cost of sales		(4,738,860)	(3,986,891)
Gross profit/(loss)		114,376	(344,057)
Administrative expenses		(823,791)	(1,249,501)
Other operating income			3,300
Group operating loss	3	(709,415)	(1,590,258)
Share of operating profit in Joint ventures		1,345,954	1,011,140
		636,539	(579,118)
Interest payable and similar charges	4		(17,028)
(Loss)/Profit on ordinary activities before taxation		636,539	(596,146)
Tax on (loss)/profit on ordinary activities*	5	(276,972)	(331,967)
(Loss)/profit on ordinary activities after taxation		359,567	(928,113)

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

***Tax relates to the following.**

Parent and subsidiaries

Joint Ventures 276,972

BRIGGS ENVIRONMENTAL SERVICES LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2007

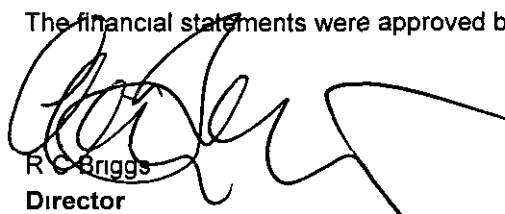
	2007 £	2006 £
(Loss)/profit for the financial year	359,567	(928,113)
Currency translation differences on foreign currency net investments	(82,404)	279,004
Total recognised gains and losses relating to the year	<u>277,163</u>	<u>(649,109)</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

BALANCE SHEETS AS AT 31 MARCH 2007

		Group 2007	2006	Company 2007	2006
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7	793,353	888,839	793,353	888,839
Investments	8			2	2
		<u>793,353</u>	<u>888,839</u>	<u>793,355</u>	<u>888,841</u>
Investments in joint ventures	8				
Share of gross assets		2,654,330	2,243,767	2,067,793	2,021,464
Share of gross liabilities		(1,225,490)	(848,972)	(843,582)	(823,584)
		<u>2,222,193</u>	<u>2,283,634</u>	<u>2,017,566</u>	<u>2,086,721</u>
Current assets					
Stocks	9	690,626	259,066	690,626	259,066
Debtors	10	2,035,532	1,257,344	1,452,503	1,088,914
Cash at bank and in hand		420,134	23,037	420,134	23,037
		<u>3,146,292</u>	<u>1,539,447</u>	<u>2,563,263</u>	<u>1,371,017</u>
Creditors' amounts falling due within one year	11	(4,222,823)	(2,954,582)	(4,017,450)	(2,749,209)
Net current liabilities		<u>(1,076,531)</u>	<u>(1,415,135)</u>	<u>(1,454,187)</u>	<u>(1,378,192)</u>
Total assets less current liabilities		<u>1,145,662</u>	<u>868,499</u>	<u>563,379</u>	<u>708,529</u>
Capital and reserves					
Called up share capital	13	1,000	1,000	1,000	1,000
Other reserves	14	(123,182)	(40,778)	(94,642)	(32,648)
Profit and loss account	14	1,267,844	908,277	657,021	740,177
Shareholders' funds equity interests	15	<u>1,145,662</u>	<u>868,499</u>	<u>563,379</u>	<u>708,529</u>

The financial statements were approved by the board on 25 January 2008


R C Briggs
Director

BRIGGS ENVIRONMENTAL SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	2007		2006	
	£	£	£	£
Net cash outflow from operating activities		(1,135,258)		(839,547)
Returns on investments and servicing of finance				
Interest paid			(17,028)	
Dividends received from joint ventures	953,212		994,531	
	<u>953,212</u>		<u>994,531</u>	
Net cash inflow for returns on investments and servicing of finance		953,212		977,503
Taxation		(33,854)		(57,849)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(27,741)		(468,386)	
Payments to acquire investments	(679)			
Receipts from sales of tangible assets	25,944		7,939	
	<u>(2,476)</u>		<u>(460,447)</u>	
Net cash outflow for capital expenditure		(2,476)		(460,447)
Net cash outflow before management of liquid resources and financing		(218,376)		(380,340)
Decrease in cash in the year		<u>(218,376)</u>		<u>(380,340)</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

