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ASSOCIATED ASH BLENDERS LIMITED
DIRECTORS REPORT AND ACCOUNTS
FOR THE PERIOD 8 APRIL 1994
TO 31 AUGUST 1995



Company Number: 2917184 (England & Wales)

ASSOCIATED ASH BLENDERS LIMITED

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ASSOCIATED ASH BLENDERS LIMITED

Company Information

Directors

D M York
N J Connor

Secretary

Mrs P E Connor

Registered Office:

81 Springfield Road
Chelmsford
Essex

Auditors:

Gane Jackson Scott
Certified Accountants
144 High Street
Epping
Essex CM16 4AS

Registered Number:

2917184 (England and Wales)

ASSOCIATED ASH BLENDERS LIMITED

Director's Report

The directors present their report to the members, together with the audited accounts for the period ended 31 August 1995.

Business Review Future Developments

The company commenced trading during the period to develop unique marketing opportunities identified for mineral waste aggregates and post combustion residues. The first year activities have focused on product testing at laboratory and user levels proving practical application and acceptability of materials.

The last quarter of the trading period has seen major industrial companies committing themselves to our products with long term contracts under final negotiation for both sales and purchases. The directors have also pursued co-operation with other major industrial companies and negotiations have progressed for a joint venture operation utilising the company's proven market opportunities. The directors are confident that significant turnover and profitability will be achieved in the next twelve months.

The directors intend to increase the nominal share capital of the company in the near future but at the date of this report the details are not finalised.

Incorporation

The company was incorporated on 8th April 1994 in the United Kingdom.

Share Capital

The company was capitalised on formation by the issue of 100 ordinary £1 shares, which were fully paid.

Results

The results of the year are set out on page 5. The directors do not propose the payment of a dividend. It is proposed that the loss shall be transferred to reserves.

Fixed Assets

Full details of the company's fixed assets is given in note 5 of the accounts.

Directors

The directors of the company and their interests in shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

**Ordinary shares of £1 each
31 August 1995**

D M York
N Connor

50
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ASSOCIATED ASH BLENDERS LIMITED

Directors Report

Directors Responsibility for the Financial Statements

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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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

Messrs Gane Jackson Scott were appointed auditors during the period. They will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 18 January 1996 and signed on its behalf by:

.....*P E Connor*.....
P E Connor
Secretary

ASSOCIATED ASH BLENDERS LIMITED

Auditor's report to the shareholders of Associated Ash Blenders Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Director and Auditors

As described on pages 2 and 3 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.

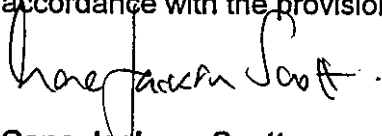
Basis of Opinion

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 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 at 31 August 1995 and of its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Gane Jackson Scott
Certified Accountants and Registered Auditors
144 High Street
Epping
Essex CM16 4AS

18th January 1996

ASSOCIATED ASH BLENDERS LIMITED

Profit and Loss Account for the period ended 31 August 1995

	Notes	New Operations 1995
Turnover	1, 2	85,582
Cost of sales		55,516
Gross profit		<u>30,066</u>
Administrative expenses		65,865
Operating loss	3	<u>(35,799)</u>
Loss on ordinary activities before taxation		<u>(35,799)</u>
Taxation	4	----
Loss on ordinary activities after taxation		<u>(35,799)</u>
Retained loss transferred to reserves	10	<u>£(35,799)</u> =====

All gains or losses arising in the period have been recognised in the profit and loss account and arise from continuing operations.

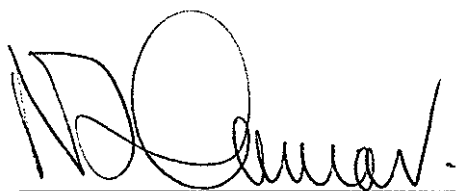
The notes on pages 7 to 9 form an integral part of these financial statements.

ASSOCIATED ASH BLENDERS LIMITED

Balance sheet as at 31 August 1995

	Notes		1995
Fixed Assets			
Tangible assets	5		2,800
Current Assets			
Stocks	6	8,359	
Debtors	7	17,806	
Cash at bank and in hand		12,135	
		<u>38,300</u>	
Creditors - Amounts falling due within one year	8	76,799	
Net current liabilities		<u> </u>	(38,499)
			<u>£(35,699)</u>
			=====
Capital and reserves			
Called up share capital	9		100
Profit and loss account	10		(35,799)
			<u> </u>
Shareholder's Funds	11		£(35,699)
			=====

Approved by the board of directors on 18th January 1996 and signed on their behalf by:



N J Connor
Director

The notes on pages 7 to 9 form an integral part of these financial statements.

ASSOCIATED ASH BLENDERS LIMITED

Notes to the Accounts for the period 8th April 1994 to 31 August 1995

1. Accounting Policies

Basis of Accounting

The accounts have been prepared under the Historical Cost Convention and include the results of the activities described in the Directors Report, all of which are continuing.

Cash Flow Statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

Depreciation

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment	15% on written down value
Plant and machinery	15% on written down value

Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises of material cost and all expenses in bringing it to its present location and condition and includes a provision, assessed by the directors, of stock that is lost due to evaporation or waste.

Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences 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.

Going Concern

These financial statements have been prepared on the going concern basis subject to the continued support of the Directors loans.

2. Turnover

Turnover is derived from the principal activity described in the Directors Report, arises solely in the United Kingdom.

3. Operating loss

This is stated after charging:

Auditors remuneration	1,850
Formation costs	559
Depreciation	409
Wages	17,697
State insurance	1,806
Hire of equipment	28,269
	=====

ASSOCIATED ASH BLENDERS LIMITED

Notes to the Accounts for the period 8th April 1994 to 31 August 1995

4. Taxation			
Owing to trading losses, there is no liability to UK corporation tax, either payable or deferred.			
5. Tangible Fixed Assets	Additions	Charge in year	As at 31.8.95
Cost			
Plant and machinery	1,600		1,600
Office equipment	1,609		1,609
	<u>3,209</u>		<u>3,209</u>
Depreciation			
Plant and machinery		200	200
Office equipment		209	209
		<u>409</u>	<u>409</u>
Net book value			£2,800 =====
6. Stock			1995
Stock of materials			£8,359 =====
7. Debtors			1995
Trade debtors			15,368
Prepayments			1,390
Other debtors			1,048
			<u>£17,806</u> =====
8. Creditors: -Accounts falling due within one year			
Trade creditors			42,865
Other taxes and social security costs			8,019
Accruals			2,989
Directors loan accounts			16,493
Other creditors			6,433
			<u>£76,799</u> =====

ASSOCIATED ASH BLENDERS LIMITED

Notes to the Accounts for the period 8 April 1994 to 31 August 1995

9.	Share Capital	1995
	Authorised: 1000 ordinary £1 shares	£1,000 =====
	Issued: 100 ordinary £1 shares	£100 =====
10.	Reserves	1995
	Loss for the period	(35,799)
	Retained losses carried forward	<u>£(35,799)</u> =====
11.	Movement in Shareholders Funds	1995
	Loss for the period	(35,799)
	Issued share capital	100
	Shareholders funds carried forward	<u>£(35,699)</u> =====
12.	Staff	1995
	The average weekly number of employees during the year was:	
	Sales promotion	1
	Administration	1
		<u>2</u> ==