

Company Registration No. SC110121 (Scotland)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2008

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BRIGGS ENVIRONMENTAL SERVICES LIMITED

DIRECTORS AND ADVISERS

Directors	R Briggs G Crookston R C Briggs G Humphries
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 2008

The directors present their report and financial statements for the year ended 31 March 2008.

Directors

The following directors have held office since 1 April 2007:

R Briggs
G Crookston
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 £11.2 million was up 22% on the previous year. During the year, revenues shares from our joint ventures in Brazil and Egypt were significantly higher, but revenues from company trading decreased by approximately 10%. The company generated a small trading loss of £0.3million in 2007-08 compared to small 2% gross profit in the previous financial year.

Market Developments

The company is continuing to develop its business in the UK by offering a fuller scope of service to clients, and extending our participation in the supply chain, and we expect the results in 2008/2009 to reflect further progress. A number of new opportunities have been identified, in particular overseas. The joint ventures in Egypt and Brazil continue to perform well, and in addition to the Brazilian contract having been renewed in the previous year for a further term of 6 years, we have established a new joint venture in Malta, which has had an encouraging start with development and identification of a number of new and sustainable business opportunities.

Business Risks

With regard to our Environmental Services activities in the UK, utilisation of the workforce is the key to profitability in this area. A significant part of the revenue generated in this area is on a call out basis and is subject to fluctuations driven by customer requirements. We are progressively offering an extended supply chain and a fuller scope of service to clients. This makes the company a more attractive solution to a client, and also reduces the risk of lower utilisation rates. The existing joint venture operations remain stable.

Trading

Although the results in the year are not profitable, the potential for the future earnings remains positive, driven by management effort which has been applied to continually improve the UK trading position. This potential is aided by performance in the existing overseas joint ventures, allied to the increasing number of opportunities which are arising in new geographical markets.

BRIGGS ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

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 07 to March 08 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 and Social Responsibility

The company has continued to develop a comprehensive Corporate and Social Responsibility Policy. It is being aligned to an agreed set of core values which will be the foundation of our long term principles and operating philosophy. This is a high priority within the company and is being championed by the Chairman and Managing Director. Briggs is fully aware that it not only has a responsibility for all of its employees' well being, but also that of the environment and 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. It will include reporting upon our carbon footprint and other environmental KPIs, with each area having 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 increased slightly during the year, reflective of the growth in business activity. We have brought in temporary employees to cover the peak requirements as required, which is the most cost effective way of delivering our business. The total headcount, including contract staff, as at 31 March 2008 was 101 excluding our joint ventures in Egypt, Brazil and Malta (31 March 2007 = 84).

Results and dividends

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

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morris & Young be reappointed as auditors of the company will be put to the Annual General Meeting.

BRIGGS ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

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.

The directors' are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

29 January 2009

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 2008 set out on pages 6 to 28. 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

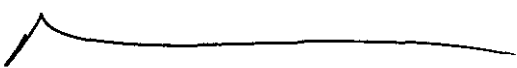
In our opinion:

- 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 2008 and of the group's loss 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.

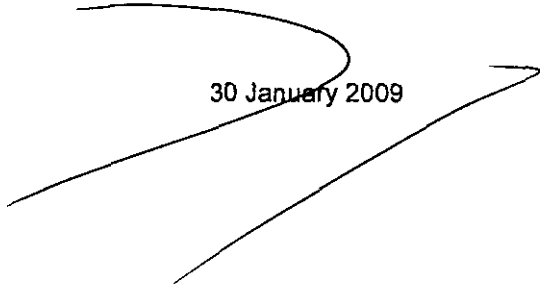
Emphasis of matter

Fundamental uncertainty

In forming our opinion, we have considered the continuing support from Briggs Commercial Limited. The financial statements have been prepared on a going concern basis, the validity of which depends on the continuing support from Briggs Commercial Limited. The financial statements do not include any adjustments that would result from a failure to obtain continuing support. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.