1	Reconciliation of operating loss to net cash outflow from operating activities	2007	2006		
		£	£		
	Operating loss	(709,415)	(1,590,258)		
	Depreciation of tangible assets	99,510	119,745		
	Profit on disposal of tangible assets	(2,227)			
	(Increase)/decrease in stocks	(431,560)	67,275		
	(Increase)/decrease in debtors	(744,334)	512,336		
	Increase in creditors within one year	652,768	51,355		
	Net cash outflow from operating activities	(1,135,258)	(839,547)		
2	Analysis of net debt	1 April 2006	Cash flow	Other non cash changes	31 March 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	23,037	397,097		420,134
	Bank overdrafts	(1,592,758)	(615,473)		(2,208,231)
		(1,569,721)	(218,376)		(1,788,097)
	Net debt	(1,569,721)	(218,376)		(1,788,097)
3	Reconciliation of net cash flow to movement in net debt	2007	2006		
		£	£		
	Decrease in cash in the year	(218,376)	(380,340)		
	Movement in net debt in the year	(218,376)	(380,340)		
	Opening net debt	(1,569,721)	(1,189,381)		
	Closing net debt	(1,788,097)	(1,569,721)		

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings and joint ventures, to the extent of group ownership, made up to 31 March 2007. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra group sales and profits are eliminated fully on consolidation. The subsidiary is Briggs (Overseas) Limited which was acquired in January 2006. Joint ventures are those undertakings, not recognised as subsidiaries, in which the group has a participating interest and are jointly controlled. The group's share of the results of joint ventures, which are accounted for under the net equity method, are included in the profit and loss, and its share of their net assets are included in investments in the group balance sheet.

1.4 Turnover

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

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold 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	Straight line over the term of the lease
Fixtures, fittings & equipment	10% Reducing balance & 33% Straight line
Motor vehicles	25% Reducing balance

1.7 Leasing

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

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.9 Stock and work in progress

Stock is valued at lower of cost or net realisable value. Work in progress is valued at selling price

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

(continued)

1.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services to third parties in the normal course of business net of VAT and trade discounts. Revenue from goods and services is recognised when goods and services have been provided and the right to consideration has been earned.

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred taxation 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.

1.13 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.

1.14 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 group for the year has been derived from its principal activity.

The segmental analysis by geographical area is disclosed in the ultimate parent company's group accounts.

3 Operating loss

	2007	2006
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	99,510	119,745
Loss on foreign exchange transactions	72,028	
Operating lease rentals	289,089	284,162
Fees payable to the group's auditor for the audit of the group's annual accounts (company £3,000, 2006 £3,000)	3,000	3,000
and after crediting		
Profit on disposal of tangible assets	(2,227)	
Profit on foreign exchange transactions		(18,879)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

4 Interest payable	2007 £	2006 £
On overdue tax		17,028
5 Taxation Current tax charge	2007	2006
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	243,797	(612,755)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2006: 0.00%)	46,321	
Effects of		
Non deductible expenses	118,698	
Depreciation add back	21,372	
Capital allowances	(31,032)	
Tax losses utilised	25,751	
Dividends and distributions received	(181,110)	
	(46,321)	
Current tax charge		

The company has estimated losses of £ 895,158 (2006: £ 617,896) available for carry forward against future trading profits

6 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2007 £	2006 £
Holding company's loss for the financial year	(171,481)	(638,281)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

7 Tangible fixed assets Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2006	111	21,506	1,227,929	161,913	1,411,459
Additions			20,464	7,277	27,741
Disposals			(39,777)	(13,703)	(53,480)
At 31 March 2007	111	21,506	1,208,616	155,487	1,385,720
Depreciation					
At 1 April 2006	111	2,178	417,260	103,071	522,620
On disposals			(24,926)	(4,837)	(29,763)
Charge for the year		2,376	83,124	14,010	99,510
At 31 March 2007	111	4,554	475,458	112,244	592,367
Net book value					
At 31 March 2007		16,952	733,158	43,243	793,353
At 31 March 2006		19,328	810,669	58,842	888,839

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

Tangible fixed assets (continued)

Company

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2006	111	21,506	1,227,929	161,913	1,411,459
Additions			20,464	7,277	27,741
Disposals			(39,777)	(13,703)	(53,480)
At 31 March 2007	111	21,506	1,208,616	155,487	1,385,720
Depreciation					
At 1 April 2006	111	2,178	417,260	103,071	522,620
On disposals			(24,926)	(4,837)	(29,763)
Charge for the year		2,376	83,124	14,010	99,510
At 31 March 2007	111	4,554	475,458	112,244	592,367
Net book value					
At 31 March 2007		16,952	733,158	43,243	793,353
At 31 March 2006		19,328	810,669	58,842	888,839

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8 Fixed asset investments Group

