

**Company Registration No. SC131809**

**SPECIALISED PETROLEUM MANUFACTURING  
LIMITED**

**Report and Financial Statements**

**30 June 2005**



# **SPECIALISED PETROLEUM MANUFACTURING LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7</b>
<b>Additional information</b>	<b>16</b>

# **SPECIALISED PETROLEUM MANUFACTURING LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

R Gilbert  
D E Lowrance  
A McDonald  
W Reid

#### **SECRETARY**

A McDonald

#### **REGISTERED OFFICE**

2 Queen's Terrace  
Aberdeen  
AB10 1XL

#### **BANKERS**

Bank of Scotland  
39 Albyn Place  
Aberdeen  
AB10 1YN

#### **SOLICITORS**

The Grant Smith Law Practice  
7 Waverley Place  
Aberdeen  
AB10 1XL

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Aberdeen

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 30 June 2005.

## ACTIVITIES

The company's principal activity is the sale and rental of specialised flow control products to the oil industry.

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the results for the year and are confident of the future prospects for the company.

## DIVIDENDS

The results for the year are set out on page 5. The directors do not recommend payment of a dividend in respect of the year (2004 : £nil). The retained profit of £677,561 (2004 : £344,404) will be transferred to reserves.

## DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year, together with their disclosable interests in the share capital of the company as defined by the Companies Act 1985, are as follows:


	Ordinary shares	
	As at 30 June 2005 No.	As at 1 July 2004 No.
R Gilbert	-	-
D E Lowrance	1	1
A McDonald	-	-
W Reid	-	-

D E Lowrance and R Gilbert are also directors of the parent company, SPM Flow Control Inc.

## AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

  
R Gilbert  
Director  
Nov. 8 2005

## **SPECIALISED PETROLEUM MANUFACTURING LIMITED**

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

*United Kingdom 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 as at the end of the financial year 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.

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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPECIALISED PETROLEUM MANUFACTURING LIMITED**

We have audited the financial statements of Specialised Petroleum Manufacturing Limited for the year ended 30 June 2005, which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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 in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of the company's affairs as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Aberdeen

*24 November 2005*

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 30 June 2005

	Note	2005 £	2004 £
<b>TURNOVER: continuing operations</b>	2	5,135,382	3,638,829
Cost of sales		(3,163,912)	(2,238,810)
<b>Gross profit</b>		<u>1,971,470</u>	<u>1,400,019</u>
Administrative expenses		(1,109,581)	(984,049)
<b>OPERATING PROFIT: continuing operations</b>	4	861,889	415,970
Interest receivable and similar income	5	110,950	76,851
Interest payable and similar charges	6	(1,108)	(1,677)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>971,731</u>	<u>491,144</u>
Tax on profit on ordinary activities	7	(294,170)	(146,740)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>677,561</u>	<u>344,404</u>
Retained profit brought forward		<u>4,242,936</u>	<u>3,898,532</u>
Retained profit carried forward		<u><u>4,920,497</u></u>	<u><u>4,242,936</u></u>

There are no recognised gains and losses for the current and preceding financial year other than as included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## BALANCE SHEET 30 June 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,405,058	1,412,295
<b>CURRENT ASSETS</b>			
Stocks	9	597,492	438,090
Debtors	10	2,800,267	1,650,797
Cash at bank and in hand		505,337	988,749
		<u>3,903,096</u>	<u>3,077,636</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(386,657)	(239,592)
<b>NET CURRENT ASSETS</b>		<u>3,516,439</u>	<u>2,838,044</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,921,497</u>	<u>4,250,339</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	-	(6,403)
<b>NET ASSETS</b>		<u>4,921,497</u>	<u>4,243,936</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000	1,000
Profit and loss account		4,920,497	4,242,936
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	15	<u>4,921,497</u>	<u>4,243,936</u>

These financial statements were approved by the Board of Directors on Nov. 8, 2005.

