BENFLEET SCRAP CO LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1996

FIXED ASSETS

Tangible Assets 2

CURRENT ASSETS

Stocks 41,239
Debtors 221,320
Cash at Bank and in Hand 282,734

CREDITORS: Amounts falling due within one year (144,013)

NET CURRENT ASSETS 138,721

TOTAL ASSETS LESS CURRENT LIABILITIES 163,806

CREDITORS: Amounts falling due after more than one year (50,000)

CAPITAL AND RESERVES

Called-up Share Capital 500
Profit and Loss Account 113,306

£113,806

Advantage has been taken of the exemptions for small sized companies conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company is entitled to benefit from those exemptions as a small sized company.

The directors have taken advantage, in preparation of the financial statements, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the Board of Directors on 9-1-97 and signed on their behalf by:

A. R. LEEMAN : DIRECTOR

R. B. LEEMAN : DIRECTOR

For further information regarding the above see the annexed notes on the financial statements, which form an integral part of these financial statements.
1. ACCOUNTING POLICIES

Accounting Convention

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

Tangible Fixed Assets and Depreciation

Depreciation is provided on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates are:

- Plant and Equipment: 20% Reducing Balance
- Motor Vehicles: 25% Reducing Balance

Leased Assets

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis.

Stocks

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

Turnover

Turnover consists of the invoiced value, excluding VAT, of goods and services supplied to third parties.

Deferred Taxation

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Pension

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.
2. FIXED ASSETS

Tangible Assets

Cost
Additions and carried forward £30,917

Depreciation
Charge for period and carried forward £5,832

Net Book Values
At 31st August 1996 £25,085

3. DEBTORS

1996
Trade debtors 183,819
Directors' loan accounts 500
Others 37,901
£221,320

4. CREDITORS: Amounts falling due within one year

1996
Trade creditors 44,050
Tax and social security 64,577
Other creditors 35,386
£144,013

5. CREDITORS: Amounts falling due after more than one year

1996
Other creditors £50,000

6. BORROWINGS

1996
Wholly repayable other than by instalments:
- due within two - five years £50,000

7. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation comprises:
Amounts not Provided
Provided 1996

Capital allowances £Nil

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8. SHARE CAPITAL

Authorised
On 29th August 1995 25,000 ordinary shares of £1 each were converted to:

12,500 ordinary 'A' shares of £1 each
12,500 ordinary 'B' shares of £1 each

£25,000

Issued and Fully Paid
Subscriber shares as at 10th March 1995:
2 ordinary shares at £1 each

Shares issued on 26th May 1995:
98 ordinary shares of £1 each

On 29th August 1995 the existing 100 issued shares were converted as follows:

40 ordinary 'A' shares
60 ordinary 'B' shares

Shares issued at 30th August 1995:

85 ordinary 'A' shares
315 ordinary 'B' shares

Issued and Fully paid at 31st August 1996

125 ordinary 'A' shares of £1 each
375 ordinary 'B' shares of £1 each

£500

Both classes of shares rate equally in all respects with the exception of voting of dividends that may be declared on class of share to the exclusion of the other or may be declared at varying rates.
AUDITOR'S REPORT TO THE DIRECTORS OF BENFLEET SCRAP CO LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985.

We have examined the attached abbreviated financial statements together with the financial statements of Benfleet Scrap Co Limited prepared under S226 of the Companies Act 1985 for the period ended 31st August 1996.

Respective Responsibilities of Directors and Auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 4 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under §246 and §247 of the Companies Act 1985, to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the period ended 31st August 1996, and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Other Information

On 9 January 1997 we reported as auditor of Benfleet Scrap Co Limited, to the members on the financial statements prepared under §226 of the Companies Act 1985 for the period ended 31st August 1996, and our audit report was as follows:

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditor

As described on page 1 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 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 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.

Cont/d ....
Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st August 1996 and its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985, as applicable to small companies.

St James's House
8 Overcliffe,
Gravesend, Kent
DA11 0HJ

Date: 9 Jan 1997

CARLEY & COMPANY
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR