

Heptagon Limited
Annual report
for the year ended 31 March 2008

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Heptagon Limited

Annual report

for the year ended 31 March 2008

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Heptagon Limited

Directors and advisors for the year ended 31 March 2008

Directors

T W Minett

D Wake

Company secretary and registered office

S Armitage

Mill Lane

Wingerworth

Chesterfield

Derbyshire

S42 6NG

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

1 East Parade

Sheffield

S1 2ET

Solicitors

DLA Piper UK LLP

1 St Paul's Place

Sheffield

S1 2JX

Bankers

Burdale Financial Limited

53 Queen Anne Street

London

W1G 9HP

Heptagon Limited

Directors' report for the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008

Principal activities

The company operates as a holding company

Review of business and future developments

The profit and loss account for the year is set out on page 7

The directors of CPL Industries Holdings Limited manage the group's risks at a group level and operations on a divisional basis, rather than at an individual business unit level. For this reason, the company's directors believe that discussion of the group's risks and analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of the group, which include those of the company, and the development, performance and position of the company are discussed in the Directors' report in the group's report and accounts which does not form part of this report

Dividends

Interim dividend payments of £5,000,000 and £23,000,000 were made on 31 August 2007 and 17 March 2008 respectively (2007 £10,000,000). The directors do not recommend the payment of a final dividend (2007 £nil)

Directors

The directors of the company who served during the year and up to the date of signing the financial statements are listed below

T W Minett

D Wake (appointed 26 September 2007)

D J Kerr (resigned 26 September 2007)

There is no requirement for directors to retire by rotation

Independent auditors and disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as information needed by the company's auditors in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Heptagon Limited

A resolution to reappoint the auditors PricewaterhouseCoopers LLP will be proposed at the next general meeting

On behalf of the board

A handwritten signature in black ink, appearing to be 'D Wake', written in a cursive style.

D Wake
Director
15 July 2008

Heptagon Limited

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

On behalf of the board



D Wake
Director
15 July 2008

Heptagon Limited

Independent auditors' report to the members of Heptagon Limited

We have audited the financial statements of Heptagon Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

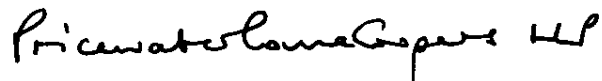
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Heptagon Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Sheffield
15 July 2008

Heptagon Limited

Profit and loss account for the year ended 31 March 2008

	Note	2008 £	2007 £
Loss on sale of UK Petroleum Products Ltd	3	(3,864,357)	-
Profit on sale of CPL Petroleum Ltd	3	32,716,255	-
Income from shares in group undertakings		-	10,000,000
Profit on ordinary activities before taxation		28,851,898	10,000,000
Tax on profit on ordinary activities	2	-	-
Profit for the financial year	6	28,851,898	10,000,000

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents

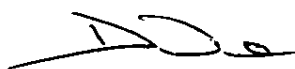
The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been prepared

Heptagon Limited

Balance sheet as at 31 March 2008

	Note	2008 £	2007 £
Fixed assets			
Investments	3	29,386,856	70,742,210
Creditors - amounts falling due after more than one year			
Amounts owed to group undertakings		(18,444,552)	(60,651,804)
Net current liabilities		(18,444,552)	(60,651,804)
Net assets		10,942,304	10,090,406
Capital and reserves			
Called up share capital	4	1,004,085	1,004,085
Share premium account	5	8,981,456	8,981,456
Capital redemption reserve	5	20,915	20,915
Profit and loss account	5	935,848	83,950
Total shareholders' funds	6	10,942,304	10,090,406

The financial statements on pages 7 to 13 were approved by the board of directors on 15 July 2008 and were signed on its behalf by



D Wake
Director

Heptagon Limited

Notes to the financial statements for the year ended 31 March 2008

1 Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

Going concern

The financial statements have been prepared under the going concern concept which assumes the continued financial support of CPL Industries Holdings Limited. CPL Industries Holdings Limited has confirmed that support will be forthcoming for the foreseeable future.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Exemption from preparing consolidated financial statements

The financial statements contain information about Heptagon Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, CPL Industries Holdings Limited, a company registered in England.

Cashflow statement

The company is a wholly owned subsidiary of CPL Industries Holdings Limited and the cashflows of the company are included in the consolidated group cash flow statement of CPL Industries Holdings Limited. Consequently the company is exempt under the terms of FRS 1 "Cash flow statements" (revised 1996) from publishing a cash flow statement.