Interests in joint ventures

	£	£
Cost		
Group's share of post acquisition reserves		
At 1 April 2006	1,394,795	
Exchange adjustment	(82,404)	
Share issue	679	
Share of retained profits/(losses) for the year	115,770	
At 31 March 2007		1,428,840

Fixed asset investments other

Alpina Briggs Defesa Ambiental S A

Alpina Briggs Defesa Ambiental S A provides pollution control services. The group owns 33 1/3% of the common share capital of the company.
Accounts for the year ended 31 March 2007

Share of turnover		4,206,579
Share of profit before tax	902,576	
Taxation	(276,972)	
Profit after tax		625,604

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8 Fixed asset investments

(continued)

Share of assets		
Fixed assets	598,940	
Current assets	1,468,853	
		<u>2,067,793</u>
Share of liabilities		
Due within one year or less	(689,931)	
Due after more than one year	(153,651)	
		<u>(843,582)</u>
Share of net assets		<u>1,224,211</u>

Fixed asset investments other

Briggs Egypt Marine Environmental Services

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

Accounts for the year ended 31 December 2006

Share of turnover		<u>91,016</u>
Share of profit before tax	447,352	
Taxation		
		<u>447,352</u>
Profit after tax		<u>447,352</u>
Share of assets		
Fixed assets	86,004	
Current assets	497,588	
		<u>583,592</u>
Share of liabilities		
Due within one year or less	(375,487)	
Due after more than one year		
		<u>(375,487)</u>
Share of net assets		<u>208,105</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8 Fixed asset investments (continued)

Fixed asset investments other

Alpha Briggs Mediterranean Limited

Alpha Briggs Mediterranean Limited provides pollution control services. The group owns 50% of the share capital of the company.

Accounts for the period ended 31 March 2007

Share of turnover		7,178
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Share of profit/(loss) before tax	(4,155)	
Taxation		

Profit/(loss) after tax		(4,155)
-------------------------	--	---------

Share of assets

Fixed assets	39	
--------------	----	--

Current assets	2,906	
----------------	-------	--

2,945

Share of liabilities

Due within one year or less	(6,421)	
-----------------------------	---------	--

Due after more than one year		
------------------------------	--	--

(6,421)

Share of net assets

(3,476)

Fixed asset investments

Company

Shares in
group
undertakings
£

Cost

At 1 April 2006 & at 31 March 2007

2

Net book value

At 31 March 2007

2

At 31 March 2006

2

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8	Fixed asset investments		(continued)
	Interests in joint ventures		
		£	£
	Cost		
	Company's share of post acquisition reserves		
	At 1 April 2006	1,197,880	
	Exchange adjustment	(61,994)	
	Share issue		
	Share of retained profits/(losses) for the year	88,325	
	At 31 March 2007		1,224,211
	Fixed asset investments other		
	Alpina Briggs Defesa Ambiental S A		
	Alpina Briggs Defesa Ambiental S A provides pollution control services The group owns 33 1/3% of the common share capital of the company		
	Accounts for the year ended 31 March 2007		
	Share of turnover		4,206,579
	Share of profit before tax	902,576	
	Taxation	(276,972)	
	Profit after tax		625,604
	Share of assets		
	Fixed assets	598,940	
	Current assets	1,468,853	
			2,067,793
	Share of liabilities		
	Due within one year or less	(689,931)	
	Due after more than one year	(153,651)	
			(843,582)
	Share of net assets		1,224,211

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8 Fixed asset investments (continued)

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Briggs (Overseas) Limited	Scotland	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Briggs (Overseas) Limited	Dormant

9 Stocks and work in progress

	Group 2007 £	2006 £	Company 2007 £	2006 £
Work in progress	522,584	129,283	522,584	129,283
Finished goods and goods for resale	168,042	129,783	168,042	129,783
	<u>690,626</u>	<u>259,066</u>	<u>690,626</u>	<u>259,066</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

10 Debtors

	Group 2007 £	2006 £	Company 2007 £	2006 £
Trade debtors	1,003,279	736,551	1,003,279	736,551
Amounts owed by group undertakings	742,781	196,509	159,752	28,079
Corporation tax	232,070	198,216	232,070	198,216
Other debtors	14,133	63,003	14,133	63,003
Prepayments and accrued income	43,269	63,065	43,269	63,065
	<u>2,035,532</u>	<u>1,257,344</u>	<u>1,452,503</u>	<u>1,088,914</u>

11 Creditors - amounts falling due within one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Bank loans and overdrafts	2,208,231	1,592,758	2,208,231	1,592,758
Trade creditors	166,215	208,900	166,215	208,900
Amounts owed to group undertakings	793,687	379,105	588,314	173,732
Taxes and social security costs	78,202	83,879	78,202	83,879
Other creditors	150,409	135,326	150,409	135,326
Accruals and deferred income	826,079	554,614	826,079	554,614
	<u>4,222,823</u>	<u>2,954,582</u>	<u>4,017,450</u>	<u>2,749,209</u>

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

12 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.

