

Abbreviated accounts

for the year ended 30 June 1999

Company registration

England 2 388 128



**SIGNED COPY FOR
REGISTRAR OF COMPANIES**

Auditor's report to Castle Group Limited

pursuant to section 247B of the Companies Act 1985.

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Castle Group Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1999.

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 of companies 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

16 March 2000

Moore Stephens

MOORE STEPHENS

Registered Auditors
Chartered Accountants

Balance sheet

as at 30 June 1999

	Note	£	£	1998 £	1998 £
Fixed assets					
Intangible assets	2		27,512		29,231
Tangible assets	3		130,819		163,451
Investments	4		14,994		14,994
			<u>173,325</u>		<u>207,676</u>
Current assets					
Stocks		178,413		184,993	
Debtors		321,834		228,728	
Cash at bank and in hand		1,535		1,712	
		<u>501,782</u>		<u>415,433</u>	
Creditors: amounts falling due within one year	5	412,725		433,548	
Net current assets/(liabilities)			89,057		(18,115)
Total assets less current liabilities			<u>262,382</u>		<u>189,561</u>
Creditors: amounts falling due after more than one year	5		93,227		135,097
Provisions for liabilities and charges			743		3,599
Net assets			<u>168,412</u>		<u>50,865</u>
Capital and reserves					
Called up share capital	6		18		18
Profit and loss account			168,394		50,847
Shareholders' funds			<u>168,412</u>		<u>50,865</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 9th March 2000.

X



P C Hudson
Director

Notes to the accounts

for the year ended 30 June 1999

1 Accounting policies

These accounts have been prepared under the historical cost convention 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

It is the directors' policy to provide for deferred taxation only to the extent that a liability is anticipated to arise in the foreseeable future.

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 received in respect of expenditure charged to the profit and loss account during the year have been included in the profit and loss account.

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.

Notes to the accounts

for the year ended 30 June 1999

2 Intangible assets

	£
Cost	
As at 30.06.98	34,388
Acquired	—
As at 30.06.99	<u>34,388</u>
Amortisation	
As at 30.06.98	5,157
Provided in year	1,719
As at 30.06.99	<u>6,876</u>
Net book value	
As at 30.06.98	<u>29,231</u>
As at 30.06.99	<u>27,512</u>

3 Tangible assets

	£
Cost	
As at 30.06.98	300,045
Additions	1,572
Own work capitalised	8,002
Disposals	(9,306)
Transferred to current assets	(405)
As at 30.06.99	<u>299,908</u>
Depreciation	
As at 30.06.98	136,594
Provided in year	40,186
Released on disposal	(7,691)
As at 30.06.99	<u>169,089</u>
Net book value	
As at 30.06.98	<u>163,451</u>
As at 30.06.99	<u>130,819</u>

4 Investments – investments in subsidiaries

	Castle Associates Limited
Cost	£
As at 30 June 1999 and 30 June 1998	<u>14,994</u>
Class of shares held	Ordinary
Percentage of capital held	99.96%
Aggregate capital & reserves at 30 June 1999	£15,000
Principal activity	Dormant

Notes to the accounts

for the year ended 30 June 1999

5	Secured borrowings	£	1998 £
	Bank loans and overdrafts falling due within one year	50,904	59,822
	Bank loans due wholly or in part after five years :—		
	Instalments due within 1–2 years	12,067	10,537
	Instalments due within 3–5 years	31,018	37,698
	Instalments due thereafter	24,040	30,759
		<u>118,029</u>	<u>138,816</u>

The bank loan and overdraft are secured by a debenture over the assets of the company and cross-guarantees relating to the borrowings of the subsidiary company. The bank loan is repayable by equal monthly instalments over thirteen years, concluding in April 2008, and bears interest at commercial rates.

6	Share capital	£	1998 £
	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 two of the directors of the company for the following amounts:

	£
P R Bull	26,916
P C Hudson	<u>1,376</u>