

**ENVIROCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2007**  
**Registered No: SC180242**



**ENVIROCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

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**ENVIROCO LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>Directors</b>	W M Allan I M Ross D H Taylor K D MacIver J J Coull
<b>Registered Office</b>	Regent Centre Regent Road ABERDEEN AB11 5NS
<b>Secretary</b>	W S Kennedy
<b>Auditors</b>	PricewaterhouseCoopers LLP 32 Albyn Place ABERDEEN AB10 1YL
<b>Solicitors</b>	Paul & Williamsons Investment House 6 Union Row 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 2007**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2007

**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, land remediation, 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.

ASCO UK Limited's English Waste division was transferred to the company by way of an asset purchase on 1 January 2007.

As shown in the company's profit and loss account on page 8, the company's sales and operating profit increased by 83% and 106% respectively over the prior year. This increase was largely as a result of the transfer of ASCO UK Limited's English Waste division and the 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 development, performance and position of the Group, which includes the company, is discussed on page 8 of the group's annual financial statements, which does not form part of this report. A significant claim was lodged by a shipping company against the company, this is discussed within note 22.

## **ENVIROCO LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **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. Activity levels are dependant on the levels of drilling and production activity undertaken by the oil and gas companies. We cannot influence the level of activity in any one market.

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. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss 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.

#### **Results and Dividends**

The profit for the year after taxation amounted to £2,391,000 (2006 profit £1,209,000). No dividend was paid or proposed during the year (2006 £1,000,000).

## **ENVIROCO LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **Directors and their Interests**

The present membership of the Board is set out on page 1

Daniel H Taylor, Kevin D MacIver and John J Coull were appointed as directors on 1 January 2007

#### **Charitable Donations**

Donations for charitable purposes amounted to £650 (2006 £320)

#### **Employee Involvement**

Employees are provided with information on matters of concern to them, principally through the operation of monthly team briefings given to every employee

Internal communication systems have been developed to inform all managers and staff throughout the company of significant events

#### **Disabled Persons**

Although much of the company's work is unsuitable for disabled persons, positive efforts are made to recruit and train disabled persons for appropriate work. Arrangements are made, whenever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities

#### **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 (2006 53) of purchases from suppliers

**ENVIROCO LIMITED**  
**DIRECTORS' REPORT (Continued)**

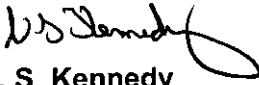
**Auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware,
- and
- The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

During the year Deloitte & Touche LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

**Approved by the Board and signed on its behalf by.**

  
**W. S. Kennedy**  
**Secretary**

**6 May 2008**  
**Regent Centre**  
**Regent Road**  
**ABERDEEN**  
**AB11 5NS**

## **ENVIROCO LIMITED**

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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, in which case there should be supporting assumptions or qualifications as necessary

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 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. 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

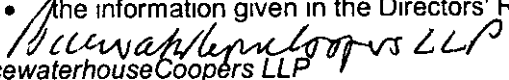
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 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  
Chartered Accountants and Registered Auditors  
Aberdeen

6 May 2008

**ENVIROCO LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the Year Ended 31 December 2007**

	Note	2007 £'000	2006 £'000
<b>TURNOVER</b>	2	27,135	14,858
Cost of sales	3	<u>(22,306)</u>	<u>(12,475)</u>
<b>GROSS PROFIT</b>		4,829	2,383
Administrative expenses	4	<u>(1,300)</u>	<u>(666)</u>
<b>OPERATING PROFIT</b>		3,529	1,717
Net interest (payable)/receivable and similar charges	6	<u>(42)</u>	<u>20</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		3,487	1,737
Taxation	7	<u>(1,096)</u>	<u>(528)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	2,391	1,209

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 2007

	Note	2007 £'000	2006 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	6,085	3,997
Investments	10	4	
		<u>6,089</u>	<u>3,997</u>
<b>CURRENT ASSETS</b>			
Stocks	11	231	11
Debtors	12	4,385	3,417
Cash at Bank and in hand		3,219	1,142
		<u>7,835</u>	<u>4,570</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(5,798)</u>	<u>(2,997)</u>
<b>NET CURRENT ASSETS</b>		<u>2,037</u>	<u>1,573</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,126	5,570
<b>CREDITORS: Amounts falling due outwith one year</b>	14	(671)	(557)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15	<u>(267)</u>	<u>(216)</u>
<b>NET ASSETS</b>		7,188	4,797
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	668	668
Share premium account	17	1,297	1,297
Profit and loss account	17	<u>5,223</u>	<u>2,832</u>
<b>SHAREHOLDERS' FUNDS</b>	18	7,188	4,797

The financial statements on pages 8 to 21 were approved by the Board of Directors on 6 May 2008 and were signed on its behalf by



**I M Ross**  
Director

# ENVIROCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2007

### 1 ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently, are summarised below.

#### 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.

#### 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.

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.

