

JOHN CADZOW (AULDCATHIE) LIMITED

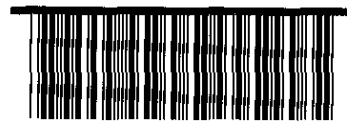
REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

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COMPANIES HOUSE 22/05/02

Lyon Windram Crolla
Accountants
18 Greenside Lane
Edinburgh
EH1 3AH

JOHN CADZOW (AULDCATHIE) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

CONTENTS

Page

1	Officers and professional advisers
2	Directors' report
3	Statement of directors' responsibilities
4	Auditors' report
5	Profit and loss account
6	Balance sheet
7 - 11	Notes to the financial statements.

JOHN CADZOW (AULDCATHIE) LIMITED
OFFICERS AND PROFESSIONAL ADVISORS

DIRECTOR: Mr J G I Cadzow

SECRETARY: Mrs E M Cadzow

**REGISTERED
OFFICE:** Glendevon Farm
Glendevon
Winchburgh
West Lothian
EH52 6PX

AUDITORS: Lyon Windram Crolla
18 Greenside Lane
Edinburgh
EH1 3AH

BANKERS: Bank of Scotland
47 High Street
Dalkeith
EH22 1JA

SOLICITORS: Turcan Connell WS
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EF

**COMPANY
NUMBER:** 128917

JOHN CADZOW (AULDCATHIE) LIMITED

DIRECTOR'S REPORT

The director presents his report and the audited financial statements for the year ended 31 March 2001.

1 ACTIVITIES

The principal activity of the company is the management of a waste disposal site.

2 DIRECTOR

Mr J G I Cadzow served as the company's sole director throughout the period.

The director did not have any interest in the ordinary shares of the company at 1 April 2000 or at 31 March 2001. The interests of the director, who is also the director of the parent undertaking are disclosed in that company's financial statements.

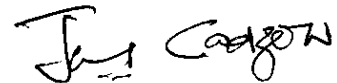
3 AUDITORS

A resolution to re-appoint Lyon Windram Crolla will be proposed at the Annual General Meeting.

4 SMALL COMPANY EXEMPTION

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



21 May 2002

**Mr J G I Cadzow
Director**

JOHN CADZOW (AULDCATHIE) LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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. He is 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.



lyon windram crolla accountants
18 Greenside Lane Edinburgh EH1 3AH
Tel. 0131 523 1130 Fax. 0131 523 1140
E-mail info@lwc.co.uk

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF
JOHN CADZOW (AULDCATHIE) LIMITED**

We have audited the financial statements of John Cadzow (Auldcathie) Limited for the year ended 31 March 2001 on pages 5 to 11. These financial statements have been prepared under the historic cost convention and the accounting policies set out therein.

Respective responsibilities of director and auditors

A described on page 3 the company's director is responsible for the preparation of 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 Companies Act 1985.

We also report to you if, in our opinion, the Report of the Director 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 transaction's with the company is not disclosed.

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

Basis of 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 director 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 were 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.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in Note 3 to the financial statements concerning the company's ability to continue as a going concern as a result of continued losses and an excess of liabilities over assets. In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

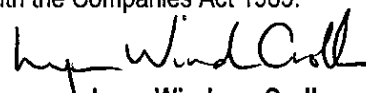
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

21 May 2002

Partners:

Graeme A Lyon, Kevin D Windram, Julia Crolla, Aidan McLaughlin.


Lyon Windram Crolla
Registered Auditors

JOHN CADZOW (AULDCATHIE) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2001

	Note	£	2000 £
TURNOVER	2	662,831	1,130,409
Cost of sales		880,017	720,496
GROSS PROFIT/(LOSS)		<u>(217,186)</u>	<u>409,913</u>
Administrative expenses		133,173	334,970
OPERATING PROFIT/(LOSS)	4	<u>(350,359)</u>	<u>74,943</u>
Interest payable		19,731	6,596
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(370,090)</u>	<u>68,347</u>
Tax on profit/(loss) on ordinary activities	6	(6,330)	7,265
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(363,760)</u>	<u>61,082</u>
Dividends	7	-	60,000
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	13	<u><u>(363,760)</u></u>	<u><u>1,082</u></u>

The company has no recognised gains or losses in the year or prior period, other than those included in the profit and loss account.

JOHN CADZOW (AULDCATHIE) LIMITED

BALANCE SHEET

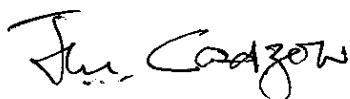
AT 31 MARCH 2001

	Note	£	£	2000 £
FIXED ASSETS				
Tangible assets	8		172,377	482,477

CURRENT ASSETS				
Debtors	9	236,861		472,160
		-----		-----
				472,160
CREDITORS: Amounts falling due within one year	10	771,235		847,616
		-----		-----
NET CURRENT ASSETS / (LIABILITIES)			(534,374)	(375,456)
			-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			(361,997)	107,021
			-----	-----
CREDITORS : Amounts falling due after more than one year	11		-	105,258
			-----	-----
			(361,997)	1,763
			=====	=====
CAPITAL AND RESERVES				
Called up share capital	12		2	2
Profit and loss account	13		(361,999)	1,761
			-----	-----
EQUITY SHAREHOLDERS' FUNDS	14		(361,997)	1,763
			=====	=====

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 11 were approved by the Director on 21 May 2002.