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



30 January 2009

BRIGGS ENVIRONMENTAL SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Turnover	2		
Group and share of joint ventures		11,205,659	9,158,009
Less: share of joint venture		<u>(6,602,694)</u>	<u>(4,304,773)</u>
Group turnover		4,602,965	4,853,236
Cost of sales		<u>(4,926,287)</u>	<u>(4,738,860)</u>
Gross (loss)/profit		(323,322)	114,376
Administrative expenses		(1,000,252)	(823,791)
Other operating income		<u>20,822</u>	<u>-</u>
Group operating loss	3	(1,302,752)	(709,415)
Share of operating profit in Joint ventures		<u>586,089</u>	<u>1,345,954</u>
		(716,663)	636,539
Interest payable and similar charges	4	<u>(7)</u>	<u>-</u>
(Loss)/Profit on ordinary activities before taxation		(716,670)	636,539
Tax on (loss)/profit on ordinary activities*	5	<u>(225,311)</u>	<u>(276,972)</u>
(Loss)/profit on ordinary activities after taxation		<u>(941,981)</u>	<u>359,567</u>

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	225,311

BRIGGS ENVIRONMENTAL SERVICES LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2008

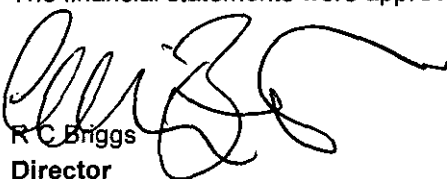
	2008 £	2007 £
(Loss)/profit for the financial year	(941,981)	359,567
Currency translation differences on foreign currency net investments	201,489	(82,404)
Total recognised gains and losses relating to the year	<u>(740,492)</u>	<u>277,163</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

BALANCE SHEETS AS AT 31 MARCH 2008

		Group 2008	2007	Company 2008	2007
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7	752,075	793,353	752,075	793,353
Investments	8	-	-	2	2
		<u>752,075</u>	<u>793,353</u>	<u>752,077</u>	<u>793,355</u>
Investments in joint ventures:	8				
Share of gross assets		3,122,573	2,654,330	2,766,723	2,067,793
Share of gross liabilities		(1,477,571)	(1,225,490)	(1,357,198)	(843,582)
		<u>2,397,077</u>	<u>2,222,193</u>	<u>2,161,602</u>	<u>2,017,566</u>
Current assets					
Stocks	9	351,922	690,626	351,922	690,626
Debtors	10	1,447,079	2,035,532	1,447,079	1,452,503
Cash at bank and in hand		89,944	420,134	89,944	420,134
		<u>1,888,945</u>	<u>3,146,292</u>	<u>1,888,945</u>	<u>2,563,263</u>
Creditors: amounts falling due within one year	11	(3,880,852)	(4,222,823)	(3,867,591)	(4,017,450)
Net current liabilities		<u>(1,991,907)</u>	<u>(1,076,531)</u>	<u>(1,978,646)</u>	<u>(1,454,187)</u>
Total assets less current liabilities		<u>405,170</u>	<u>1,145,662</u>	<u>182,956</u>	<u>563,379</u>
Capital and reserves					
Called up share capital	13	1,000	1,000	1,000	1,000
Other reserves	14	78,307	(123,182)	102,005	(94,642)
Profit and loss account	14	325,863	1,267,844	79,951	657,021
Shareholders' funds - equity interests	15	<u>405,170</u>	<u>1,145,662</u>	<u>182,956</u>	<u>563,379</u>

The financial statements were approved by the board and authorised for issued on 29 January 2009


R C Briggs
Director

BRIGGS ENVIRONMENTAL SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	2008	2007
	£	£
Net cash outflow from operating activities	(701,617)	(1,135,258)
Returns on investments and servicing of finance		
Interest paid	(7)	-
Dividends received from joint ventures	393,044	953,212
Net cash inflow for returns on investments and servicing of finance	393,037	953,212
Taxation	232,070	(33,854)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(53,145)	(27,741)
Payments to acquire investments	(46,940)	(679)
Receipts from sales of tangible assets	2,105	25,944
Net cash outflow for capital expenditure	(97,980)	(2,476)
Net cash outflow before management of liquid resources and financing	(174,490)	(218,376)
Decrease in cash in the year	(174,490)	(218,376)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

