

CASTLE OILS LIMITED
FINANCIAL STATEMENTS

31ST MARCH 1995

Registered number: 01742061

HADFIELDS
CHARTERED ACCOUNTANTS
CHESTERFIELD



CASTLE OILS LIMITED

FINANCIAL STATEMENTS

for the year ended 31st March 1995

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes	8

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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CASTLE OILS LIMITED

COMPANY INFORMATION

31st March 1995

Incorporated in England on 26th July 1983

Number 01742061

DIRECTORS

K.SWIFT
J.S.SWIFT

SECRETARY

K.SWIFT

REGISTERED OFFICE

LONGRIGG
217 HADY HILL
CHESTERFIELD
DERBYSHIRE S41 0BL

BANKERS

NATIONAL WESTMINSTER BANK
10 HIGH STREET
STAVELEY
CHESTERFIELD
S43 3UX

AUDITORS

HADFIELDS
CHARTERED ACCOUNTANTS
COMMERCE HOUSE
658b CHATSWORTH ROAD
CHESTERFIELD
S40 3JZ

CASTLE OILS LIMITED

DIRECTORS' REPORT

31st March 1995

The directors present their report and the audited financial statements for the year ended 31st March 1995.

Principal activity

The principal activity of the company is oil reclamation and waste disposal.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £694,259.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5.

The directors do not propose payment of an ordinary dividend, the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in note 7 to the accounts.

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 7.

Directors

None of the directors hold an interest in the shares of the company as it is a wholly owned subsidiary of Kenal Services Limited. The directors of the company at the beginning and end of the year were:-

K.SWIFT
J.S.SWIFT

Future developments

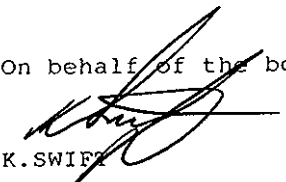
Work is continuing on the development and modification of existing products to meet customers requirements and, through a continuing programme of research and development, to take advantage of new technology as it becomes available.

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Hadfields will continue in office.

LONGRIGG
217 HADY HILL
CHESTERFIELD
DERBYSHIRE S41 0BL

On behalf of the board


K.SWIFT
Secretary

17th July 1995

CASTLE OILS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

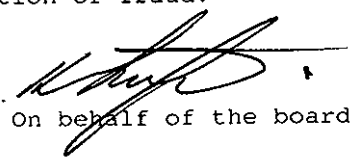
We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

17th July 1995



On behalf of the board

CASTLE OILS LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Castle Oils Limited

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 8a.

Respective responsibilities of directors and auditors

As described on page 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 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 error or other irregularity. 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 as at 31st March 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HADFIELDS

CHESTERFIELD
17th July 1995

CHARTERED ACCOUNTANTS

CASTLE OILS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March 1995

	Note	1995 £	1994 £
Turnover	2	1,806,622	1,296,763
Cost of sales		(974,655)	(694,439)
Gross profit		831,967	602,324
Net operating expenses			
Administrative expenses		(441,417)	(346,675)
Operating profit	3	390,550	255,649
Interest payable	5	(2,639)	(2,600)
Profit on ordinary activities before taxation		387,911	253,049
Taxation	6	(130,779)	(35,872)
Profit on ordinary activities after taxation retained for the year		£ 257,132	£ 217,177

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1995 or 1994 other than the profit for the year.

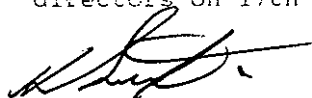
CASTLE OILS LIMITED

BALANCE SHEET

at 31st March 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	7	162,132	194,680
Current assets			
Stocks	8	6,785	5,220
Debtors	9	1,010,979	688,182
Cash at bank and in hand		49,900	27,938
		<u>1,067,664</u>	<u>721,340</u>
Creditors: amounts falling due within one year	10	(527,429)	(459,731)
Net current assets		<u>540,235</u>	<u>261,609</u>
Total assets less current liabilities		<u>702,367</u>	<u>456,289</u>
Creditors: amounts falling due after more than one year	11	(4,443)	(13,004)
Provision for liabilities and charges	12	(3,665)	(6,158)
		<u>694,259</u>	<u>437,127</u>
Capital and reserves			
Called up share capital	13	162,408	162,408
Profit and loss account	14	531,851	274,719
Total shareholders' funds	15	<u>694,259</u>	<u>437,127</u>

The financial statements on pages 5 to 8 were approved by the board of directors on 17th July 1995.