Related party transactions

In accordance with the exemption allowed by FRS 8, "Related party transactions", transactions with CPL Industries Holdings Limited and fellow subsidiary undertakings are not disclosed.

Heptagon Limited

2 Tax on profit on ordinary activities

	2008	2007
	£	£
UK corporation tax at on profits of the year	-	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%)
The differences are explained below

	2008	2007
	£	£
Profit on ordinary activities before tax	28,851,898	10,000,000
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 30%)	8,655,569	3,000,000
Effects of		
Income not allowable for tax purposes	(8,655,569)	(3,000,000)
Current tax for the year	-	-

3 Investments

	Subsidiaries
	£
Cost and net book value	
At 1 April 2007	70,742,210
Additions	1,565,223
Disposals	(42,920,577)
At 31 March 2008	29,386,856

Heptagon Limited

Name of undertaking	Nature of business	Proportion of nominal value of issued shares held %
CPL Distribution Limited	Distribution of solid fuels	100
Midwinter Oil Supplies Limited	Dormant	100
Sadler Tankers Limited	Dormant	100
Heptagon Trustees Limited	Dormant	100

On 4 July 2007 the company sold all its shares in UK Petroleum Products Limited to CPL Petroleum Limited for £25,943,773 which was settled by an intercompany transfer and on which the company made a loss of £3,864,357. Also on 4 July 2007 the company acquired all the shares of Midwinter Oil Supplies Limited and Sadler Tankers Limited from CPL Petroleum Limited for their book value of £1,565,223 which was settled by an intercompany transfer.

On 31 August 2007 the company sold all its shares in CPL Petroleum Limited for £49,408,000 in cash on which the company made a profit of £32,716,255.

All subsidiaries are incorporated in Great Britain. All shares held in subsidiary companies are £1 ordinary shares.

The directors believe that the book value of investments is supported by their underlying net assets.

4 Called up share capital

	2008 £	2007 £
Authorised		
7,500,000 ordinary shares of 1p each	75,000	75,000
9,500,000 redeemable cumulative preference shares of 10p each	950,000	950,000
Allotted and fully paid		
5,408,500 ordinary shares of 1p each	54,085	54,085
9,500,000 redeemable cumulative preference shares of 10p each	950,000	950,000
	1,004,085	1,004,085

Heptagon Limited

The rights attaching to the preference shares are set out below

The preference shareholders have the right to a fixed cumulative preferential dividend of 2% per annum accruing on the aggregate of the nominal amount plus premium paid on each preference share from date of issue on 22 November 1995 to the date of redemption

The preference shareholders receive dividends in priority to the holders of any other shares in the capital of the company and have preferential rights to return of capital on winding up

The company's Articles of Association allowed early redemption by either the holders of the preference shares or the company in certain circumstances and are automatically redeemable on the sale or listing of the company. The preference shares were due for redemption on 22 November 2002 however as insufficient distributable reserves were available redemption has not taken place

On redemption preference shareholders are entitled to the nominal amount and premium paid on each of their preference shares, a premium equal to 13% per annum of the amount paid in respect of each preference share and any unpaid dividends

The preference shares are generally non-voting, however, due to the non payment of dividends nor redemption of the shares, preference shareholders may now vote at general meetings of the Company on the basis set out in regulation 54 of Table A of the Companies Act 1985

There have been no allotments of shares during the year to 31 March 2008

5 Reserves

	Share premium account	Capital redemption reserve	Profit and loss account
	£	£	£
At 1 April 2007	8,981,456	20,915	83,950
Retained profit for the financial year	-	-	851,898
At 31 March 2008	8,981,456	20,915	935,848

Heptagon Limited

6 Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Profit for the financial year	28,851,898	10,000,000
Dividends	(28,000,000)	(10,000,000)
Retained profit for the financial year	851,898	-
Opening shareholders' funds	10,090,406	10,090,406
Opening shareholders' funds	10,942,304	10,090,406

7 Contingent liabilities

The amount of guarantee in respect of cross-guarantee on bank overdraft of companies within the group was £nil (2007 £nil)

8 Ultimate parent undertaking and controlling party

The immediate parent undertaking is CPL Industries Limited

The ultimate parent undertaking and controlling party is CPL Industries Holdings Limited, a company incorporated in England and Wales

CPL Industries Holdings Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2008. The consolidated financial statements of CPL Industries Holdings Limited are available from The Company Secretary, CPL Industries Holdings Limited, Mill lane, Wingerworth, Chesterfield, Derbyshire, S42 6NG