EDEN WASTE RECYCLING LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 JANUARY 2002

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COMPANIES HOUSE 08/10/02

Company no SC209668

EDEN WASTE RECYCLING LIMITED

FINANCIAL STATEMENTS

For the period ended 31 January 2002

Company registration number:	SC209668
Registered office:	9 Charlotte Square Edinburgh Midlothian EH2 4DR
Directors:	D E Murray J D G Wilson I MacDonald T G Gillespie A W S Gillespie J R Davies
Secretary:	Mr G Milne
Auditors:	Grant Thornton Registered auditors Chartered accountants

EDEN WASTE RECYCLING LIMITED

FINANCIAL STATEMENTS

For the period ended 31 January 2002

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REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the period ended 31 January 2002.

Principal activities

The company is principally engaged in municipal, commercial and industrial waste collection and recycling. The company also provides other land management and recycling services.

Business review

The company was incorporated on the 2nd August 2000 under the name of Dunwilco (808) Ltd, this was changed to GM Waste Management Ltd on the 7th March 2000 and subsequently changed to Eden Waste Recycling Ltd on the 6th September 2001.

There was a loss for the period after taxation amounting to £54,187. The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. The directors were all appointed during the period. In addition M B Polson and D J Crawford were appointed directors on the 2nd August 2000 and resigned on the 7th September 2001. S Tahir was appointed a director on the 7th September 2001 and resigned as director on the 5th November 2001.

The interests of the directors and their families in the shares of the company as at 31 January 2002 and were as follows:

	Ordinary shares	
	31 January 2002	2 August 2000
D E Murray (Appointed 7/9/00)	-	-
J D G Wilson (Appointed 7/9/00)	-	-
I MacDonald (Appointed 16/10/00)	-	-
T G Gillespie (Appointed 16/10/00)	-	-
A W S Gillespie (Appointed 16/10/00)	-	-
J R Davies (Appointed 16/10/00)	-	-

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period 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
- state whether applicable 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 are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton were appointed auditors on 1 April 2002 to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

Director
24 June 2002

Grant Thornton

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

EDEN WASTE RECYCLING LIMITED

We have audited the financial statements of Eden Waste Recycling Limited for the period ended 31 January 2002 which comprise the profit and loss account, the balance sheet and notes 1 to 15 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 director's report and the financial statements in accordance with applicable law and United Kingdom accounting standards 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 United Kingdom auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

24 June 2002

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company are set out below.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	33.33%
Fixtures and fittings	33.33%

DEFERRED TAXATION

Deferred tax is recognised on all timing differrences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

CONTRIBUTIONS TO PENSION FUNDS

Defined benefit scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average remaining service lives of current employees in the scheme.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

EDEN WASTE RECYCLING LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 31 January 2002

	Note	Period from 2 August 2000 to 31 January 2002 £
Administrative expenses		(54,187)
Operating loss		(54,187)
Loss on ordinary activities before taxation	1	(54,187)
Tax on loss on ordinary activities	3	-
Loss transferred from reserves	9	(54,187)

There were no recognised gains or losses other than the loss for the financial period.

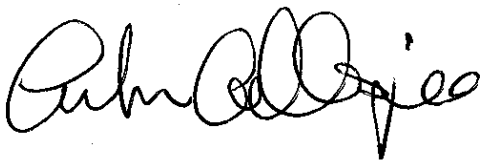
The accompanying accounting policies and notes form an integral part of these financial statements.

EDEN WASTE RECYCLING LIMITED

BALANCE SHEET AT 31 JANUARY 2002

	Note	2002 £
Fixed assets		
Tangible assets	4	**936,721**
Current assets		
Debtors	5	**27,462**
		27,462
Creditors: amounts falling due within one year	6	**(1,008,770)**
Net current liabilities		**(981,308)**
Total assets less current liabilities		**(44,587)**
Creditors: amounts falling due after more than one year	7	**(9,599)**
		(54,186)
Capital and reserves		
Called up share capital	8	**1**
Profit and loss account	9	**(54,187)**
Shareholders' funds	10	**(54,186)**

The financial statements were approved by the Board of Directors on 24 June 2002.



