

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005  
FOR  
OIL CONTROL LIMITED**



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for the year ended 31 December 2005**

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**OIL CONTROL LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2005**

**DIRECTORS:**

A. Storci  
P.A. Evans  
S Storci  
H. G. Wissel

**SECRETARY:**

P.A. Evans

**REGISTERED OFFICE:**

10 Abbey Park Place  
Dunfermline  
FIFE  
KY12 7NZ

**REGISTERED NUMBER:**

102027 (Scotland)

**AUDITORS:**

Dafferns  
Chartered Accountants  
Registered Auditors  
Queens House  
Queens Road  
Coventry  
CV1 3DR

**BANKERS:**

Royal Bank Of Scotland Plc

# **OIL CONTROL LIMITED**

## **REPORT OF THE DIRECTORS for the year ended 31 December 2005**

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of supplying valves to the engineering industry.

### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

A controlling interest in the ultimate parent company was acquired by the Bosch Group. As a consequence, there were certain changes to accounting policies, which are referred to in the notes to the financial statements.

### **DIVIDENDS**

A dividend of £168,000 was paid in the year in respect of the year ended 31 December 2004.

### **FIXED ASSETS**

A professional valuation carried out in September 2004 valued the freehold property at £650,000, compared with the book value of £422,586. This valuation has not been incorporated in the financial statements.

### **DIRECTORS**

The directors during the year under review were:

O. Storci	- resigned 31.3.05
A. Storci	
P.A. Evans	
S Storci	
H. G. Wissel	- appointed 28.11.05

The directors holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at 1 January 2005 (or date of appointment if later) or 31 December 2005.

The interests of the directors in the shares of the ultimate holding company are shown in the accounts of that company.

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

Donations totalling £980 were paid to local charities during the year.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union.

Company law requires the directors 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, the directors are required to

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

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

**OIL CONTROL LIMITED**

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2005**

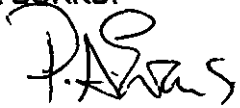
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken 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.

**AUDITORS**

The auditors, Dafferns, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

A handwritten signature in dark ink, appearing to read 'P.A. Evans', is written over the text 'ON BEHALF OF THE BOARD:'.

P.A. Evans - Secretary

Date: 27 January 2006

# REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF OIL CONTROL LIMITED

We have audited the financial statements of Oil Control Limited for the year ended 31 December 2005 on pages five to nineteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, if 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 Report of the Directors 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 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.

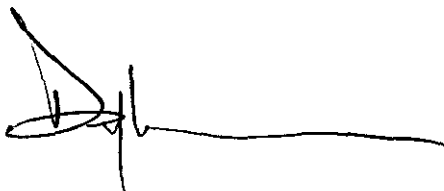
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. 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, in accordance with International Financial Reporting Standards as adopted for use in the European Union, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

Dafferns  
Chartered Accountants  
Registered Auditors  
Queens House  
Queens Road  
Coventry  
CV1 3DR



Date: 27 January 2006

**OIL CONTROL LIMITED**  
**INCOME STATEMENT**  
**for the year ended 31 December 2005**

	Notes	2005 £	2004 £
<b>Continuing operations</b>			
Revenue		9,819,622	9,186,165
Cost of sales	3	<u>(8,369,538)</u>	<u>(7,445,634)</u>
<b>GROSS PROFIT</b>		1,450,084	1,740,531
Distribution costs		(84,651)	(70,151)
Administrative expenses	4	<u>(1,300,874)</u>	<u>(1,188,181)</u>
<b>OPERATING PROFIT</b>		64,559	482,199
Finance costs	5	(1,256)	(1,363)
Finance income	5	<u>7,956</u>	<u>9,501</u>
<b>PROFIT BEFORE TAX</b>	6	71,259	490,337
Tax	7	<u>(54,630)</u>	<u>(148,506)</u>
<b>PROFIT FOR THE YEAR</b>		<u>16,629</u>	<u>341,831</u>

The notes form part of these financial statements

**OIL CONTROL LIMITED**

**STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**for the year ended 31 December 2005**

	2005 £	2004 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>16,629</u>	<u>341,831</u>
<b>TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR</b>	<u>16,629</u>	<u>341,831</u>

