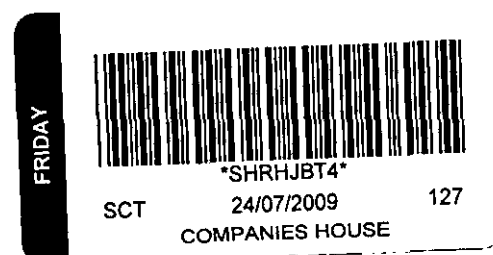
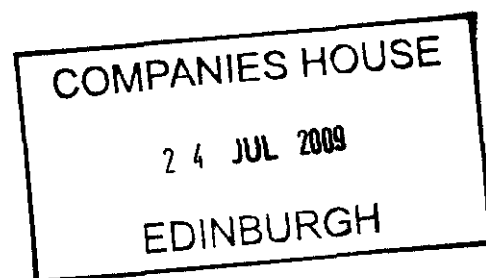


**ENVIROCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

**Registered No: SC180242**



**ENVIROCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**

**CONTENTS**

	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	6
Independent auditors' report	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

# **ENVIROCO LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

<b>Directors</b>	W M Allan I M Ross MCE Averill D H Taylor K D MacIver J J Coull
<b>Company Secretary</b>	W S Kennedy
<b>Registered Office</b>	Regent Centre Regent Road ABERDEEN AB11 5NS
<b>Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants 32 Albyn Place ABERDEEN AB10 1YL
<b>Solicitors</b>	Paul & Williamsons LLP Union Plaza 1 Union Wynd ABERDEEN AB10 1DQ
<b>Bankers</b>	HSBC Bank Plc 2 Queens Road ABERDEEN AB15 4ZT

# **ENVIROCO LIMITED**

## **DIRECTORS' REPORT**

**For the year ended 31 December 2008**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2008.

### **Business Review and Principal Activities**

The company is a wholly owned subsidiary of ASCO Holdings Limited and operates as the Group's Waste Management Division.

The company's principal activity is the management of waste from both offshore and onshore from its point of production through the supply chain to its final destination. A comprehensive service is provided mainly to the North Sea exploration and production and service companies, but also to other industrial sectors. The services provided include marine and industrial tank cleaning, hazardous and non-hazardous waste handling, drill cuttings processing, container hire and training and advisory services.

There have not been any significant changes to the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 8, the company's sales and operating profit increased by 4% and 8% respectively over the prior year. This increase was due to continued successful expansion of the business.

Given the straightforward nature of the business, the company's directors believe that further key performance indicators for the company other than turnover and operating profit are not necessary or appropriate for an understanding of the development, performance or position of the business.

The key performance indicators of the group are discussed on page 9 of the Group's financial statements, which does not form part of this report.

## **ENVIROCO LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 December 2008**

#### **Principal Risks and Uncertainties**

Competitive pressure within the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers and maintaining strong relationships with its customers.

Client investment and activity levels are, of course, influenced to some extent by the oil price (as well as other factors like the need to replace depleted reserves and rig availability). At present the world is experiencing lower oil prices and it is uncertain for how long this will continue. This, together with the current turbulent state of the economy throughout the world, provides some uncertainty with regard to continued investment in new projects and industry activity levels going forward.

To date, this has not impacted reported results, and in order to offset competitive pressures we are focused on adding value to the services we deliver to our clients and to building strong, enduring, long-term client relationships. We are in negotiations with our business partners, both customers and suppliers, to collectively mitigate the impact of the current economic situation.

The company is part of the ASCO Group Limited group of companies and as such is party to Group funding arrangements.

#### **Financial Risk Management Objectives and Policies**

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The company's principal financial assets are bank balances and cash, trade and other receivables and investments. The company's credit risk is primarily attributable to its trade receivables, however this is mitigated by the company having a credit insurance policy. The amounts presented in the balance sheet are net of any allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss making event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparty is a bank with high credit ratings assigned by international credit rating agencies. The company has no significant concentration of credit risk, with exposure spread over a number of customers.

The company's cash flow risk is managed by a mix of short term borrowings and group funding.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company is party to group funding arrangements and uses a mixture of long-term and short-term finance.

#### **Environment**

The company recognises the importance of its environmental responsibilities. The directors are aware of the need to comply with environmental regulations and are subject to regular visits by the Scottish Environmental Protection Agency in Scotland and the Environmental Agency in England.