1	Reconciliation of operating loss to net cash outflow from operating activities	2008	2007
		£	£
	Operating loss	(1,302,752)	(709,415)
	Depreciation of tangible assets	91,078	99,510
	Loss/(profit) on disposal of tangible assets	1,241	(2,227)
	Decrease/(increase) in stocks	338,704	(431,560)
	Decrease/(increase) in debtors	356,383	(744,334)
	(Decrease)/Increase in creditors within one year	(186,271)	652,768
	Net cash outflow from operating activities	(701,617)	(1,135,258)

2	Analysis of net debt	1 April 2007	Cash flow	Other non- 31 March 2008 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	420,134	(330,190)	89,944
	Bank overdrafts	(2,208,231)	155,700	(2,052,531)
		(1,788,097)	(174,490)	(1,962,587)
	Net debt	(1,788,097)	(174,490)	(1,962,587)

3	Reconciliation of net cash flow to movement in net debt	2008	2007
		£	£
	Decrease in cash in the year	(174,490)	(218,376)
	Movement in net debt in the year	(174,490)	(218,376)
	Opening net debt	(1,788,097)	(1,569,721)
	Closing net debt	(1,962,587)	(1,788,097)

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Profitability is expected to return to the Group as a result of various commercial actions that have been taken.

If the company does not return to profitability, the group may have to depend on the continuing support of Briggs Commercial Limited, the ultimate parent company.

Assurances have been received from Briggs Commercial Limited that this support will be forthcoming. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of this support.

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 2008. 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 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.7 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 - 15% Reducing balance & 33% Straight line
Motor vehicles	25% Reducing balance

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

(continued)

1.8 Leasing

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

1.9 Investments

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

1.10 Stock and work in progress

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

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

3	Operating loss	2008	2007
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	91,078	99,510
	Loss on disposal of tangible assets	1,241	-
	Loss on foreign exchange transactions	22,580	72,028
	Research and development	417	-
	Operating lease rentals	284,651	289,089
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £3,000; 2007: £3,000)	3,000	3,000
	and after crediting:		
	Profit on disposal of tangible assets	-	(2,227)
		<u> </u>	<u> </u>
4	Interest payable	2008	2007
		£	£
	On overdue tax	7	-
		<u> </u>	<u> </u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

5	Taxation	2008	2007
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(909,715)	243,797
		<u> </u>	<u> </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2007 - 19.00%)	(181,943)	46,321
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	97,655	118,698
	Depreciation add back	18,464	21,372
	Capital allowances	(32,695)	(31,032)
	Tax losses utilised	181,292	25,751
	Dividends and distributions received	(78,609)	(181,110)
	Other tax adjustments	(4,164)	-
		<u> </u>	<u> </u>
		181,943	(46,321)
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

The company has estimated losses of £ 895,158 (2007 - £ 895,158) 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:

	2008	2007
	£	£
Holding company's loss for the financial year	(565,737)	(171,481)
	<u> </u>	<u> </u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

7 Tangible fixed assets Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2007	111	21,506	1,208,616	155,487	1,385,720
Additions	-	-	48,446	4,700	53,146
Disposals	-	-	-	(5,949)	(5,949)
At 31 March 2008	111	21,506	1,257,062	154,238	1,432,917
Depreciation					
At 1 April 2007	111	4,554	475,458	112,244	592,367
On disposals	-	-	-	(2,603)	(2,603)
Charge for the year	-	2,376	77,847	10,855	91,078
At 31 March 2008	111	6,930	553,305	120,496	680,842
Net book value					
At 31 March 2008	-	14,576	703,757	33,742	752,075
At 31 March 2007	-	16,952	733,158	43,243	793,353

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

Tangible fixed assets (continued)

Company

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2007	111	21,506	1,208,616	155,487	1,385,720
Additions	-	-	48,446	4,700	53,146
Disposals	-	-	-	(5,949)	(5,949)
At 31 March 2008	111	21,506	1,257,062	154,238	1,432,917
Depreciation					
At 1 April 2007	111	4,554	475,458	112,244	592,367
On disposals	-	-	-	(2,603)	(2,603)
Charge for the year	-	2,376	77,847	10,855	91,078
At 31 March 2008	111	6,930	553,305	120,496	680,842
Net book value					
At 31 March 2008	-	14,576	703,757	33,742	752,075
At 31 March 2007	-	16,952	733,158	43,243	793,353