The notes form part of these financial statements



## OIL CONTROL LIMITED

BALANCE SHEET  
31 December 2005

	Notes	2005 £	2004 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<u>532,579</u>	<u>595,242</u>
<b>CURRENT ASSETS</b>			
Inventories	10	1,959,418	2,149,625
Trade and other receivables	11	1,870,040	1,829,934
Tax receivable		19,566	-
Cash and cash equivalents	12	<u>411,011</u>	<u>579,525</u>
		<u>4,260,035</u>	<u>4,559,084</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	2,665,554	2,785,141
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	9,097	10,833
Tax payable		<u>-</u>	<u>79,921</u>
		<u>2,674,651</u>	<u>2,875,895</u>
<b>NET CURRENT ASSETS</b>		<u>1,585,384</u>	<u>1,683,189</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	14	<u>2,500</u>	<u>11,597</u>
<b>NET ASSETS</b>		<u>2,115,463</u>	<u>2,266,834</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	16	50,000	50,000
Profit and loss account	17	<u>2,065,463</u>	<u>2,216,834</u>
<b>TOTAL EQUITY</b>		<u>2,115,463</u>	<u>2,266,834</u>

ON BEHALF OF THE BOARD:



P.A. Evans - Director

Approved by the Board on 27 January 2006

The notes form part of these financial statements

# OIL CONTROL LIMITED

## CASH FLOW STATEMENT for the year ended 31 December 2005

	Notes	2005 £	2004 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	184,554	195,294
Interest element of hire purchase payments		(1,256)	(1,363)
Tax paid		<u>(154,117)</u>	<u>(138,585)</u>
Net cash from operating activities		<u>29,181</u>	<u>55,346</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(54,318)	(144,903)
Sale of tangible fixed assets		27,500	9,500
Interest received		<u>7,956</u>	<u>9,501</u>
Net cash from investing activities		<u>(18,862)</u>	<u>(125,902)</u>
 <b>Cash flows from financing activities</b>			
Capital repayments in year		(10,833)	8,751
Equity dividends paid		<u>(168,000)</u>	<u>(140,000)</u>
Net cash from financing activities		<u>(178,833)</u>	<u>(131,249)</u>
 <b>Decrease in cash and cash equivalents</b>		<u>(168,514)</u>	<u>(201,805)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>579,525</u>	<u>781,330</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>411,011</u></u>	<u><u>579,525</u></u>

The notes form part of these financial statements

# OIL CONTROL LIMITED

## NOTES TO THE CASH FLOW STATEMENT for the year ended 31 December 2005

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	64,559	482,199
Depreciation charges	93,061	50,524
Profit on disposal of fixed assets	(3,580)	(4,202)
Decrease/(Increase) in inventories	190,207	(467,041)
Increase in trade and other receivables	(40,106)	(328,830)
(Decrease)/Increase in trade and other payables	<u>(119,587)</u>	<u>462,644</u>
<b>Net cash inflow from operating activities</b>	<b><u>184,554</u></b>	<b><u>195,294</u></b>

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts:

#### Year ended 31 December 2005

	31.12.05 £	1.1.05 £
Cash and cash equivalents	<u>411,011</u>	<u>579,525</u>

#### Year ended 31 December 2004

	31.12.04 £	1.1.04 £
Cash and cash equivalents	<u>579,525</u>	<u>781,330</u>

# **OIL CONTROL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

#### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is not recognised until the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

#### **Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- Straight line over 33 years
Plant and machinery	- 10% and 15% straight line
Fixtures and fittings	- 15% straight line
Motor vehicles	- 25% straight line

The depreciation policy for freehold property has been changed in accordance with that of the parent company. The rate used was previously straight line over 50 years. The effect of this change in policy is shown in note 4 to the financial statements.

#### **Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is based on weighted average.

#### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### **Employee benefit costs**

The company's contributions to defined contribution plans are charged to the profit and loss account in the period to which the contributions relate.