# ENVIROCO LIMITED

## DIRECTORS' REPORT (CONTINUED)

### Results and Dividends

The profit for the year after taxation amounted to £2,534,000 (2007: profit - £2,391,000). No dividend was paid or proposed during the year (2007: £nil) and the profit for the year has been transferred to reserves.

### Directors and their Interests

The present membership of the Board is set out on page 1. Michael CE Averill was appointed as a director on 1 May 2008

### Charitable Donations

Donations for charitable purposes amounted to £510 (2007: £650).

### Employees

Details concerning employees are shown in note 4. Good relations with employees are regarded as paramount, and communication is maintained through regular visits by management to all departments. The Health and Safety of all employees is constantly reviewed.

Disabled employees are employed where possible and people with disabilities have full and fair consideration for all suitable vacancies. Training is available as necessary and should an employee become disabled when working for the company efforts are made to continue their employment and retraining is provided if required.

Most employees are members of the company's pension scheme.

### Creditor Payment Policy

The policy of the company is to pay its suppliers in accordance with the terms of trade which may be agreed at the time of order. At the year end, the amount owed to trade creditors by the company was equivalent to 68 days (2007: 68) of purchases from suppliers.

### Statement of Disclosure of Information to Auditors

So far as each director is aware, there is no relevant audit information of which the auditors are unaware. Each director has taken the appropriate steps as a director to make themselves aware of such information and to establish that the auditors are aware of it.

### Auditors

The reappointment of PricewaterhouseCoopers as auditors of the company will be proposed at the forthcoming AGM in accordance with Section 385 of the Companies Act 1985.

Approved by the Board and signed on its behalf by:



**IM Ross**  
Director  
28 May 2009

## **ENVIROCO LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and 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 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;
- state whether applicable UK 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 company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 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's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## ENVIROCO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

## ENVIROCO LIMITED

We have audited the financial statements of Enviroco Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its 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.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
**Aberdeen**  
**28 May 2009**



**ENVIROCO LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2008**

	Note	2008 £'000	2007 £'000
<b>TURNOVER</b>	2	<b>28,197</b>	27,135
Cost of sales		<u>(22,667)</u>	<u>(22,306)</u>
<b>GROSS PROFIT</b>		<b>5,530</b>	4,829
Administrative expenses		<u>(1,712)</u>	<u>(1,300)</u>
<b>OPERATING PROFIT</b>	3	<b>3,818</b>	3,529
Net interest payable and similar charges	6	<u>(45)</u>	<u>(42)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,773</b>	3,487
Taxation	7	<u>(1,239)</u>	<u>(1,096)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	<u><b>2,534</b></u>	<u>2,391</u>

The results above all relate to continuing activities.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical equivalents.

# ENVIROCO LIMITED

## BALANCE SHEET

As at 31 December 2008

	Note	2008 £'000	2007 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	6,881	6,085
Investments	9	4	4
		<u>6,885</u>	<u>6,089</u>
<b>CURRENT ASSETS</b>			
Stocks	10	157	231
Debtors	11	5,861	5,822
Cash at Bank and in hand		10,679	3,219
		<u>16,697</u>	<u>9,272</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(12,736)</u>	<u>(7,235)</u>
<b>NET CURRENT ASSETS</b>		<u>3,961</u>	<u>2,037</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,846</u>	<u>8,126</u>
<b>CREDITORS: Amounts falling due outwith one year</b>	13	(499)	(671)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	14	<u>(625)</u>	<u>(267)</u>
<b>NET ASSETS</b>		<u>9,722</u>	<u>7,188</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	668	668
Share premium account	16	1,297	1,297
Profit and loss account	16	7,757	5,223
<b>TOTAL SHAREHOLDERS' FUNDS</b>	17	<u>9,722</u>	<u>7,188</u>

The financial statements on pages 8 to 20 were approved by the Board of Directors on 28 May 2009 and were signed on its behalf by:



**I M Ross**  
Director

# ENVIROCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

### 1 ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements have been prepared under the going concern basis and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

Having made the appropriate enquiries, including a review of cash flow projections and key sensitivities, the directors consider the business is a going concern. Adequate resources exist for the ASCO group of companies to continue in operational existence for the foreseeable future. For this reason we continue to adopt the going concern basis in preparing the financial statements.