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:

	For the 18 month period ended 31 January 2002 £
Auditors' remuneration	1,500
Depreciation:	
Tangible fixed assets, owned	8,223
Contribution to Group Employee Benefit Trust	10,000

The Employee Benefit Trust was established to provide incentives to certain employees. Payments to the Trust are charged to the profit and loss account in the period incurred.

2 DIRECTORS AND EMPLOYEES

Staff costs during the period were as follows:

	For the 18 month period ended 31 January 2002 £
Wages and salaries	17,656
Social security costs	1,837
Other pension costs	1,504
	20,997

The average number of employees of the company during the period was 1 .

Remuneration in respect of directors was as follows:

	For the 18 month period ended 31 January 2002 £
Emoluments	17,491

During the period 1 director participated in a defined benefit pension scheme.

3 TAX ON LOSS ON ORDINARY ACTIVITIES

The company has no liability to taxation in the period as a result of the losses incurred.

4 TANGIBLE FIXED ASSETS

	Freehold land £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
Additions	882,206	15,999	46,739	944,944
Depreciation				
Provided in the period	-	355	7,868	8,223
Net book amount at 31 January 2002	**882,206**	**15,644**	**38,871**	**936,721**

5 DEBTORS

	2002 £
Amounts owed by group undertakings	**20,998**
Prepayments and accrued income	**6,464**
	27,462

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £
Bank loans and overdrafts	**6,467**
Amounts owed to group undertakings	**950,671**
Social security and other taxes	**3,864**
Accruals and deferred income	**42,968**
Amounts due under finance leases	**4,800**
	1,008,770

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £
Amounts due under finance leases	9,599

Borrowings are repayable as follows:

	2002 £
Within one year	
Bank and other borrowings	6,467
Finance leases	4,800
After one and within two years	
Finance leases	4,800
After two and within five years	
Finance leases	4,799
	20,866

8 SHARE CAPITAL

	2002 £
Authorised	
£1 Ordinary Share capital	100,000
Allotted, called up and fully paid	
£1 Ordinary Share capital	1

9 RESERVES

	Profit and loss account £
Retained loss for the period	(54,187)
At 31 January 2002	(54,187)

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £
Loss for the financial period	(54,187)
Issue of shares	1
Net decrease in shareholders' funds	(54,186)

11 CAPITAL COMMITMENTS

The company had no capital commitments at 31 January 2002.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 January 2002.

13 PENSIONS

Defined Benefit Scheme

The Company participates in a defined benefit pension scheme operated by the ultimate parent undertaking, Murray International Holdings Limited, for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from the assets of the group. It is not considered to be possible to identify the underlying assets and liabilities of the scheme that relate specifically to the employee of this company, as a result contributions to the scheme are charged to the profit and loss account as they fall.

At 31 January 2002 the scheme was adequately funded and as a result it is anticipated that the future contributions rates are expected to remain unchanged.

14 TRANSACTIONS WITH RELATED PARTIES

The company is exempt from the requirements of FRS 8 to disclose transactions with its parent undertaking.

Messrs D E Murray, J D G Wilson, I McDonald, T G Gillespie and A W S Gillespie are directors of GM Mining Limited. During the period the company acquired land for £667,800 from GM Mining Limited. At 31 January 2002 the company owed £913,636 in respect of this transaction and other amounts paid by GM Mining Limited on behalf of the company.

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The company's parent company is Murray Group Management Limited by virtue of its 100% shareholding in the company. The ultimate controlling related party is Murray International Holdings Limited as a result of its controlling interest in Murray Group Management Limited .

The directors consider that the ultimate controlling party of this company is Mr D E Murray by virtue of his controlling interest in the ultimate controlling undertaking Murray International Holdings Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by Murray International Holdings Limited.