### **2. EMPLOYEES AND DIRECTORS**

	2005	2004
	£	£
Wages and salaries	722,833	625,173
Social security costs	79,111	86,945
Other pension costs	23,192	22,994
	<u>825,136</u>	<u>735,112</u>

# OIL CONTROL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2005

### 2. EMPLOYEES AND DIRECTORS - continued

The average monthly number of employees during the year was as follows:

	2005	2004
Management, administration and sales	13	12
Stores and production	<u>10</u>	<u>10</u>
	<u>23</u>	<u>22</u>

	2005 £	2004 £
Directors' emoluments	120,851	103,145
Directors' pension contributions to money purchase schemes	<u>6,735</u>	<u>6,539</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

### 3. COST OF SALES

Cost of sales includes an additional charge of £162,000 following the adoption of accounting policies of the parent company.

The adjustment is in respect of a change in the valuation basis from FIFO to average price, and also in the provision made in respect of slow moving and obsolete stock.

### 4. ADMINISTRATIVE EXPENSES

Administrative expenses include additional charges following the adoption of accounting policies of the parent company.

	£
Bad debt provision	26,000
Depreciation of building	28,200
	<u>54,200</u>

### 5. NET FINANCE INCOME

	2005 £	2004 £
Finance income:		
Deposit account interest	7,956	9,327
Other interest receivable	<u>-</u>	<u>174</u>
	<u>7,956</u>	<u>9,501</u>
Finance costs:		
Hire purchase	<u>1,256</u>	<u>1,363</u>
Net finance income	<u>6,700</u>	<u>8,138</u>

# OIL CONTROL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2005

### 6. PROFIT BEFORE TAX

The profit before tax is stated after charging/(crediting):

	2005 £	2004 £
Cost of inventories recognised as expense	8,369,538	7,445,634
Hire of plant and machinery	8,208	4,337
Depreciation - owned assets	77,244	39,512
Depreciation - assets on hire purchase contracts	15,817	11,012
Profit on disposal of fixed assets	(3,580)	(4,202)
Auditors' remuneration	<u>7,000</u>	<u>6,300</u>

### 7. TAX

#### Analysis of the tax charge

	2005 £	2004 £
Current tax:		
Tax	54,650	148,450
U K Corporation tax prior year	<u>(20)</u>	<u>56</u>
 Total tax charge in income statement	 <u>54,630</u>	 <u>148,506</u>

#### Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>71,259</u>	<u>490,337</u>
 Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	 21,378	 147,101
Effects of:		
Timing differences, primarily in respect of accelerated capital allowances	8,536	(4,893)
Non-deductible expenses	24,736	6,242
Adjustments in respect of prior years	<u>(20)</u>	<u>56</u>
 Total tax	 <u>54,630</u>	 <u>148,506</u>

### 8. DIVIDENDS

	2005 £	2004 £
Equity shares:		
Final	<u>168,000</u>	<u>140,000</u>

# OIL CONTROL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2005

### 9. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2005	475,793	131,515	125,544	184,027	916,879
Additions	-	38,296	16,022	-	54,318
Disposals	-	-	-	(62,252)	(62,252)
At 31 December 2005	<u>475,793</u>	<u>169,811</u>	<u>141,566</u>	<u>121,775</u>	<u>908,945</u>
<b>DEPRECIATION</b>					
At 1 January 2005	53,207	74,599	124,198	69,633	321,637
Charge for year	42,096	17,495	2,627	30,843	93,061
Eliminated on disposal	-	-	-	(38,332)	(38,332)
At 31 December 2005	<u>95,303</u>	<u>92,094</u>	<u>126,825</u>	<u>62,144</u>	<u>376,366</u>
<b>NET BOOK VALUE</b>					
At 31 December 2005	<u>380,490</u>	<u>77,717</u>	<u>14,741</u>	<u>59,631</u>	<u>532,579</u>
At 31 December 2004	<u>422,586</u>	<u>56,916</u>	<u>1,346</u>	<u>114,394</u>	<u>595,242</u>

The net book value of Motor vehicles includes £36,418 (2004 - £60,821) in respect of assets held under hire purchase contracts.

### 10. INVENTORIES

	2005 £	2004 £
Hydraulic components held for resale	<u>1,959,418</u>	<u>2,149,625</u>

The increase in the provision for slow-moving and obsolete stock recognised as an expense in the year amounted to £120,000.

