

MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED

(LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH APRIL 2004



REPORT OF THE DIRECTORS TO THE MEMBERS OF
MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED
(LIMITED BY GUARANTEE)

The Directors present their report, together with the Financial Statements of the company for the year ended 30th April 2004.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 surplus or deficiency 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 judgments 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 in business.

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

PRINCIPAL ACTIVITY

The company continued to operate in the development and promotion of good environmental management in business, industry and commerce and the society at large and the provision of environmental research education and training.

RESULTS AND REVIEW OF THE FINANCIAL POSITION

The net surplus for the year amounting to £26 (2003 – deficiency £2,446) will be transferred to the Environmental Management Reserve Fund.

DIRECTORS

The Directors holding office during the year and subsequently, were as follows:-

I.P. Aspley	-	Marley Building Materials
P.A. Braithwaite	-	Ove Arup
P. Burns	-	(Resigned 30.06.04)
P. Cantrill	-	(Resigned 10.06.03)
J.A. Firth	-	(Resigned 10.06.03)
A. Flint	-	GOWM (Appointed 02.08.04)
A.R. Key		
N. King	-	Environment Agency (Appointed 30.06.04)
R.A. Lass	-	Fox Consultancy
P.A. Laughlin	-	Pat Laughlin Associates
C.C.J. Martin		
D.J. Middleton	-	Environmental Business Communications
F.R. Preston	-	(Resigned 16.06.04)
J. Sharpe	-	Bateswood
R.A.C. Tait	-	(Resigned 09.03.04)
S. Taylor	-	(Appointed 10.06.03 and Resigned 09.03.04)
J.R. Turner	-	Valeswood ETD Ltd
D. White	-	Grant Thornton

REPORT OF THE DIRECTORS (CONT'D)


MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED

(LIMITED BY GUARANTEE)

AUDITORS

Patrick Charles & Co. will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'D. White', written over a horizontal line.

D. White
Director

Date..... 22.02.2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED

(LIMITED BY GUARANTEE)

We have audited the financial statements of Midlands Environmental Business Company Limited for the year ended 30th April 2004 which comprise the income and expenditure account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Small Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

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 judgments 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 at 30th April 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

HAMMOND HOUSE,
2259/61 COVENTRY ROAD,
SHELDON,
BIRMINGHAM,
B26 3PA.

PATRICK CHARLES & CO.,
REGISTERED AUDITORS AND
CERTIFIED ACCOUNTANTS.

22nd February 2005

MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED

(LIMITED BY GUARANTEE)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2004

	<u>Notes</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
INCOME	1(b)	5,110	5,890
Other operating income		30,847	113,404
Administrative expenses		(36,100)	(121,865)
OPERATING DEFICIT	2	(143)	(2,571)
Interest receivable and similar income		<u>169</u>	<u>125</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		26	(2,446)
Tax on surplus/(deficit) on ordinary activities	4	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION		26	(2,446)
Transfer (to)/from Environmental Management Reserve Fund		<u>(26)</u>	<u>2,446</u>
		<u>£ -</u>	<u>£ -</u>

There were no recognised gains or losses for 2003 or 2004 other than those disclosed in the income and expenditure account.

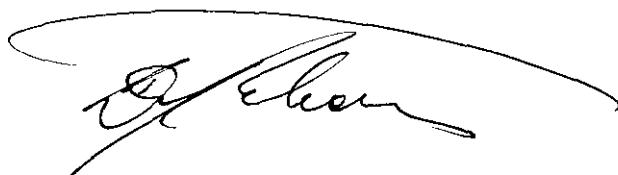
MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED

(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 30TH APRIL 2004

	<u>Notes</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
FIXED ASSETS			
Investments	5	<u>1</u>	<u>1</u>
CURRENT ASSETS			
Debtors	6	499	1,903
Cash at bank		<u>45,732</u>	<u>20,173</u>
		46,231	22,076
CREDITORS – amounts falling due within one year	7	<u>46,179</u>	<u>22,050</u>
NET CURRENT ASSETS		<u>52</u>	<u>26</u>
Total Assets less Current Liabilities		<u>£ 53</u>	<u>£ 27</u>
RESERVES			
Environmental Management Reserve Fund	8	<u>£ 53</u>	<u>£ 27</u>

The Board of Directors approved these financial statements on.....22nd February 2005.....



D. Middleton
Director

MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention and include the results of the company's operations, all of which are continuing.

The company and its subsidiary undertaking comprise a small group. The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

(b) Income

The income disclosed in the income and expenditure account is attributable to the principal activity of the company.

2.	OPERATING DEFICIT	<u>2004</u>	<u>2003</u>
		<u>£</u>	<u>£</u>

Operating deficit is stated after charging:-

Auditors' fees	<u>1,200</u>	<u>1,200</u>
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3. DIRECTORS AND STAFF

(a) Directors' emoluments

No directors' emoluments were paid during the year (2003 - £Nil).

(b) Staff numbers and costs

The aggregate amount of wages and salaries and social security costs during the year was £Nil (2003 - £Nil).

4. TAX ON SURPLUS/(DEFICIT) ON ORDINARY ACTIVITY

There is no liability to United Kingdom Corporation Tax for the year (2003 - £Nil).

5.	INVESTMENTS	<u>2004</u>	<u>2003</u>
		<u>£</u>	<u>£</u>
	Shares in group undertaking	<u>1</u>	<u>1</u>

MIDLANDS ENVIRONMENTAL BUSINESS COMPANY LIMITED

(LIMITED BY GUARANTEE)

5. INVESTMENTS (Continued)

The company holds 100% of the Ordinary Share Capital of M.E.B.C. (Projects) Limited, a company incorporated on 1st October 2002 to carry out environmental related projects within the United Kingdom. The aggregate amount of share capital and reserves of M.E.B.C. (Projects) Limited was £631 at 30th April 2004.

6. DEBTORS	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Trade debtors	<u>499</u>	<u>1,903</u>
7. CREDITORS – amounts falling due within one year	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Trade creditors	13,211	18,628
Amounts owed to group undertakings	29,576	-
Accrued expenses	2,396	2,586
Taxation and social security	199	39
Other creditors	<u>797</u>	<u>797</u>
	<u>46,179</u>	<u>22,050</u>
8. ENVIRONMENTAL MANAGEMENT RESERVE FUND	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Balance brought forward	27	2,473
Surplus/(Deficit) for the year transferred (to)/from Income and Expenditure Account	<u>26</u>	<u>(2,446)</u>
Balance carried forward	<u>53</u>	<u>27</u>

9. DIRECTORS' INTERESTS

D.J. Middleton had a material interest during the year in the company's activities with Environmental Business Communications Limited by virtue of his being a director of that company. The aggregate value of transactions was:

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Management fees	<u>22,206</u>	<u>65,451</u>
At the balance sheet date the amount outstanding was	<u>10,911</u>	<u>5,986</u>

10. COMPANY LIMITED BY GUARANTEE

The company has no issued share capital and the members liability is limited by guarantee of such amount as may be required not exceeding £1 each.