

Co. No. 3948149.

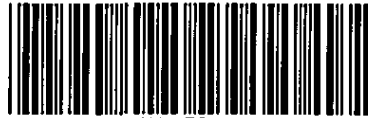
Companies  
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ALTERNATIVE WASTE SOLUTIONS LIMITED

Company Number : 3948149

ABBREVIATED STATUTORY ACCOUNTS  
YEAR ENDED 30 JUNE 2006

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ALTERNATIVE WASTE SOLUTIONS LIMITED

ABBREVIATED STATUTORY ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2006

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**AUDITOR'S REPORT TO  
ALTERNATIVE WASTE SOLUTIONS LIMITED**

**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

I have examined the abbreviated financial accounts set out on pages 2 to 3, together with the financial accounts of the company for the year ended 30 June 2006 prepared under section 226 of the Companies Act 1985.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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

**BASIS OF OPINION**

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

**OPINION**

In my opinion the company is entitled to deliver abbreviated financial accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial accounts on pages 2 to 3 are properly prepared in accordance with those provisions

I set out below, the text of my report dated 14 May 2007 to the shareholders on the full accounts

'I have audited the financial statements of Alternative Waste Solutions Limited for the year ended 30 June 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this Report, or for the opinions that I have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described in the Statement of Directors Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if in my opinion the Directors Report is not consistent with the financial statements, if the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors remuneration and transactions with the company is not disclosed.

I read the Directors Report and consider the implications for my report if I become aware of any apparent misstatements within it.

Continued

**AUDITOR'S REPORT TO  
ALTERNATIVE WASTE SOLUTIONS LIMITED**

**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

Continued

**BASIS OF AUDIT OPINION**

I conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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.

However

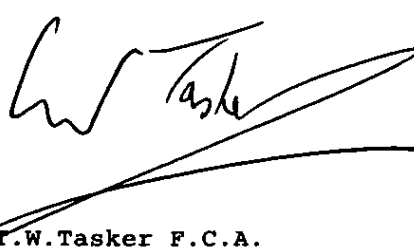
- (1) The evidence available to me was limited because the company was not subject to an audit for the year ended 30 June 2005 and no audit opinion was formed on the opening balances for the current year or the comparative figures. Any adjustment to those figures would have a consequential effect on the results for the year ended 30 June 2006.
- (2) As detailed in note 5 on page 6b, the company has included its database in the financial statements at valuation. This is in contravention of Financial Reporting Standard 10 (Goodwill and Intangible Assets).

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE AND BREACH OF FRS10**

In my opinion, subject to the matters referred to in paragraph (1) above, and except for the matters referred to in paragraph (2) above:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Directors Report is consistent with the financial statements.'



**T.W.Tasker F.C.A.**  
Registered Auditor  
Chartered Accountant  
52A Station Road  
Ashington  
Northumberland  
Tel (01670) 852342  
Fax (01670) 522282

9 July 2007

**ALTERNATIVE WASTE SOLUTIONS LIMITED****ABBREVIATED BALANCE SHEET**  
**AS AT 30 JUNE 2006**

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	2	735,986	146,790
Intangible Assets	2	600,000	-
		<u>1,335,986</u>	<u>146,790</u>
<b>CURRENT ASSETS</b>			
Stock		447,701	125,141
Debtors		784,029	733,447
Cash at Bank and in Hand		40,723	170,501
		<u>1,272,453</u>	<u>1,029,089</u>
<b>CREDITORS : Amounts Becoming Due</b>			
And Payable Within One Year	3	<u>1,519,896</u>	<u>906,829</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(247,443)</u>	<u>122,260</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,088,543</u>	<u>269,050</u>
<b>CREDITORS : Amounts Becoming Due And</b>			
Payable After More Than One Year	3	<u>525,687</u>	<u>24,655</u>
		<u>£ 562,856</u>	<u>£ 244,395</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	4	31,000	31,000
Revaluation Reserve	2	600,000	-
Profit and Loss Account		<u>(68,144)</u>	<u>213,395</u>
		<u>£ 562,856</u>	<u>£ 244,395</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Signed on behalf of the  
board of directors



Jonathan Short  
Director

These financial statements were authorised for issue by the Board of Directors on 9 July 2007

The notes on page 3 form part of these accounts

**ALTERNATIVE WASTE SOLUTIONS LIMITED****NOTES TO THE ABBREVIATED STATUTORY ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2006****1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention, and on a going concern basis

**Turnover**

Turnover represents the net invoiced sales, excluding VAT

**Tangible Fixed Assets**

Depreciation is provided on reducing balances at the following annual rates in order to write off each asset over its estimated useful life

Plant and Equipment	15%
Office Equipment	15%
Motor Vehicles	25%

**Grants**

Grants of a revenue nature are credited to income in the period to which they relate

**Stock**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items

**Deferred Taxation**

Deferred Taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the operating loss

**Cash Flow Statement**

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it qualifies as a small company under the Companies Act 1985

**2. FIXED ASSETS**

	Intangible Assets	Tangible Assets	TOTAL
	£	£	£
<b>COST OR VALUATION</b>			
At 1 July 2005	-	197,264	197,264
Additions in year	600,000	649,788	1,249,788
	<hr/>	<hr/>	<hr/>
At 30 June 2006	600,000	847,052	1,447,052
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION/AMORTISATION</b>			
At 1 July 2005	-	50,474	50,474
Charge for year	-	60,592	60,592
	<hr/>	<hr/>	<hr/>
At 30 June 2006	-	111,066	111,066
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 30 June 2006	600,000	735,986	1,335,986
	<hr/>	<hr/>	<hr/>
At 30 June 2005	-	146,790	146,790
	<hr/>	<hr/>	<hr/>

Intangible Assets represent the company's database, which was valued by RMT Accountants and Business Advisors as at 31 December 2006 using a discounted cash flow method The Directors are of the opinion that due to continued market growth, the value of the database will continue to grow, therefore it is not amortised

ALTERNATIVE WASTE SOLUTIONS LIMITEDNOTES TO THE ABBREVIATED STATUTORY ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2006**3. CREDITORS****SECURED BORROWINGS:**

Bank Loans of £613,085 (2005 £52,409), and Overdraft of £116,522 (2005 £Nil) are secured by a fixed and floating charge on the assets of the company.

**4. SHARE CAPITAL**

	<u>2006</u>	<u>2005</u>
Authorised	£	£
Ordinary Shares of £1 each	100,000	100,000
Non Voting Class A Shares of £1 each	100,000	100,000
Non Voting Class B Shares of £1 each	100,000	100,000
Non Voting Class C Shares of £1 each	100,000	100,000
	<hr/> 400,000	<hr/> 400,000
	<hr/>	<hr/>
Allotted, Issued and Fully Paid		
Ordinary Shares of £1 each	1,000	1,000
Non Voting Class A Shares of £1 each	14,500	14,500
Non Voting Class B Shares of £1 each	15,000	15,000
Non Voting Class C Shares of £1 each	500	500
	<hr/> 31,000	<hr/> 31,000
	<hr/>	<hr/>

**5. RELATED PARTY TRANSACTIONS**

The company is related to J S Metals Limited by virtue of common directorships. During the year £87,500 was paid to J S Metals Limited for Consultancy Fees (2005 £63,500). As at 30 June 2006 £958 was owed to J S Metals Limited (2005 £958).

The company is related to L B & L Newton (a Partnership) by virtue of one of the directors being a partner therein. During the year £87,500 was paid to L B & L Newton for Consultancy Fees (2005 £63,500). As at 30 June 2006 £Nil was owed to L B & L Newton (2005 £Nil).

All transactions were at market value.