### 11. TRADE AND OTHER RECEIVABLES

	2005 £	2004 £
Current:		
Trade debtors	1,802,616	1,804,623
Other debtors	13,118	9,118
Prepayments and accrued income	<u>54,306</u>	<u>16,193</u>
	<u>1,870,040</u>	<u>1,829,934</u>

### 12. CASH AND CASH EQUIVALENTS

	2005 £	2004 £
Cash in hand	426	532
Bank account	174,803	143,335
Euro bank account	<u>235,782</u>	<u>435,658</u>
	<u>411,011</u>	<u>579,525</u>

**OIL CONTROL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2005

**13. TRADE AND OTHER PAYABLES**

	2005	2004
	£	£
Trade creditors	99,344	81,296
Social security and other taxes	367,538	373,275
Amounts due to group companies	2,149,681	2,282,634
Accrued expenses	<u>48,991</u>	<u>47,936</u>
	<u>2,665,554</u>	<u>2,785,141</u>

**14. FINANCIAL LIABILITIES - BORROWINGS**

	2005	2004
	£	£
Current liabilities:		
Hire purchase contracts (see note 13)	<u>9,097</u>	<u>10,833</u>
Non-current liabilities:		
Hire purchase contracts (see note 13)	<u>2,500</u>	<u>11,597</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	Totals £
Hire purchase contracts	<u>9,097</u>	<u>2,500</u>	<u>11,597</u>

**15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Hire purchase contracts**

	2005	2004
	£	£
Net obligations repayable:		
Within one year	9,097	10,833
Between one and five years	<u>2,500</u>	<u>11,597</u>
	<u>11,597</u>	<u>22,430</u>

**Non-cancellable operating leases**

	2005	2004
	£	£
Within one year	1,705	4,724
Between one and five years	<u>4,386</u>	<u>1,041</u>
	<u>6,091</u>	<u>5,765</u>



# OIL CONTROL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2005

### 16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005 £	2004 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

### 17. RESERVES

	Profit and loss account £
At 1 January 2005	2,216,834
Retained profit for the year	16,629
Dividends	<u>(168,000)</u>
At 31 December 2005	<u>2,065,463</u>

### 18. ULTIMATE PARENT COMPANY

The immediate holding company is Oil Control International Holding B.V., a company registered in Holland. The ultimate parent company is Bosch AG, a company registered in Germany.

### 19. TRANSACTIONS WITH DIRECTORS

During the year Mr.P.A.Evans had a loan from the company. The balance at the start of year was £9,118 and the maximum during year and balance at the year end was £13,118. The loan was unsecured, interest free and there are no formal terms for repayment.

### 20. RELATED PARTY DISCLOSURES

The company made the following transactions with fellow group companies during the year:-

	Purchases £	Sales £
Bosch Rexroth Ltd	-	1,483
Oil Control SPA	3,712,974	10,672
Oil Sistem	1,267,376	22,225
Oleodinamica	397,186	10,794
EDI System SPA	2,072,268	3,798
Oil Control APS	-	1,357
Oil Control Gmbh	-	10,043
Oil Control BV	-	5,372
TARP	136,974	-
FIMMA	2,933	-

**OIL CONTROL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2005

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2005 £	2004 £
Profit for the financial year	16,629	341,831
Dividends	<u>(168,000)</u>	<u>(140,000)</u>
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(151,371)</b>	<b>201,831</b>
Opening shareholders' funds	<u>2,266,834</u>	<u>2,065,003</u>
<b>Closing shareholders' funds</b>	<b><u>2,115,463</u></b>	<b><u>2,266,834</u></b>
 Equity interests	 <u>2,115,463</u>	 <u>2,266,834</u>

