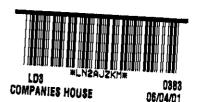
LONDON RECYCLING LIMITED ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2000



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AUDITORS' REPORT TO LONDON RECYCLING LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 August 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Fox Associates

Chartered Accountants
Registered Auditor

Britanic House

17 Highfield Road London

NW11 9LS

ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 2000

		20	00	1999	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		698,755		668,501
Current assets					
Stocks		70,000		55,000	
Debtors		384,245		306,411	
Cash at bank and in hand		240,215		46,058	
		694,460		407,469	
Creditors: amounts falling due within		(070.050)		(400,000)	
one year		(279,852)		(139,323)	
Net current assets			414,608		268,146
Total assets less current liabilities			1,113,363		936,647
					
Capital and reserves					
Called up share capital	3		1,000		1,000
Profit and loss account			1,112,363		935,647
Shareholders' funds			1,113,363		936,647

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

M. Colbert **Director**

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings

Straight line over the life of the lease

Plant and machinery

15% Reducing balance

Fixtures, fittings and equipment

25% Reducing balance

Motor vehicles

25% Reducing balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2000

2	Fixed assets		
			Tangible
			assets £
	Cost		~
	At 1 September 1999		1,264,740
	Additions		138,584
	Disposals		(58,233)
	At 31 August 2000		1,345,091
	Depreciation		
	At 1 September 1999		596,239
	On disposals		(46,636)
	Charge for the year		96,733
	At 31 August 2000		646,336
	Net book value		
	At 31 August 2000		698,755
	At 31 August 1999		668,501
3	Share capital	2000	1999
	A di Nord	£	£
	Authorised	4.000	4.000
	1,000 Ordinary shares of £ 1 each	1,000	1,000
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £ 1 each	1,000	1,000