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

8 Fixed asset investments Group

Interests in joint ventures:

	£	£
Cost		
Group's share of post-acquisition reserves:		
At 1 April 2007	1,428,840	
Exchange adjustment	201,489	
Share issue	46,940	
Share of retained profits/(losses) for the year	(32,267)	
At 31 March 2008		1,645,002

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 2008

Share of turnover		6,492,017
Share of profit before tax	587,941	
Taxation	(225,311)	
Profit after tax		362,630

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

8 Fixed asset investments

(continued)

Share of assets		
Fixed assets	788,921	
Current assets	1,977,802	
		2,766,723
Share of liabilities		
Due within one year or less	(1,138,220)	
Due after more than one year	(218,978)	
		(1,357,198)
Share of net assets		1,409,525

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 2007

Share of turnover		90,339
Share of profit before tax	29,873	
Taxation	-	
Profit after tax		29,873
Share of assets		
Fixed assets	193,136	
Current assets	53,286	
		246,422
Share of liabilities		
Due within one year or less	(21,987)	
Due after more than one year	-	
		(21,987)
Share of net assets		224,435

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

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 year ended 31 March 2008

Share of turnover	20,338
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Share of profit/(loss) before tax	(31,725)
-----------------------------------	----------

Taxation	-
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Profit/(loss) after tax	(31,725)
-------------------------	----------

Share of assets

Fixed assets	80,594
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Current assets	28,834
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109,428

Share of liabilities

Due within one year or less	(98,386)
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Due after more than one year	-
------------------------------	---

(98,386)

Share of net assets

11,042

Fixed asset investments

Company

Shares in
group
undertakings
£

Cost

At 1 April 2007 & at 31 March 2008

2

Net book value

At 31 March 2008

2

At 31 March 2007

2

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

8	Fixed asset investments		(continued)
	Interests in joint ventures:		
		£	£
	Cost		
	Company's share of post-acquisition reserves:		
	At 1 April 2007	1,224,211	
	Exchange adjustment	196,647	
	Share issue	-	
	Share of retained profits/(losses) for the year	(11,333)	
	At 31 March 2008		1,409,525
	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 2008		
	Share of turnover		6,492,017
	Share of profit before tax	587,941	
	Taxation	(225,311)	
	Profit after tax		362,630
	Share of assets		
	Fixed assets	788,921	
	Current assets	1,977,802	
			2,766,723
	Share of liabilities		
	Due within one year or less	(1,138,220)	
	Due after more than one year	(218,978)	
			(1,357,198)
	Share of net assets		1,409,525

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

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		Company	
	2008	2007	2008	2007
	£	£	£	£
Work in progress	194,131	522,584	194,131	522,584
Finished goods and goods for resale	157,791	168,042	157,791	168,042
	<u>351,922</u>	<u>690,626</u>	<u>351,922</u>	<u>690,626</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

10 Debtors

	Group 2008 £	2007 £	Company 2008 £	2007 £
Trade debtors	1,044,927	1,003,279	1,044,927	1,003,279
Amounts owed by group undertakings	-	742,781	-	159,752
Corporation tax	-	232,070	-	232,070
Other debtors	344,590	14,133	344,590	14,133
Prepayments and accrued income	57,562	43,269	57,562	43,269
	<u>1,447,079</u>	<u>2,035,532</u>	<u>1,447,079</u>	<u>1,452,503</u>

11 Creditors : amounts falling due within one year

	Group 2008 £	2007 £	Company 2008 £	2007 £
Bank loans and overdrafts	2,052,531	2,208,231	2,052,531	2,208,231
Trade creditors	281,743	166,215	281,743	166,215
Amounts owed to group undertakings	848,532	793,687	835,271	588,314
Taxes and social security costs	93,899	78,202	93,899	78,202
Other creditors	72,982	150,409	72,982	150,409
Accruals and deferred income	531,165	826,079	531,165	826,079
	<u>3,880,852</u>	<u>4,222,823</u>	<u>3,867,591</u>	<u>4,017,450</u>

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

12 Pension and other post-retirement benefit commitments

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.

	2008 £	2007 £
Contributions payable by the group for the year	<u>19,890</u>	<u>26,747</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

13	Share capital	2008 £	2007 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

14 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2007	(123,182)	1,267,844
Retained profit for the year	-	(941,981)
Foreign currency translation differences	201,489	-
Balance at 31 March 2008	<u>78,307</u>	<u>325,863</u>

Other reserves

Exchange

Balance at 1 April 2007	(123,182)
Foreign currency translation differences	201,489
Balance at 31 March 2008	<u>78,307</u>

Company

	Profit and loss account £
Balance at 1 April 2007	657,021
Retained loss for the year	(577,070)
Balance at 31 March 2008	<u>79,951</u>

Other reserves

Exchange

Balance at 1 April 2007	(94,642)
Foreign currency translation differences	196,647
Balance at 31 March 2008	<u>102,005</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

15 Reconciliation of movements in shareholders' funds Group	2008 £	2007 £
(Loss)/Profit for the financial year	(941,981)	359,567
Other recognised gains and losses	201,489	(82,404)
Net (depletion in)/addition to shareholders' funds	(740,492)	277,163
Opening shareholders' funds	1,145,662	868,499
Closing shareholders' funds	405,170	1,145,662
Company	2008 £	2007 £
(Loss)/Profit for the financial year	(577,070)	(83,156)
Other recognised gains and losses	196,647	(61,994)
Net depletion in shareholders' funds	(380,423)	(145,150)
Opening shareholders' funds	563,379	708,529
Closing shareholders' funds	182,956	563,379

16 Contingent liabilities

Group

The company's bankers hold a floating charge over the assets of the company which serves to guarantee the borrowings of the company and also those of the parent company Briggs Commercial Limited. There is also a cross guarantee from Briggs Environmental Services Limited on behalf of each of the other group companies. The amount is not determinable.

Company

The company's bankers hold a floating charge over the assets of the company which serves to guarantee the borrowings of the company and also those of the parent company Briggs Commercial Limited. There is also a cross guarantee from Briggs Environmental Services Limited on behalf of each of the other group companies. The amount is not determinable.

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

17 Financial commitments

At 31 March 2008 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
Within one year	107,400	107,400
Between two and five years	76,600	22,500
In over five years	57,314	111,414
	<u>241,314</u>	<u>241,314</u>

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
Within one year	107,400	107,400
Between two and five years	76,600	22,500
In over five years	57,314	111,414
	<u>241,314</u>	<u>241,314</u>

BRIGGS ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

18 Employees

Number of employees

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

	2008 Number	2007 Number
Production & sales	77	73
Management & administration	22	17
	<u>99</u>	<u>90</u>

Employment costs

	2008 £	2007 £
Wages and salaries	1,846,384	1,683,944
Social security costs	146,423	154,718
Other pension costs	19,890	26,747
	<u>2,012,697</u>	<u>1,865,409</u>

19 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 2008

20 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 (2007 - £96,000) for the warehouse in Baku by Briggs Commercial Limited Pension Scheme. There is nil (2007 - £312,000) due to Briggs Commercial Limited Pension Scheme at the year end.

During the year the company has paid expenses of nil (2007 - £740) on behalf of Briggs Spilfyter Limited, a company that is a joint venture of Briggs Commercial Limited. The company has provided funds of £26,347 (2007 - nil) to Briggs Spilfyter Limited. These transactions have been entered in a loan account and the balance due by Briggs Spilfyter Limited at the year end is £5,285 (2007 - £20,737 creditor).

Also during the year the company has provided funds of £48 (2007 - £1,983) to Alpha Briggs Mediterranean Limited. Alpha Briggs Mediterranean Limited is owned 50% by Briggs (Overseas) Limited. Alpha Briggs Mediterranean Limited is due the company £1,788 (2007 - £1,983) 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

All transactions included in the note above.