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**1 ACCOUNTING POLICIES (continued)**

**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**

*Waste Management Services*

Revenue derived from the supply of waste management services is recognised upon provision of the services.

*Long term service contracts*

The company enters into long term service contracts for the supply of waste management 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.

**2 TURNOVER**

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

<b>BY ORIGIN:-</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
United Kingdom	26,433	14,858
Eire	668	
Azerbaijan	34	
	<hr/> 27,135	<hr/> 14,858

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**2 TURNOVER (CONTINUED)**

<b>BY DESTINATION:-</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
United Kingdom	27,101	14 858
Azerbaijan	34	
	<hr/> 27,135	<hr/> 14,858

**3 COST OF SALES**

	<b>2007 £'000</b>	<b>2006 £'000</b>
Depreciation – owned assets	587	543
Depreciation – assets under HP / finance lease	169	116
Operating lease rentals – land and buildings	337	283
Operating lease rentals – plant and equipment	1,679	1,215
Other costs	19,534	10,318
	<hr/> 22,306	<hr/> 12,475

**4 ADMINISTRATIVE EXPENSES**

	<b>2007 £'000</b>	<b>2006 £'000</b>
Auditors remuneration – audit services	5	5
Auditors remuneration – non audit services	7	
Depreciation – owned assets	44	38
Gain on disposal of fixed assets	(8)	(6)
Operating lease rentals – plant and equipment	17	29
Operating lease rentals – land and buildings	38	36
Other expenses	1,197	564
	<hr/> 1,300	<hr/> 666

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**5 EMPLOYEE INFORMATION**

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Staff costs</b>		
Wages and salaries	3,419	1,996
Social security costs	373	216
Pension costs	63	35
	<hr/> 3,855	<hr/> 2,247

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

<b>By activity:</b>	<b>Number</b>	<b>Number</b>
Administration	45	22
Operations	71	45
	<hr/> 116	<hr/> 67

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Directors emoluments</b>		
Aggregate emoluments	240	57
Company contributions to pension scheme	10	2
	<hr/> 250	<hr/> 59

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

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Highest paid director</b>		
Aggregate emoluments, excluding pension contributions	93	57
Company contributions to pension scheme	4	2
	<hr/> 97	<hr/> 59

**ENVIROCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2007**

**6 NET INTEREST (PAYABLE)/RECEIVABLE AND SIMILAR CHARGES**

	<b>2007 £'000</b>	<b>2006 £'000</b>
Interest payable on finance leases	(42)	(28)
Total interest payable	(42)	(28)
Interest receivable		48
	(42)	20

**7 TAXATION**

	<b>2007 £'000</b>	<b>2006 £'000</b>
<b>Corporation tax</b>		
Current year	1,046	530
Prior year	(1)	6
	1,045	536
<b>Deferred tax</b>		
Current year		9
Prior year	51	(17)
	51	(8)
<b>Taxation on profit on ordinary activities</b>	1,096	528

The tax assessed for the year is lower (2006 – higher) than the standard rate of corporation tax in the UK (30%)  
The differences are explained below

**Factors affecting tax charge for year**

	<b>2007 £'000</b>	<b>2006 £'000</b>
Profit on ordinary activities for year before tax	3,487	1,737
Expected tax charge	1,046	521
Accelerated capital allowances and other timing differences		9
Prior year adjustment	(1)	6
Current tax charge for the year	1,045	536



**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**8 DIVIDENDS**

The company did not pay or propose a dividend during the year (2006 £1,000,000)

**9 TANGIBLE FIXED ASSETS**

	<b>Land &amp; Buildings £'000</b>	<b>Plant &amp; Equipment £'000</b>	<b>Assets under Construction £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January 2007	1,962	5,215	5	7,182
Additions	1,581	697	344	2,622
Transfer from assets under construction		3	(3)	
Disposals		(181)		(181)
Group Transfers	215	562		777
<b>At 31 December 2007</b>	<b>3,758</b>	<b>6,296</b>	<b>346</b>	<b>10,400</b>
<b>Depreciation</b>				
At 1 January 2007	453	2,732		3,185
Charge for the year	108	692		800
Disposals		(163)		(163)
Group Transfers	158	335		493
<b>At 31 December 2007</b>	<b>719</b>	<b>3,596</b>		<b>4,315</b>
<b>Net book value</b>				
<b>At 31 December 2007</b>	<b>3,039</b>	<b>2,700</b>	<b>346</b>	<b>6,085</b>
At 31 December 2006	1,509	2,483	5	3,997

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**9 TANGIBLE FIXED ASSETS (CONTINUED)**