K. SWIFT
Director

CASTLE OILS LIMITED

CASH FLOW STATEMENT

for the year ended

31st March 1995

	1995		1994	
	£	£	£	£
Net cash inflow from operating activities		130,726		91,759
Returns on investments and servicing of finance				
Hire purchase interest	(2,639)		(2,600)	
Net cash outflow from returns on investments and servicing of finance		(2,639)		(2,600)
Taxation				
Corp. tax (paid)/rec'd	(86,744)		1,650	
Tax (paid)/received		(86,744)		1,650
Investing activities				
Payments to acquire: Tangible fixed assets	(10,290)		(96,088)	
Receipts from sales of: Tangible fixed assets	4,042		-	
Net cash outflow from investing activities		(6,248)		(96,088)
Net cash inflow/(outflow) before financing		35,095		(5,279)
Financing				
New finance accounts	-		24,595	
Repayment of finance accounts	(13,133)		(11,270)	
Net cash (outflow)/inflow from financing		(13,133)		13,325
Increase/(decrease) in cash and cash equivalents		21,962		8,046

See Note 16 for the notes to this statement.

CASTLE OILS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1995

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Assets under construction	10%
Plant and machinery	25%
Motor vehicles	25%
Fixtures and fittings	25%

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value.

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.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

3 Operating profit	1995 £	1994 £
Operating profit is stated after crediting		
Profit on sale of assets	4,042	-
and after charging		
Staff costs (note 4)	295,400	219,738
Auditors' remuneration	3,000	3,000
Loss on sale of assets	337	-
Depreciation of tangible fixed assets (note 7)		
owned assets	42,501	50,701

CASTLE OILS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1995

4. Directors and employees

	1995 £	1994 £
Staff costs		
Wages and salaries	268,409	199,263
Social security costs	26,991	20,475
	<u>295,400</u>	<u>219,738</u>
	Number	Number
Average number employed		
Administration	5	5
Distribution and sales	9	7
	<u>14</u>	<u>12</u>

No director received any emoluments from the company.

5 Interest payable

Hire purchase interest	<u>2,639</u>	<u>2,600</u>
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6 Taxation

Corporation tax on profit on ordinary activities at 33% (1994 25%)	129,165	64,832
Corporation tax interest	107	-
Group relief	4,000	(9,900)
Deferred taxation	(2,493)	(15,538)
	<u>130,779</u>	<u>39,394</u>
Over provision in earlier years	-	(3,522)
	<u>130,779</u>	<u>35,872</u>

CASTLE OILS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1995

7 Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Property £	Assets under Constructn £	Total £
1st April 1994	218,973	101,692	5,859	49,185	19,106	394,815
Additions	-	8,357	1,483	-	450	10,290
Disposals	(30,390)	-	(599)	-	-	(30,989)
31st March 1995	188,583	110,049	6,743	49,185	19,556	374,116
Depreciation						
1st April 1994	138,192	55,831	4,202	-	1,910	200,135
Charge for year	24,763	15,273	701	-	1,764	42,501
Disposals	(30,389)	-	(262)	-	-	(30,651)
31st March 1995	132,566	71,104	4,641	-	3,674	211,985
Net book amount						
31st March 1995	56,017	38,945	2,103	49,185	15,882	162,132
31st March 1994	80,781	45,861	1,657	49,185	17,196	194,680