The principal accounting policies which have been applied consistently, are summarised below:

#### Cash Flow Statement

The company is a wholly owned subsidiary of ASCO Group Limited and the cashflows of the company are included in the consolidated group cashflow statement of ASCO Group Limited. Consequently, the company is exempt under the terms of Financial Reporting Standard 1 from publishing a cash flow statement.

#### Fixed Assets and Depreciation

The cost of fixed assets is their purchase cost together with any directly related costs of acquisition. Tangible fixed assets are stated at cost less aggregate depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at annual rates calculated to write off the cost on a straight line basis over the expected useful economic lives of the assets. The rates of depreciation are as follows:

Buildings	25 years
Short leasehold	Over the period of the lease
Plant & equipment	2 to 10 years

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Leases & Hire Purchase Agreements

Assets held under finance leases are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the lease term and their estimated useful lives. Hire purchase transactions are dealt with similarly, except that the assets are depreciated over their useful lives. Finance charges are allocated over the periods of the leases and hire purchase agreements in proportion to the capital amounts outstanding.

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the length of the lease. Income in respect of operating leases is credited on a straight line basis over the length of the lease.

## **ENVIROCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2008**

#### **1 ACCOUNTING POLICIES (continued)**

##### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) arising in the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The company is part of a group that obtains the benefit of any tax losses to other group companies in the form of group relief. Consideration for the full amount of tax loss surrendered is payable to the claimant company and is recognised as group relief receivable or group relief payable within the balance sheet of the company

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis.

##### **Pensions**

The company participates in a group defined contribution scheme. The charge to the profit and loss account is the amount of contributions payable to the scheme in the year.

##### **Foreign Currencies**

Monetary assets and liabilities denominated in foreign currencies are translated 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 exchange rate gains and losses are reflected in the profit and loss account.

##### **Revenue Recognition**

Revenue derived from the supply of waste management services is recognised upon provision of the services. Revenue is recognised on the basis of services provided to date and revenue is deferred in circumstances where it has not yet been earned. Costs incurred on providing the services in terms of these contracts are recognised in the period in which they are incurred.

##### **Related Party Disclosures**

The company has taken advantage of the exemption available under Financial Reporting Standard 8 not to disclose details of intra-group transactions, on the basis that it is a subsidiary where 90% or more of its voting rights are controlled within the group and the consolidated financial statements of ASCO Group Limited are publicly available.

# ENVIROCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

### 2 TURNOVER

Turnover is stated net of value added tax. By origin and destination turnover is derived as follows:-

BY ORIGIN:-	2008 £'000	2007 £'000
United Kingdom	28,074	26,433
Eire	95	668
Angola	15	-
Azerbaijan	13	34
	<u>28,197</u>	<u>27,135</u>

BY DESTINATION:-	2008 £'000	2007 £'000
United Kingdom	28,169	27,101
Angola	15	-
Azerbaijan	13	34
	<u>28,197</u>	<u>27,135</u>

### 3 OPERATING PROFIT

Operating profit is stated after charging / (crediting)

	2008 £'000	2007 £'000
Depreciation – owned assets	743	631
Depreciation – assets under HP / finance lease	163	169
Operating lease rentals – land and buildings	515	375
Operating lease rentals – plant and equipment	1,823	1,696
Gain on disposal of fixed assets	(16)	(8)

Auditor's remuneration in respect of both audit and non-audit services is met by the ultimate parent company, ASCO Group Limited. In the opinion of the directors £6,000 (2007: £5,000) of the Group audit fee is attributable to the company and £11,000 (2007: £7,000) of the fees for non-audit services are applicable to the company.

ENVIROCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

**4 STAFF COSTS**

	2008 £'000	2007 £'000
Wages and salaries	4,047	3,419
Social security costs	452	373
Pension costs	78	63
	<u>4,577</u>	<u>3,855</u>

The average monthly number of persons (including executive directors) employed by the company during the financial year amounted to:

By activity:	Number	Number
Administration	57	45
Operations	74	71
	<u>131</u>	<u>116</u>

**5 DIRECTORS' EMOLUMENTS**

	2008 £'000	2007 £'000
Aggregate emoluments	325	240
Company contributions to pension scheme	11	10
	<u>336</u>	<u>250</u>

Certain of the directors were employees of other group companies and it is not considered possible to determine the portion of their remuneration that related to the company.