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Consisting of		
Heritable	2,593	1,100
Short leasehold	446	409
	<hr/> 3,039	<hr/> 1,509

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

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Cost	1,882	1,375
Aggregate depreciation	(492)	(301)
	<hr/> 1,390	<hr/> 1,074

**10 INVESTMENTS**

<b>Cost and Net Book Value</b>	<b>2007</b> <b>£'000</b>
At 1 January 2007	
Additions	4
	<hr/>
At 31 December 2007	4

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**10 INVESTMENTS (CONTINUED)**

The company has an interest in the following company

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

**11 STOCKS**

	<b>2007 £'000</b>	<b>2006 £'000</b>
Finished goods	231	11

**12 DEBTORS**

	<b>2007 £'000</b>	<b>2006 £'000</b>
Trade debtors	2,537	1,711
Net amounts owed by group undertakings		926
Other debtors	38	
Prepayments and accrued income	1,810	780
	<hr/> 4,385	<hr/> 3,417

Amounts owed by group undertakings have no fixed repayment terms and do not bear interest

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Trade creditors	4,158	2,127
Net amounts owed to group undertakings	210	20
Accruals and deferred income	124	74
Finance lease creditor	255	230
Corporation tax payable	1,045	255
Other creditors	6	6
Other tax and social security		285
	<hr/> 5,798	<hr/> 2,997

The Group bank facility is 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 2007 amounted to £91,104,000 (2006 £87,200,000).

Amounts owed to group undertakings have no fixed repayment terms and do not bear interest.

**14 CREDITORS: AMOUNTS FALLING DUE OUTWITH ONE YEAR**

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Finance lease creditor	671	557
<b>Analysis of finance leases by repayment date:</b>		
Repayable within 1 year	255	230
Repayable within 1 2 years	194	165
Repayable within 2 5 years	460	303
Repayable after 5 years	17	89
	<hr/> 926	<hr/> 787

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**15 PROVISION FOR LIABILITIES AND CHARGES**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred taxation</b>		
<b>Amounts provided for timing differences</b>		
At 1 January 2007	216	224
Transferred to/(from) profit and loss account (note 7)	51	(8)
	<hr/>	<hr/>
<b>At 31 December 2007</b>	<b>267</b>	<b>216</b>
Accelerated capital allowances	267	216
The deferred tax liability is based on a corporation tax rate of 28% (2006 – 30%)		

**16 CALLED UP SHARE CAPITAL**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
500,000 'A' ordinary shares of £1 each	500	500
500,000 'B' ordinary shares of £1 each	500	500
	<hr/>	<hr/>
	1,000	1,000
<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	334	334
	<hr/>	<hr/>
	668	668

'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

**17 RESERVES**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Share premium account</b>		
At 1 January 2007 and 31 December 2007	1,297	1,297
<b>Profit and loss account</b>		
At 1 January 2007	2,832	2,623
Profit for the Financial Year	2,391	1,209
Dividends Paid (note 8)		(1,000)
	<hr/>	<hr/>
<b>At 31 December 2007</b>	<b>5,223</b>	<b>2,832</b>

# **ENVIROCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2007**

### **18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	2,391	1,209
Dividends paid (Note 8)		(1,000)
		--
Net movement on shareholders' funds	2,391	209
Opening shareholders' funds	4,797	4,588
	<hr/>	<hr/>
Closing shareholders' funds	7,188	4,797

### **19 OPERATING LEASE COMMITMENTS**

At 31 December 2007 the company was committed to the following annual payments in respect of operating leases

	<b>Land &amp; Buildings 2007 £'000</b>	<b>Plant &amp; Equipment 2007 £'000</b>	<b>Land &amp; Buildings 2006 £'000</b>	<b>Plant &amp; Equipment 2006 £'000</b>
<b>On leases which expire:</b>				
Within 1 year	29	922	24	10
Between 2 5 years	246	280	69	1,238
After 5 years	100		228	22
	<hr/>	<hr/>	<hr/>	<hr/>
	375	1,202	321	1,270

### **20 CAPITAL COMMITMENTS**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Contracted but not provided in the financial statements.</b>		
Land and Buildings	262	
Plant and equipment	217	76
	<hr/>	<hr/>
	479	76

**ENVIROCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 December 2007**

**21 PENSION COMMITMENTS**

The company participates in the group defined contribution scheme. The pension charge shown in Note 5 represents contributions payable by the company to the defined contribution scheme and amounted to £63,000 (2006 £35,000)

**22 CONTINGENT LIABILITIES**

A significant claim was lodged 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.

**23 ULTIMATE PARENT COMPANY**

The company is a subsidiary undertaking of ASCO Holdings Limited, a company registered in Scotland. Copies of its accounts for the period to 31<sup>st</sup> December 2007 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.