

Grant Thornton 



**THETFORD COMPACTORS
FINANCE LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 1997

THETFORD COMPACTORS FINANCE LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 1997

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REPORT OF THE AUDITORS TO
THETFORD COMPACTORS FINANCE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6 together with the full financial statements of Thetford Compactors Finance Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of 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 to the registrar of companies abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

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 deliver abbreviated accounts 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 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 6 have been properly prepared in accordance with those provisions.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

BURY ST. EDMUNDS

Date

23 July 1998

THETFORD COMPACTORS FINANCE LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that leases commencing before 1 January 1996 are regarded as operating leases (refer to leased assets accounting policy set out below).

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Amounts receivable under operating leases are credited to the profit and loss account on an invoice basis over the lease term.

DEPRECIATION

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

Plant and machinery	25 - 50%
Motor vehicles	50%
Assets held under finance for re-hire	Over the primary lease term

DEFERRED TAXATION

Deferred tax is provided using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

PRINCIPAL ACCOUNTING POLICIES

LEASED ASSETS

From 1 January 1996 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.

The directors have adopted this policy as they believe it more accurately reflects the balance sheet position.

All leases commencing before 1 January 1996 are regarded as operating leases and the payments made under them are charged to the profit and loss account on an invoice basis over the lease term.

This policy represents a departure from Statement of Standard Accounting Practice 21 which requires assets held under finance leases to be capitalised in the balance sheet and depreciated over their expected useful lives with a corresponding liability created as an amount due under finance leases.

The directors believed that this treatment more accurately reflected the company's activities as it matched the income earned with the expense incurred rather than with an estimated depreciation charge and interest.

The directors do not believe that this departure from SSAP 21 materially effects the results of the company. Whilst the leased assets and corresponding obligations under finance leases are omitted from the financial statements the directors believe the net asset position of the company is fairly stated.

THETFORD COMPACTORS FINANCE LIMITED

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	1	683,140	540,616
		<u>683,140</u>	<u>540,616</u>
Current assets			
Debtors		312,961	291,972
Cash at bank and in hand		284,001	143,711
		<u>596,962</u>	<u>435,683</u>
Creditors: amounts falling due within one year	2	(643,762)	(439,402)
Net current liabilities		<u>(46,800)</u>	<u>(3,719)</u>
Total assets less current liabilities		<u>636,340</u>	<u>536,897</u>
Creditors: amounts falling due after more than one year	2	(442,966)	(326,727)
		<u>193,374</u>	<u>210,170</u>
Capital and reserves			
Called up share capital	3	10,000	10,000
Profit and loss account		183,374	200,170
		<u>193,374</u>	<u>210,170</u>

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

The abbreviated accounts were approved by the Board of Directors on 23 July 98.

K R Ellis



Director

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

THETFORD COMPACTORS FINANCE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 December 1997

1 FIXED ASSETS

	Tangible fixed assets £	Total £
Cost or valuation		
At 1 January 1997	861,317	861,317
Additions	384,156	384,156
	<u>1,245,473</u>	<u>1,245,473</u>
Disposals	(165,109)	(165,109)
	<u>1,080,364</u>	<u>1,080,364</u>
At 31 December 1997		
Depreciation and amortisation		
At 1 January 1997	320,701	320,701
Charge for the year	240,928	240,928
	<u>561,629</u>	<u>561,629</u>
Eliminated on disposals	(164,405)	(164,405)
	<u>397,224</u>	<u>397,224</u>
At 31 December 1997		
Net book amount at 31 December 1997	<u><u>683,140</u></u>	<u><u>683,140</u></u>
Net book amount at 31 December 1996	<u><u>540,616</u></u>	<u><u>540,616</u></u>

2 CREDITORS

Creditors amounting to £604,304 (1996 £454,766) are secured.

3 SHARE CAPITAL

	1997 £	1996 £
Authorised		
1,000,000 ordinary shares of £1 each	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u><u>10,000</u></u>	<u><u>10,000</u></u>

THETFORD COMPACTORS FINANCE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 1997

4 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is Thetford International Compactors Limited which is registered in England and Wales.

Mr K R Ellis is this company's controlling related party by virtue of his majority shareholding in the parent undertaking.