	2008 £'000	2007 £'000
<b>Highest paid director</b>		
Aggregate emoluments, excluding pension contributions	131	93
Company contributions to pension scheme	5	4
	<u>136</u>	<u>97</u>

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2008

**6 NET INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Interest payable on finance leases	<u>45</u>	<u>42</u>

**7 TAXATION**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the year	<b>1,124</b>	1,046
Adjustments in respect of previous years	<b>(243)</b>	(1)
	<u>881</u>	<u>1,045</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>358</b>	51
	<u>1,239</u>	<u>1,096</u>
<b>Taxation on profit on ordinary activities</b>		

The tax assessed for the year is lower (2007: lower) than the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

<b>Factors affecting tax charge for year</b>	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Profit on ordinary activities for year before tax	<u>3,773</u>	<u>3,487</u>
Expected tax charge	<b>1,075</b>	1,046
<b>Effects of:</b>		
Accelerated capital allowances and other timing differences	<b>12</b>	-
Expenses not deductible for tax purposes	<b>37</b>	-
Adjustments in respect of previous years	<b>(243)</b>	(1)
<b>Current tax charge for the year</b>	<u>881</u>	<u>1,045</u>

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2008

**8 TANGIBLE FIXED ASSETS**

	Land & Buildings £'000	Plant & Equipment £'000	Assets under Construction £'000	Total £'000
<b>Cost</b>				
At 1 January 2008	3,758	6,296	346	10,400
Additions	700	607	399	1,706
Transfer from assets under construction	271	75	(346)	-
Disposals	-	(89)	-	(89)
<b>At 31 December 2008</b>	<b>4,729</b>	<b>6,889</b>	<b>399</b>	<b>12,017</b>
<b>Depreciation</b>				
At 1 January 2008	719	3,596	-	4,315
Charge for the year	150	756	-	906
Disposals	-	(85)	-	(85)
<b>At 31 December 2008</b>	<b>869</b>	<b>4,267</b>	<b>-</b>	<b>5,136</b>
<b>Net book value</b>				
<b>At 31 December 2008</b>	<b>3,860</b>	<b>2,622</b>	<b>399</b>	<b>6,881</b>
At 31 December 2007	3,039	2,700	346	6,085
<b>Consisting of:</b>			<b>2008</b>	<b>2007</b>
			<b>£'000</b>	<b>£'000</b>
Heritable			3,258	2,593
Short leasehold			602	446
			<b>3,860</b>	<b>3,039</b>

Tangible fixed assets included in plant and equipment and held under finance leases are as follows: -

	2008 £'000	2007 £'000
Cost	1,405	1,882
Aggregate depreciation	(412)	(492)
	<b>993</b>	<b>1,390</b>



**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2008**

**9 INVESTMENTS**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
<b>Cost and Net Book Value</b>		
At 31 December 2008	<u><b>4</b></u>	<u><b>4</b></u>

The company has an interest in the following company:-

	<b>Class of Shares</b>	<b>% Owned</b>	<b>Country of Registration</b>	<b>Business Nature of</b>
Peterhead Decommissioning Limited	Ordinary	11	Scotland	Trading

**10 STOCKS**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Finished goods	<u><b>157</b></u>	<u><b>231</b></u>

**11 DEBTORS**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Trade debtors	<b>2,725</b>	2,537
Other debtors	-	38
Prepayments and accrued income	<b>987</b>	1,810
Amounts due from group undertakings	<b>1,858</b>	1,437
Corporation tax recoverable	<u><b>291</b></u>	<u>-</u>
	<u><b>5,861</b></u>	<u><b>5,822</b></u>

Amounts due from group undertakings are unsecured, interest free, repayable on demand and have no fixed repayment date

# ENVIROCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Trade creditors	3,680	4,158
Amounts due to group undertakings	8,606	1,647
Accruals and deferred income	70	124
Finance lease creditor	225	255
Corporation tax payable	-	1,045
Other creditors	-	6
Other tax and social security	155	-
	<u>12,736</u>	<u>7,235</u>

The group bank overdraft and loans are secured by a bond and floating charge over the assets of the company and standard securities over certain properties of the company. Cross guarantees also exist with other group companies. The contingent liability of the company under these arrangements at 31 December 2008 amounted to £109,433,000 (2007: £91,104,000).

Amounts due to group undertakings are unsecured, interest free, repayable on demand and have no fixed repayment date.