Mr J G I Cadzow
Director

JOHN CADZOW (AULDCATHIE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

1 ACCOUNTING POLICIES

a) **Accounting Convention**

The financial statements have been prepared under the historical cost convention.

b) **Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Land	Nil
Plant and machinery	20% straight line

c) **Lease and Hire Purchase**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

d) **Turnover**

Turnover represents the amount derived from the provision of services falling within the company's activities after deduction of trade discounts and value added tax.

e) **Deferred Taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 TURNOVER

Turnover arises wholly from the principal activities of the company from within the United Kingdom.

3 GOING CONCERN

In February 2002, the joint venture party holding the operators licence for the company's landfill site went into liquidation. The director is confident planning permission will be received in order to reopen the site and generate sufficient income to allow the company to continue as a going concern.

The financial statements have been prepared on a going concern basis, which assumes that ongoing support will be received from the company's ultimate parent company, John Cadzow (Glendevon) Limited, together with the company's bankers. As at the date of signing these financial statements, the director believes that this support will continue.

JOHN CADZOW (AULDCATHIE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

4	OPERATING PROFIT/(LOSS)		2000
		£	£
	Operating profit/(loss) is stated after charging		
	Auditors' remuneration	3,750	3,750
	Depreciation of owned tangible fixed assets	1,689	1,607
	Depreciation of tangible fixed assets on hire purchase	50,184	-
		=====	=====
5	DIRECTOR		
	The director received no remuneration during the year (2000: Nil), included within the results for the year is a charge in respect of management charges from the parent company which includes £32,070 (2000: £29,248) which relates to directors remuneration.		
6	TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES		
		£	£
	Corporation tax at 20%, (2000 : 21 %)	(6,115)	6,115
	Group relief	-	3,784
	Over provision in previous years	(215)	(2,634)
		-----	-----
		(6,330)	7,265
		=====	=====
7	DIVIDENDS		
		£	£
	Dividends paid	-	60,000
		=====	=====

JOHN CADZOW (AULDCATHIE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

8 TANGIBLE FIXED ASSETS

	Land £	Plant & Machinery £	Total £
Cost			
At 1 April 2000	135,000	364,555	499,555
Additions	-	1,017	1,017
Disposals	-	(297,744)	(297,744)
	-----	-----	-----
At 31 March 2001	135,000	67,828	202,828
	-----	-----	-----
Depreciation			
At 1 April 2000	-	17,078	17,078
Charge for the year	-	51,873	51,873
On disposals	-	(38,500)	(38,500)
	-----	-----	-----
At 31 March 2001	-	30,451	30,451
	-----	-----	-----
Net book value			
At 31 March 2001	135,000	37,377	172,377
	=====	=====	=====
At 31 March 2000	135,000	347,477	482,477
	=====	=====	=====

Included in plant and machinery are assets with a net book value £35,051 (2000: £256,735), which are held under finance leases and hire purchase contracts.

9 DEBTORS

	£	2000 £
Trade debtors	70,253	189,197
Other debtors	166,608	282,963
	-----	-----
	236,861	472,160
	=====	=====

Included in other debtors is a director's loan of £1,078 (2000: £1,078) which is interest free and repayable on demand.

JOHN CADZOW (AULDCATHIE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

10 CREDITORS : Amounts falling due within one year

	£	2000 £
Bank overdraft	201,556	12,055
Trade creditors	70,888	28,830
Other taxes and social security	-	6,115
Other creditors and accruals	17,877	94,773
Amounts owed to parent undertaking	475,656	624,812
Hire purchase liabilities	5,258	81,031
	-----	-----
	771,235	847,616
	=====	=====

The bank overdraft is secured by a letter of guarantee from John Cadzow (Glendevon) Limited.

Hire purchase liabilities are secured on the assets to which they relate.

11 CREDITORS : Amounts falling due after more than one year

	£	£
Hire purchase liabilities	-	105,258
	=====	=====

12 CALLED UP SHARE CAPITAL

	£	£
Authorised		
Ordinary shares of £1 each	100	100
	=====	=====
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2
	=====	=====

13 PROFIT AND LOSS ACCOUNT

	£
At 1 April 2000	1,761
Retained loss for the year	(363,760)

At 31 March 2001	(361,999)
	=====

JOHN CADZOW (AULDCATHIE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£	2000 £
<i>Profit/(loss) for the financial year</i>	(363,760)	61,082
Dividend's paid	-	60,000
	-----	-----
Net movement in shareholders funds.	(363,760)	1,082
Opening shareholders' funds	1,763	681
	-----	-----
Closing shareholders' funds	(361,997)	1,763
	=====	=====

15 CONTINGENT LIABILITIES

The company has guaranteed the overdraft of John Cadzow (Glendevon) Limited. At 31 March 2001, the overdraft amounted to £224,073 (2000 : £375,030).

16 TRANSACTIONS WITH RELATED PARTIES

The company was charged a fee of £60,763 (2000 : £307,658) by John Cadzow (Glendevon) Limited during the year for management services of John Cadzow.

The amount due to John Cadzow (Glendevon) Limited at 31 March 2001 was £475,656 (2000 : £624,812).

During the year, John Cadzow (Glendevon) Limited used land owned by the company free of charge.

John Cadzow a director is also a director of Wasters Limited. During the year the company sold assets at market value and transferred outstanding finance liabilities on these assets to Wasters Limited.

The asset value was £259,244 and the related finance liabilities were £129,470.

17 ULTIMATE PARENT UNDERTAKING

John Cadzow (Glendevon) Limited is the company's controlling related party by virtue of its 100% shareholding. The ultimate controlling parties are J G I Cadzow and E M Cadzow as a result of their jointly held 100% shareholding in John Cadzow (Glendevon) Limited.