

UNAUDITED ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2005

FOR

CASTLE GROUP LIMITED

SIGNED COPY FOR  
REGISTRAR OF COMPANIES



**CASTLE GROUP LIMITED**

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**for the year ended 30 June 2005**

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**CASTLE GROUP LIMITED**

**COMPANY INFORMATION**  
for the year ended 30 June 2005

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**DIRECTORS:**

P C Hudson  
S A Bull  
L J Trowsdale

**SECRETARY:**

P C Hudson

**REGISTERED OFFICE:**

12-13 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

**REGISTERED NUMBER:**

2 388 128 (England and Wales)

**ACCOUNTANTS:**

Moore Stephens  
Chartered Accountants  
12-13 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS  
ON THE UNAUDITED FINANCIAL STATEMENTS OF  
CASTLE GROUP LIMITED**

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The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements, from which the unaudited abbreviated accounts (set out on pages three to six) have been prepared.

In accordance with the engagement letter dated 10 June 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 30 June 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 30 June 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*Moore Stephens*

Moore Stephens  
Chartered Accountants  
12-13 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

Date: 27 MARCH 2006

**CASTLE GROUP LIMITED**

**ABBREVIATED BALANCE SHEET**

**30 June 2005**

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Intangible assets	2	71,168	18,920
Tangible assets	3	93,572	108,675
Investments	4	14,994	14,994
		<u>179,734</u>	<u>142,589</u>
<b>CURRENT ASSETS</b>			
Stocks		290,038	285,821
Debtors		173,074	475,409
Cash at bank and in hand		1,454	1,368
		<u>464,566</u>	<u>762,598</u>
<b>CREDITORS</b>			
Amounts falling due within one year		<u>588,879</u>	<u>849,746</u>
<b>NET CURRENT LIABILITIES</b>		<u>(124,313)</u>	<u>(87,148)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		55,421	55,441
<b>CREDITORS</b>			
Amounts falling due after more than one year		<u>(11,978)</u>	<u>(25,846)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		<u>(11,576)</u>	<u>(13,890)</u>
		<u>31,867</u>	<u>15,705</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	18	18
Profit and loss account		31,849	15,687
<b>SHAREHOLDERS' FUNDS</b>		<u>31,867</u>	<u>15,705</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

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

These abbreviated accounts 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 (effective June 2002).

**ON BEHALF OF THE BOARD:**



S A Bull - Director

Approved by the Board on 08/02/06

The notes form part of these abbreviated accounts

## CASTLE GROUP LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 30 June 2005

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#### 1. ACCOUNTING POLICIES

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

##### **Exemption from preparing consolidated financial statements**

The financial statements contain information about Castle Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

##### **Turnover**

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

##### **Goodwill**

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

##### **Research and development**

Expenditure on research and development is written off to profit and loss in the year in which it is incurred, with the exception of development expenditure on individual projects where the expenditure is not the subject of grants receivable and where the future recoverability can be foreseen with reasonable assurance. Expenditure carried forward as capitalised development costs is amortised in line with the expected sales from the related project once sales commence.

##### **Tangible fixed assets**

Depreciation is provided at various rates which are anticipated to amortise the cost over the assets' expected useful lives. Indicative annual rates are:-

Plant and machinery - 15% on a reducing balance basis  
Fixtures and fittings - 15%-30% on a straight line basis  
Motor vehicles - 25% on a reducing balance basis  
Hire stock - 10% on a straight line basis

##### **Stocks**

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

##### **Deferred tax**

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 assets are recognised only when it becomes more likely than not that they will be recoverable.

##### **Foreign currencies**

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.

##### **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.

##### **Pension scheme**

The company operates a defined contributions pension scheme and payments of £9,067 (2004 - £10,572) were made in the year. One director is accruing benefits under this scheme.

##### **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.

**CASTLE GROUP LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**for the year ended 30 June 2005**

**2. INTANGIBLE FIXED ASSETS**

	Total £
<b>COST</b>	
At 1 July 2004	34,388
Additions	53,967
	<u>88,355</u>
At 30 June 2005	
<b>AMORTISATION</b>	
At 1 July 2004	15,468
Charge for year	1,719
	<u>17,187</u>
At 30 June 2005	
<b>NET BOOK VALUE</b>	
At 30 June 2005	<u>71,168</u>
At 30 June 2004	<u>18,920</u>

**3. TANGIBLE FIXED ASSETS**

	Total £
<b>COST</b>	
At 1 July 2004	290,645
Additions	5,150
Own work capitalised	5,040
Reclassification/transfer	(4,766)
	<u>296,069</u>
At 30 June 2005	
<b>DEPRECIATION</b>	
At 1 July 2004	181,970
Charge for year	24,835
Eliminated on disposal	(4,308)
	<u>202,497</u>
At 30 June 2005	
<b>NET BOOK VALUE</b>	
At 30 June 2005	<u>93,572</u>
At 30 June 2004	<u>108,675</u>

**4. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 July 2004 and 30 June 2005	14,994
	<u>14,994</u>
<b>NET BOOK VALUE</b>	
At 30 June 2005	<u>14,994</u>
At 30 June 2004	<u>14,994</u>

# CASTLE GROUP LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued for the year ended 30 June 2005

### 4. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

#### Castle Associates Limited

Nature of business: Dormant

Class of shares:	% holding	2005 £	2004 £
Ordinary	99.96	15,000	15,000
Aggregate capital and reserves		<u>15,000</u>	<u>15,000</u>

### 5. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2005 £	2004 £
1,000	Ordinary A	£1	1,000	1,000
1,000	Ordinary B	£1	1,000	1,000
			<u>2,000</u>	<u>2,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005 £	2004 £
8	Ordinary A	£1	8	8
10	Ordinary B	£1	10	10
			<u>18</u>	<u>18</u>

### 6. RELATED PARTY DISCLOSURES

The company paid the following expenses during the year to Envirometrics Limited, a company controlled by P R and Mrs P J Bull:

Rent	£29,450
Consultancy fees	£9,591

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

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

S A Bull	£811
L J Trowsdale	£222

Included in debtors is a loan to the following director of the company:

P C Hudson	£6,390
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The maximum amount owed to the company during the year was £7,035.