

CASTLE GROUP LIMITED

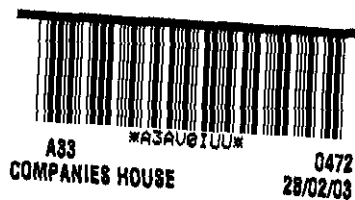
Abbreviated accounts

for the year ended 30 June 2002

Company registration

England 2 388 128

SIENNA COPY FOR
REGISTER OF COMPANIES



CASTLE GROUP LIMITED

Independent auditors' report to Castle Group Limited

under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 6, together with the financial statements of the company for the year ended 30 June 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

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

Basis of opinion

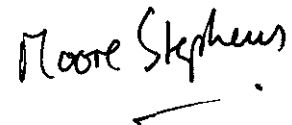
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did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

Opinion

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

12 Alma Square
Scarborough
YO11 1JU

24 February 2003



MOORE STEPHENS

Registered Auditors
Chartered Accountants

CASTLE GROUP LIMITED

Balance sheet

as at 30 June 2002

	Note	£	£	2001 £	2001 £
Fixed assets					
Intangible assets	2		22,358		24,077
Tangible assets	3		149,692		154,680
Investments	4		14,994		14,994
			<u>187,044</u>		<u>193,751</u>
Current assets					
Stocks		206,783		197,478	
Debtors		187,887		198,050	
Cash at bank and in hand		168		131	
		<u>394,838</u>		<u>395,659</u>	
Creditors: amounts falling due within one year	5	466,580		471,591	
Net current liabilities			<u>(71,742)</u>		<u>(75,932)</u>
Total assets less current liabilities			<u>115,302</u>		<u>117,819</u>
Creditors: amounts falling due after more than one year	5		59,188		83,238
Provisions for liabilities and charges			15,403		3,738
Net assets			<u>40,711</u>		<u>30,843</u>
Capital and reserves					
Called up share capital	6		18		18
Profit and loss account			40,693		30,825
Shareholders' funds			<u>40,711</u>		<u>30,843</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.

Approved by the board of directors on 17/2/ 2003.



P C Hudson
Director

Notes to the accounts

for the year ended 30 June 2002

1 Accounting policies

These accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), adopting the following principal accounting policies.

1.01 Depreciation

Depreciation of fixed assets has been provided at various rates which are anticipated to amortise the cost over the assets' expected useful lives. Indicative annual rates are:—

Plant & machinery	15%	reducing balance basis
Motor vehicles	25%	reducing balance basis
Fixtures, fittings, tools & equipment	15%–30%	straight line basis
Hire stock	10%	straight line basis

1.02 Stocks

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

1.03 Turnover

Turnover comprises sales to customers of goods and services net of value added tax. Turnover also includes grants receivable.

1.04 Deferred taxation

Deferred tax is recognised as a liability or asset if the transactions or events that give an obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date, although deferred tax is not provided on timing differences arising when a fixed asset is revalued without there being any commitment to sell the asset.

1.05 Research and development

Research and development expenditure is charged to profit and loss account in the year in which it is incurred.

1.06 Leases

Assets acquired under finance lease agreements, including hire purchase agreements, are capitalised and the corresponding liability is included in creditors. Finance lease interest is charged to the profit and loss account and is calculated using the actuarial method. Operating lease rentals are charged against profits of the period to which they relate.

1.07 Government grants

Government grants receivable in respect of expenditure charged to the profit and loss account during the year are included in the profit and loss account for that year.

1.08 Goodwill

Purchased goodwill is capitalised and amortised over its expected useful economic life which is anticipated to be no longer than 20 years.

1.09 Consolidation

The company is not required to produce group accounts as it qualifies as a small-sized group.

1.10 Foreign currency

Transactions in foreign currencies are translated into sterling at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities have been translated into sterling at the rate of exchange prevailing at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

CASTLE GROUP LIMITED

Notes to the accounts

for the year ended 30 June 2002

2 Intangible assets

	£
Cost	
As at 30.06.01	34,388
Acquired	—
As at 30.06.02	<u>34,388</u>
Amortisation	
As at 30.06.01	10,311
Provided in year	1,719
As at 30.06.02	<u>12,030</u>
Net book value	
As at 30.06.01	<u>24,077</u>
As at 30.06.02	<u>22,358</u>

3 Tangible assets

	£
Cost	
As at 30.06.01	339,463
Additions	33,936
Own work capitalised	4,038
Disposals	(63,500)
Transferred to current assets	(5,254)
As at 30.06.02	<u>308,683</u>
Depreciation	
As at 30.06.01	184,783
Provided in year	25,703
Released on disposal	(51,495)
As at 30.06.02	<u>158,991</u>
Net book value	
As at 30.06.01	<u>154,680</u>
As at 30.06.02	<u>149,692</u>

4 Investments — investments in subsidiaries

	Castle Associates Limited
Cost	£
As at 30 June 2002 and 30 June 2001	<u>14,994</u>
Class of shares held	Ordinary
Percentage of capital held	99.96%
Aggregate capital & reserves at 30 June 2002	£15,000
Principal activity	Dormant

CASTLE GROUP LIMITED

Notes to the accounts

for the year ended 30 June 2002

5	Secured borrowings	£	2001 £
	Bank loans and overdraft falling due within one year	95,690	64,263
	Bank loans due wholly or in part after five years :-		
	Instalments due within 5 years	23,340	29,990
	Instalments due thereafter	5,617	12,565
		<u>124,647</u>	<u>106,818</u>
	Finance leases		
	Instalments due within 1 year	10,451	12,227
	Instalments due within 5 years	30,231	40,683
		<u>40,682</u>	<u>52,910</u>
		<u>165,329</u>	<u>159,728</u>

The bank loans and overdraft are secured by a debenture over the assets of the company. One bank loan is repayable by equal monthly instalments over thirteen years, concluding in April 2008, and bears interest at commercial rates. The other bank loan is repayable by equal monthly instalments over five years, concluding in April 2003, and bears interest at commercial rates.

6	Share capital	£	2001 £
	Authorised:		
	Ordinary £1 'A' shares	1,000	1,000
	Ordinary £1 'B' shares	1,000	1,000
		<u>2,000</u>	<u>2,000</u>
	Issued & fully paid:		
	Ordinary £1 'A' shares	8	8
	Ordinary £1 'B' shares	10	10
		<u>18</u>	<u>18</u>

7 Related party transactions

The company paid rent of £29,450 during the year to Envirometrics Limited, a company of which P. R. Bull and P. C. Hudson are directors and P.R. Bull is a major shareholder.

Envirometrics Limited has given an unlimited guarantee for the company's bank borrowings.

Included in creditors falling due within one year are loans from three of the directors of the company for the following amounts:

	£
P R Bull	10,371
P C Hudson	420
S A Bull	864
L J Trowsdale	<u>50</u>