

CASTLE ASSOCIATES LIMITED

Financial statements

for the year ended 30 June 1998

Directors

P R Bull
P C Hudson
Dr B Quartermain BSc MSc PhD CEng MIOH

Secretary

P C Hudson

Accountants

Moore Stephens
Chartered Accountants
12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

Registered office

12 Alma Square
Scarborough
North Yorkshire
YO11 1JU

Company registration

England 1 015 126

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REGISTRAR OF COMPANIES**



CASTLE ASSOCIATES LIMITED

Directors' report

for the year ended 30 June 1998

The directors have pleasure in presenting their annual report to shareholders together with the company's unaudited accounts for the year ended 30 June 1998.

Principal activity and business review

The company was dormant throughout the year.

Directors and their interests in the capital of the company

The directors of the company during the period were:

P R Bull
P C Hudson
Dr B Quartermain BSc MSc PhD CEng MIOH

P R Bull and P C Hudson are also directors of the parent company, Castle Group Limited, and their interests in the capital of the group are shown in the directors' report of that company. Dr B Quartermain held no interests in the capital of group companies during the period under review.

Elective resolutions

The shareholders have passed elective resolutions dispensing with the requirement to hold an annual general meeting and to lay the accounts before an annual general meeting. Nevertheless the directors would like to remind the shareholders that any shareholder has the right to call for the accounts to be laid before a meeting of the shareholders and this right may be exercised by notice in writing to the company's registered office within 28 days from the date of receipt of the accounts.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



P C Hudson
Secretary

CASTLE ASSOCIATES LIMITED

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 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 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 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.

Accountants' report to the directors

on the unaudited accounts for the year ended 30 June 1998

As described above the company's directors are responsible for the preparation of the accounts for the year ended 30 June 1998, set out on pages 4 to 7, and the directors consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with the directors' instructions, we have compiled these unaudited accounts in order to assist the directors to fulfil their statutory responsibilities, from the accounting records of Castle Associates Limited, and from information and explanations supplied to us.

Moore Stephens

12 Alma Square
Scarborough
YO11 1JU
2 March 1999

MOORE STEPHENS

Chartered Accountants

CASTLE ASSOCIATES LIMITED

Profit and loss account

for the year ended 30 June 1998

	Note	£	1997 £
Turnover		—	—
Cost of sales		—	—
Gross profit		<u>—</u>	<u>—</u>
Distribution costs		—	—
Administrative expenses		—	—
Operating profit		<u>—</u>	<u>—</u>
Interest receivable	5	—	15,000
Profit on ordinary activities before taxation		<u>—</u>	<u>15,000</u>
Taxation on profit on ordinary activities	6	—	3,563
Profit on ordinary activities after taxation		<u>—</u>	<u>11,437</u>
Dividends – paid		—	(11,437)
Retained loss for the year		<u>—</u>	<u>—</u>

CASTLE ASSOCIATES LIMITED

Balance sheet

as at 30 June 1998

	Note	£	£	1997 £	1997 £
Current assets					
Debtors	2	15,000		15,000	
Creditors: amounts falling due within one year		-		-	
Net current assets			15,000		15,000
Net assets			<u>15,000</u>		<u>15,000</u>
Capital and reserves					
Called up share capital	3		15,000		15,000
Profit and loss account			-		-
Shareholders' funds			<u>15,000</u>		<u>15,000</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

For the year in question the company was entitled to exemption from an audit under section 249A(1) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- preparing accounts which give a true and fair view of the state of affairs of the company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

Approved by the board of directors on *2nd March* 1999.



P R Bull
Director

CASTLE ASSOCIATES LIMITED

Notes to the accounts

for the year ended 30 June 1998

1 Accounting policies

These accounts have been prepared under the historical cost convention.

2 Debtors

	£	1997 £
Amounts owed by group companies	<u>15,000</u>	<u>15,000</u>

The amounts owed by group companies have no specific repayment terms and may therefore be due after more than one year.

3 Share capital

	£	1997 £
Authorised – £1 ordinary shares	1 million	1 million
Authorised – £1 ordinary 'A' shares	1 million	1 million
	<u>2 million</u>	<u>2 million</u>
Issued & fully paid – £1 ordinary shares	15,000	15,000
Issued & fully paid – £1 ordinary 'A' shares	–	–
	<u>15,000</u>	<u>15,000</u>

4 Reconciliation of movement in shareholders funds

	£	1997 £
Profit for the year	–	11,437
Dividends	–	11,437
	<u>–</u>	<u>–</u>
Opening shareholders funds	15,000	15,000
Closing shareholders funds	<u>15,000</u>	<u>15,000</u>

5 Interest receivable

		1997 £
Intra group interest	<u>–</u>	<u>15,000</u>

6 Taxation

	£	1997 £
Current year @ 21% (1997 – 24%)	<u>–</u>	<u>3,563</u>

CASTLE ASSOCIATES LIMITED

Notes to the accounts

for the year ended 30 June 1998

7 Contingent liabilities and security

The bank holds a debenture over the assets of the company and cross guarantees relating to the borrowings of other group companies.

8 Ultimate holding company

The company's ultimate holding company is Castle Group Limited, a company incorporated in England.

9 Related party transactions

Amounts owed by group companies relate to a balance of £15,000 owed by Castle Group Limited, a company with the same directors as Castle Associates Limited. The directors' interests in the shares of Castle Group Limited are disclosed in that company's accounts.