

ARMSTRONG WASTE MANAGEMENT LIMITED

ANNUAL REPORT

YEAR ENDED 31 MARCH 1997



PANNELL KERR FORSTER
Chartered Accountants

ARMSTRONG WASTE MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Janet Armstrong John A Armstrong Joyce Armstrong
Secretary	Joyce Armstrong
Company Number	109950
Registered Office	Newton Road Industrial Estate Glasgow Road Dumfries DG2 0EF
Auditors	Pannell Kerr Forster Chartered Accountants 78 Carlton Place Glasgow G5 9TH
Solicitors	AB & A Matthews The Old Bank Buccleuch Street Bridge Dumfries DG2 7TJ
Bankers	The Royal Bank of Scotland plc Dumfries Whitesands Branch 68 Whitesands Dumfries DG1 2PG

ARMSTRONG WASTE MANAGEMENT LIMITED

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ARMSTRONG WASTE MANAGEMENT LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 1997

The directors submit their report and the financial statements for the year ended 31 March 1997.

Principal activity

The principal activity of the company continued to be that of waste management.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	Ordinary shares of £1 each	
	1997	1996
Janet Armstrong	-	-
John A Armstrong	1	1
Joyce Armstrong	1	1

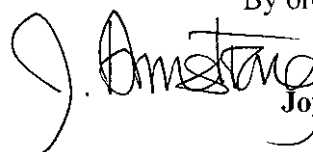
Auditors

The auditors, Pannell Kerr Forster, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

Small company exemptions

Advantage has been taken in the preparation of this report of the exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board



Joyce Armstrong
Secretary

3/11/97

ARMSTRONG WASTE MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 directors are responsible for keeping proper accounting records which 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
ARMSTRONG WASTE MANAGEMENT LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

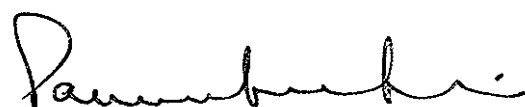
We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 of the state of affairs of the company as at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

13 November 1997
Glasgow



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

ARMSTRONG WASTE MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1997

	Notes	1997 £	1996 £
TURNOVER	2	686,932	625,378
Cost of sales		<u>(498,707)</u>	<u>(423,074)</u>
GROSS PROFIT		188,225	202,304
Distribution costs		(11,064)	(4,014)
Administrative expenses		(203,480)	(192,300)
Other operating income		-	15,000
OPERATING (LOSS)/PROFIT	3	(26,319)	20,990
Interest payable and similar items		<u>(12,046)</u>	<u>(8,834)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(38,365)	12,156
TAXATION		2,065	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(36,300)</u>	<u>12,156</u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

ARMSTRONG WASTE MANAGEMENT LIMITED
BALANCE SHEET
AS AT 31 MARCH 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible	4	490,559	473,721
CURRENT ASSETS			
Stocks		2,790	4,337
Debtors	5	168,050	150,646
Cash at bank and in hand		388	388
		<hr/> 171,228	<hr/> 155,371
CREDITORS: amounts falling due within one year	6	(317,635)	(214,575)
NET CURRENT LIABILITIES		<hr/> (146,407)	<hr/> (59,204)
TOTAL ASSETS LESS CURRENT LIABILITIES		344,152	414,517
CREDITORS: amounts falling due after more than one year	7	(47,478)	(81,543)
NET ASSETS		<hr/> 296,674	<hr/> 332,974
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Revaluation reserve		9,535	9,535
Profit and loss account	11	287,137	323,437
SHAREHOLDERS' FUNDS	12	<hr/> 296,674	<hr/> 332,974

Advantage has been taken in the preparation of the financial statements of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the exemptions mentioned in section 246 of the Act as a small company.