**OIL CONTROL LIMITED**

**RECONCILIATION OF EQUITY**

**1 January 2004**

**(Date of Transition to IFRSs)**

	<b>UK GAAP £</b>	<b>Effect of transition to IFRSs £</b>	<b>IFRSs £</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	-	-	-
Intangible assets	-	-	-
Property, plant and equipment	<u>506,161</u>	<u>-</u>	<u>506,161</u>
	<u>506,161</u>	<u>-</u>	<u>506,161</u>
<b>CURRENT ASSETS</b>			
Inventories	1,682,584	-	1,682,584
Trade and other receivables	1,501,104	-	1,501,104
Cash and cash equivalents	<u>781,330</u>	<u>-</u>	<u>781,330</u>
	<u>3,965,018</u>	<u>-</u>	<u>3,965,018</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(2,459,350)	140,000	(2,319,350)
Financial liabilities - borrowings			
Interest bearing loans and borrowings	(7,083)	-	(7,083)
Tax payable	<u>(73,147)</u>	<u>-</u>	<u>(73,147)</u>
	<u>(2,539,580)</u>	<u>140,000</u>	<u>(2,399,580)</u>
<b>NET CURRENT ASSETS</b>	<u>1,425,438</u>	<u>140,000</u>	<u>1,565,438</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	<u>(6,596)</u>	<u>-</u>	<u>(6,596)</u>
<b>NET ASSETS</b>	<u>1,925,003</u>	<u>140,000</u>	<u>2,065,003</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	50,000	-	50,000
Profit and loss account	<u>1,875,003</u>	<u>140,000</u>	<u>2,015,003</u>
<b>TOTAL EQUITY</b>	<u>1,925,003</u>	<u>140,000</u>	<u>2,065,003</u>

The notes form part of these financial statements

**OIL CONTROL LIMITED**

**RECONCILIATION OF EQUITY - continued**  
**31 December 2004**

	<b>UK GAAP £</b>	<b>Effect of transition to IFRSs £</b>	<b>IFRSs £</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	-	-	-
Intangible assets	-	-	-
Property, plant and equipment	<u>595,242</u>	<u>-</u>	<u>595,242</u>
	<u>595,242</u>	<u>-</u>	<u>595,242</u>
<b>CURRENT ASSETS</b>			
Inventories	2,149,625	-	2,149,625
Trade and other receivables	1,829,934	-	1,829,934
Cash and cash equivalents	<u>579,525</u>	<u>-</u>	<u>579,525</u>
	<u>4,559,084</u>	<u>-</u>	<u>4,559,084</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(2,953,141)	168,000	(2,785,141)
Financial liabilities - borrowings			
Interest bearing loans and borrowings	(10,833)	-	(10,833)
Tax payable	<u>(79,921)</u>	<u>-</u>	<u>(79,921)</u>
	<u>(3,043,895)</u>	<u>168,000</u>	<u>(2,875,895)</u>
<b>NET CURRENT ASSETS</b>	<u>1,515,189</u>	<u>168,000</u>	<u>1,683,189</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	<u>(11,597)</u>	<u>-</u>	<u>(11,597)</u>
<b>NET ASSETS</b>	<u>2,098,834</u>	<u>168,000</u>	<u>2,266,834</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	50,000	-	50,000
Profit and loss account	<u>2,048,834</u>	<u>168,000</u>	<u>2,216,834</u>
<b>TOTAL EQUITY</b>	<u>2,098,834</u>	<u>168,000</u>	<u>2,266,834</u>

The notes form part of these financial statements

**OIL CONTROL LIMITED**  
**RECONCILIATION OF PROFIT**  
**for the year ended 31 December 2004**

	UK GAAP £	Effect of transition to IFRSs £	IFRSs £
Revenue	9,186,165	-	9,186,165
Cost of sales	<u>(7,445,634)</u>	<u>-</u>	<u>(7,445,634)</u>
<b>GROSS PROFIT</b>	1,740,531	-	1,740,531
Distribution costs	(70,151)	-	(70,151)
Administrative expenses	(1,188,181)	-	(1,188,181)
Finance costs	(1,363)	-	(1,363)
Finance income	<u>9,501</u>	<u>-</u>	<u>9,501</u>
<b>PROFIT BEFORE TAX</b>	490,337	-	490,337
Tax	<u>(148,506)</u>	<u>-</u>	<u>(148,506)</u>
<b>PROFIT FOR THE YEAR</b>	<u><u>341,831</u></u>	<u><u>-</u></u>	<u><u>341,831</u></u>

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