	2007 £	2006 £
Contributions payable by the group for the year	<u>26,747</u>	<u>26,442</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

13	Share capital	2007 £	2006 £
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

14 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2006	(40,778)	908,277
Retained profit for the year		359,567
Foreign currency translation differences	(82,404)	
Balance at 31 March 2007	(123,182)	1,267,844

Other reserves

Exchange

Balance at 1 April 2006	(40,778)
Foreign currency translation differences	(82,404)
Balance at 31 March 2007	(123,182)

Company

	Profit and loss account £
Balance at 1 April 2006	740,177
Retained loss for the year	(83,156)
Balance at 31 March 2007	657,021

Other reserves

Exchange

Balance at 1 April 2006	(32,648)
Foreign currency translation differences	(61,994)
Balance at 31 March 2007	(94,642)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

15 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Group		
(Loss)/Profit for the financial year	359,567	(928,113)
Other recognised gains and losses	(82,404)	279,004
Net addition to/(depletion in) shareholders' funds	277,163	(649,109)
Opening shareholders' funds	868,499	1,517,608
Closing shareholders' funds	1,145,662	868,499
	2007	2006
Company	£	£
(Loss)/Profit for the financial year	(83,156)	(1,013,257)
Other recognised gains and losses	(61,994)	266,319
Net depletion in shareholders' funds	(145,150)	(746,938)
Opening shareholders' funds	708,529	1,455,467
Closing shareholders' funds	563,379	708,529

16 Contingent liabilities

Group

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

Company

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BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

17 Financial commitments

At 31 March 2007 the group had annual commitments under non cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
Within one year	107,400	113,040
Between two and five years	22,500	
In over five years	111,414	128,814
	<u>241,314</u>	<u>241,854</u>

At 31 March 2007 the company had annual commitments under non cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
Within one year	107,400	113,040
Between two and five years	22,500	
In over five years	111,414	128,814
	<u>241,314</u>	<u>241,854</u>

18 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services		87,200
	<u></u>	<u>87,200</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006 1)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

19 Employees

Number of employees

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

	2007 Number	2006 Number
Production & sales	73	83
Management & administration	17	10
	<u>90</u>	<u>93</u>

Employment costs

	2007 £	2006 £
Wages and salaries	1,683,944	1,841,812
Social security costs	154,718	148,013
Other pension costs	26,747	26,442
	<u>1,865,409</u>	<u>2,016,267</u>

20 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

21 Related party transactions

Group

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 (2006 £96,000) for the warehouse in Baku by Briggs Commercial Limited Pension Scheme. There is £312,000 (2006 £216,000) due to Briggs Commercial Limited Pension Scheme at the year end

During the year the company has paid expenses of £740 (2006 £27,080) on behalf of Briggs Spilfyter Limited, a company that is a joint venture of Briggs Commercial Limited. Briggs Spilfyter Limited has invoiced the company nil (2006 £55,000). Briggs Spilfyter Limited has supplied goods of nil (2006 £45,052) to the company. The company has received funds of nil (2006 £16,254) on behalf of Briggs Spilfyter Limited. The company has taken over the net assets and liabilities of the company of nil (2006 £193,029). These transactions have been entered in a loan account and the balance due to Briggs Spilfyter Limited at the year end is £20,737 (2006 £21,477).

Also during the year the company has provided funds of £1,983 (2006 nil) to Alpha Briggs Mediterranean Limited. Alpha Briggs Mediterranean Limited is owned 50% by Briggs (Overseas) Limited. Alpha Briggs Mediterranean Limited is due the company £1,983 (2006 nil) at the year end.

No provision has been made against any of the debts due to or from related parties identified nor have any amounts been written off in the year in respect of debts due to or from related parties.

Company

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 (2006 £96,000) for the warehouse in Baku by Briggs Commercial Limited Pension Scheme. There is £312,000 (2006 £216,000) due to Briggs Commercial Limited Pension Scheme at the year end

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