### 13 CREDITORS: AMOUNTS FALLING DUE OUTWITH ONE YEAR

	2008 £'000	2007 £'000
Finance lease creditor	<u>499</u>	<u>671</u>
<b>Analysis of finance leases by repayment date:</b>		
Repayable within 1 year	<u>225</u>	<u>255</u>
Repayable within 1-2 years	208	194
Repayable within 2-5 years	291	460
Repayable after 5 years	-	17
	<u>499</u>	<u>671</u>
	<u>724</u>	<u>926</u>

# ENVIROCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

### 14 PROVISION FOR LIABILITIES AND CHARGES

#### Deferred taxation

The amounts of deferred taxation provided for timing differences are as follows

	2008 £'000	2007 £'000
Accelerated capital allowances	<u>625</u>	<u>267</u>

The movement on the provision for deferred tax is as follows

At 1 January 2008	267	216
Transferred to profit and loss account (note 7)	<u>358</u>	<u>51</u>
<b>At 31 December 2008</b>	<u><b>625</b></u>	<u><b>267</b></u>

The deferred tax liability is based on a corporation tax rate of 28% (2007: 28%)

### 15 CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
<b>Authorised</b>		
500,000 'A' ordinary shares of £1 each	500	500
500,000 'B' ordinary shares of £1 each	<u>500</u>	<u>500</u>
	<u><b>1,000</b></u>	<u><b>1,000</b></u>
<b>Allotted, called up and fully paid</b>		
333,751 'A' ordinary shares of £1 each	334	334
333,751 'B' ordinary shares of £1 each	<u>334</u>	<u>334</u>
	<u><b>668</b></u>	<u><b>668</b></u>

'A' and 'B' ordinary shares rank pari passu in terms of voting rights, dividends and with regard to return of capital in the event of a winding up.

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2008

**16 RESERVES**

	2008 £'000	2007 £'000
<b>Share premium account</b>		
At 1 January and 31 December	<u>1,297</u>	<u>1,297</u>
<b>Profit and loss account</b>		
At 1 January	5,223	2,832
Profit for the financial year	2,534	2,391
Dividends paid	-	-
<b>At 31 December</b>	<u><u>7,757</u></u>	<u><u>5,223</u></u>

**17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2008 £'000	2007 £'000
Opening shareholders' funds	7,188	4,797
Profit for the financial year	<u>2,534</u>	<u>2,391</u>
Closing shareholders' funds	<u><u>9,722</u></u>	<u><u>7,188</u></u>

**18 OPERATING LEASE COMMITMENTS**

At 31 December 2008 the company had non-cancellable commitments under operating leases which will result in the following payments falling due in the next twelve months.

	Land & Buildings 2008 £'000	Plant & Equipment 2008 £'000	Land & Buildings 2007 £'000	Plant & Equipment 2007 £'000
<b>On leases which expire:</b>				
Within 1 year	26	26	29	922
Between 2-5 years	245	273	246	280
After 5 years	180	769	100	-
	<u><u>451</u></u>	<u><u>1,068</u></u>	<u><u>375</u></u>	<u><u>1,202</u></u>

# ENVIROCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

### 19 CAPITAL COMMITMENTS

	2008 £'000	2007 £'000
<b>Contracted but not provided in the financial statements:</b>		
Land and Buildings	64	262
Plant and equipment	73	217
	<u>137</u>	<u>479</u>

### 20 PENSION COMMITMENTS

The company participates in the group defined contribution scheme. The pension charge shown in Note 4 represents contributions payable by the company to the defined contribution scheme and amounted to £78,000 (2007: £63,000).

### 21 CONTINGENT LIABILITIES

A significant claim was lodged in 2007 by a shipping company against the company seeking compensation for alleged damage to a vessel in a previous year. The group has taken legal advice and considers that any exposure arising would be substantially covered by insurance. Accordingly, no provision has been made in the financial statements for this claim.

### 22 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of ASCO Holdings Limited, a company registered in Scotland. Copies of its accounts for the year to 31<sup>st</sup> December 2008 can be obtained from the Company Secretary at Regent Centre, Regent Road, Aberdeen, AB11 5NS.

The ultimate parent company is ASCO Group Limited. The accounts of ASCO Group Limited, which do reflect the consolidation of the company, are available from the Company Secretary at Regent Centre, Regent Road, Aberdeen, AB11 5NS.