The financial statements were approved by the board on 3/11/97

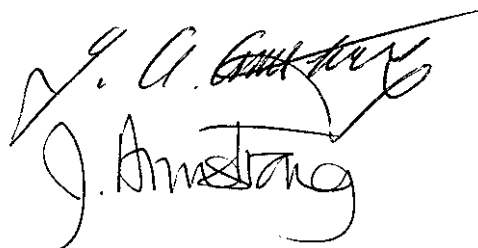
Signed on behalf of the board of directors

JOHN A ARMSTRONG

Director

JOYCE ARMSTRONG

Director



ARMSTRONG WASTE MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and equipment	10 % - 20%
Motor vehicles	20 %

(d) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

2 TURNOVER

All turnover arose within the United Kingdom.

ARMSTRONG WASTE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

3 OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	1997 £	1996 £
Depreciation of tangible fixed assets:		
- owned by the company	68,470	20,238
- held under finance lease or hire purchase contracts	32,129	24,217
Directors' emoluments	17,671	29,753
Audit fees	1,985	1,800
	<u>119,255</u>	<u>75,008</u>

4 TANGIBLE FIXED ASSETS

	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 1996	659,017	19,000	678,017
Additions	115,938	1,500	117,438
Disposals	-	(1,700)	(1,700)
	<u>774,955</u>	<u>18,800</u>	<u>793,755</u>
At 31 March 1997	774,955	18,800	793,755
Depreciation			
At 1 April 1996	198,323	5,973	204,296
Charge for year	96,690	3,909	100,599
On disposals	-	(1,699)	(1,699)
	<u>295,013</u>	<u>8,183</u>	<u>303,196</u>
At 31 March 1997	295,013	8,183	303,196
Net book amount			
At 31 March 1997	479,942	10,617	490,559
At 31 March 1996	<u>460,694</u>	<u>13,027</u>	<u>473,721</u>

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	1997 £	1996 £
Plant & equipment	179,119	208,756
Motor vehicles	9,428	12,956
	<u>188,547</u>	<u>221,712</u>

ARMSTRONG WASTE MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

5 DEBTORS

	1997	1996
	£	£
Trade debtors	133,982	100,749
Other debtors	34,068	49,897
	<u>168,050</u>	<u>150,646</u>

6 CREDITORS:

Amounts falling due within one year

	1997	1996
	£	£
Bank loans and overdrafts	69,409	37,216
Trade creditors	48,992	50,955
Corporation tax	-	(1,094)
Other tax and social security	22,712	12,446
Net obligations under finance lease and hire purchase contracts (note 8)	69,666	69,087
Other creditors	106,856	45,965
	<u>317,635</u>	<u>214,575</u>

7 CREDITORS:

Amounts falling due after more than one year

	1997	1996
	£	£
Net obligations under finance lease and hire purchase contracts (note 8)	47,478	81,543

8 FINANCE LEASES

Net obligations under finance lease and hire purchase agreements fall due as follows:

	1997	1996
	£	£
Within one year	69,666	69,087
Between one and five years	47,478	81,543
	<u>117,144</u>	<u>150,630</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

9 PROVISIONS FOR LIABILITIES AND CHARGES

The additional potential liability for deferred taxation not provided was **£46,987** (1996 - £59,198).

ARMSTRONG WASTE MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

10 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No.	£
At 1 April 1996 and 31 March 1997 Ordinary shares of £1 each	1,000	2	2
	<u> </u>	<u> </u>	<u> </u>

11 RESERVES

Revaluation reserve	£
At 1 April 1996	9,535
and 31 March 1997	<u> </u>
Profit and loss account	£
At 1 April 1996	323,437
Loss for the year	(36,300)
At 31 March 1997	<u>287,137</u>

12 SHAREHOLDERS' FUNDS

	1997 £	1996 £
Shareholders' funds at 1 April 1996	332,974	320,818
(Loss)/profit for the year	(36,300)	12,156
Shareholders' funds at 31 March 1997	<u>296,674</u>	<u>332,974</u>

13 TRANSACTIONS WITH RELATED PARTIES

Molplant Limited

During the year the company had sales of £39,442 and purchases of £43,887 with Molplant Limited, a company controlled by John A Armstrong and Joyce Armstrong, both directors of Armstrong Waste Management. At the balance sheet date £426 was due from this company.