8 Stocks

	1995 £	1994 £
Raw materials	6,785	5,220

9 Debtors

Amounts falling due within one year

Trade debtors	402,706	474,148
Bad debt provision	(3,000)	(3,000)
Amounts owed by group undertakings	597,999	208,689
Prepayments and accrued income	13,274	8,345
	1,010,979	688,182

CASTLE OILS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1995

10 Creditors: amounts falling due within one year

	1995 £	1994 £
Trade creditors	267,372	254,488
Corporation tax	129,165	82,639
Other taxation and social security	38,323	33,163
T.G.W.U.	55	33
Accruals and deferred income	84,356	76,678
Finance leases and HP contracts - note 11	8,158	12,730
	<u>527,429</u>	<u>459,731</u>

11 Creditors: amounts falling due after more than one year

Obligations under finance	<u>4,443</u>	<u>13,004</u>
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Obligations under finance leases
and hire purchase contracts

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 10	8,158	12,730
In the second to fifth year	4,443	13,004
	<u>12,601</u>	<u>25,734</u>

12 Provision for liabilities and charges

	1994 £	Profit and loss account £	1995 £
Deferred taxation (note 6)	<u>(6,158)</u>	<u>2,493</u>	<u>(3,665)</u>

13 Called up share capital

Ordinary shares of £1 each

	1995 £	1994 £
Authorised	<u>171,908</u>	<u>171,908</u>
Allotted called up and fully paid	<u>162,408</u>	<u>162,408</u>

CASTLE OILS LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1995

14 Profit and loss account

	1995 £	1994 £
1st April 1994	274,719	57,542
Retained profit for the year	257,132	217,177
31st March 1995	<u>531,851</u>	<u>274,719</u>

15 Reconciliation of movements in shareholders' funds

Profit for the financial year representing a Net addition to shareholders' funds	257,132	217,177
Opening shareholders' funds	<u>437,127</u>	<u>219,950</u>
Closing shareholders' funds	<u>694,259</u>	<u>437,127</u>

16. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	390,550	255,649
Depreciation charges	42,501	50,701
(Profit) on sale of fixed assets	(3,705)	-
(Increase)/decrease in stocks	(1,565)	3,909
(Increase) in debtors	(322,797)	(425,288)
Increase in creditors	25,742	206,788
Net cash inflow from operating activities	<u>130,726</u>	<u>91,759</u>

Analysis of changes in cash and cash equivalents as shown in the balance sheet

Balance at 1st April 1994	27,938	19,892
Net cash inflow	<u>21,962</u>	<u>8,046</u>
Balance at 31st March 1995	<u>49,900</u>	<u>27,938</u>

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995 £	1994 £	Change in year £
Cash at bank and in hand	<u>49,900</u>	<u>27,938</u>	<u>21,962</u>

CASTLE OILS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31st March 1995

	1995		1994	
	£	£	£	£
Turnover				
Sales		1,806,622		1,296,763
Cost of sales		974,655		694,439
Gross profit		831,967		602,324
Less overheads				
Salaries and wages	295,400		219,738	
Telephone charges	9,243		9,972	
Sundry expenses	6,271		7,358	
Licenses	5,989		-	
Advertising	4,107		4,301	
Printing postage and stationery	1,652		1,086	
Hire of plant and machinery	17,011		18,454	
Heating and lighting	15,002		5,965	
Repairs and renewals	34,950		18,305	
Property insurances	-		1,119	
Rent and rates	4,651		3,765	
Bank charges	2,100		1,671	
Hire purchase interest	2,639		2,600	
Bad debts	2,245		-	
Legal and professional fees	-		240	
Auditors' remuneration	4,000		4,000	
Depreciation assets under construction	1,764		1,910	
Depreciation motor vehicles	24,763		32,953	
Depreciation plant and equipment	15,273		15,286	
Depreciation fixtures and fittings	701		552	
(Profit)/loss on sale of motor vehicle	(4,042)		-	
(Profit)/loss on sale of fixt and fitt	337		-	
		444,056		366,937
Net profit for the year		387,911		253,049