Signed on behalf of the Board of Directors

  
R Gilbert  
Director



# **SPECIALISED PETROLEUM MANUFACTURING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year ended 30 June 2005**

### **1 ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### **Tangible fixed assets**

Depreciation is not provided on freehold land. On other assets it is provided to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The annual rates of depreciation are as follows:

Freehold buildings	4%
Rental tools	20%
Plant, machinery, fixtures & fittings	20%
Motor vehicles	25%

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase price. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

#### **Taxation**

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax, in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non discounted basis.

#### **Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2005

### 1 ACCOUNTING POLICIES (continued)

#### Leases

Assets obtained under finance leases and other similar contracts are capitalised at their fair value on acquisition and depreciated over the shorter of the lease term and their estimated useful lives. The capital elements of future lease and hire purchase obligations are recorded as liabilities, while interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter to the full lease term, in which case the shorter period is used.

#### Pension costs

Pension contributions are charged to the profit and loss account in the year in which they fall due.

### 2 TURNOVER

Turnover represents the value of goods and services provided in the year, net of sales taxes and is recognised as earned.

No further analysis of turnover is presented as the directors consider such disclosure could be prejudicial to the commercial interests of the company.

### 3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2005 £	2004 £
<b>Directors' remuneration</b>		
Emoluments (excluding pension contributions)	<u>232,166</u>	<u>157,209</u>
Company contributions to money purchase and similar pension schemes in respect of directors' services	<u>6,114</u>	<u>5,918</u>
	<b>2005 No.</b>	<b>2004 No.</b>
<b>The number of directors who:</b>		
• are members of a money purchase pension scheme	<u>2</u>	<u>2</u>

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2005

### 3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2005 £	2004 £
<b>Remuneration of the highest paid director:</b>		
Aggregate of emoluments (excluding pension contributions)	143,626	89,701
Company contributions to money purchase and similar pension schemes in respect of director's services	2,600	2,600
	2005 No.	2004 No.
<b>Average number of persons employed</b>		
Sales	2	2
Workshop	14	11
Administration	9	8
	25	21
	2005 £	2004 £
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	856,802	642,615
Social security costs	91,010	68,276
Pension costs	26,739	20,387
	974,551	731,278

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2005

### 4 OPERATING PROFIT

	2005 £	2004 £
<b>Operating profit is after charging:</b>		
Depreciation		
Owned assets	279,368	224,674
Leased assets	8,354	14,081
Rentals under operating leases		
Hire of plant and machinery	31,789	7,371
Other operating leases	-	405
Auditors' remuneration	6,500	5,000
	<u>5,704</u>	<u>-</u>
<b>and after crediting:</b>		
Profit on disposal of fixed assets	<u>5,704</u>	<u>-</u>

### 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2005 £	2004 £
Interest receivable and similar income from group undertakings	75,574	36,625
Bank interest	18,568	13,039
Other interest	16,808	27,187
	<u>110,950</u>	<u>76,851</u>

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Finance leases and hire purchase contracts	<u>1,108</u>	<u>1,677</u>

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2005

### 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### Tax charge for the year

	2005	2004
	£	£
<i>Current taxation</i>		
United Kingdom corporation tax	294,170	145,721
Adjustments in respect of prior years	-	1,019
	<u>294,170</u>	<u>146,740</u>
Tax on profit on ordinary activities	<u>294,170</u>	<u>146,740</u>

The standard rate of corporation tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following tax reconciliation:

#### Reconciliation of current tax

	2005	2004
	£	£
Profit on ordinary activities before taxation	<u>971,731</u>	<u>491,144</u>
Tax on profit on ordinary activities at standard rate	291,519	147,343
<i>Factors affecting charge for the year:</i>		
Expenses not deductible for tax purposes	8,949	10,048
Capital allowances in excess of depreciation	(8,412)	(11,199)
Movement in short term timing differences	2,114	(112)
Marginal relief	-	(359)
Prior period adjustments	-	1,019
	<u>294,170</u>	<u>146,740</u>
Total actual amount of current tax	<u>294,170</u>	<u>146,740</u>

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2005

### 8 TANGIBLE FIXED ASSETS

	Freehold buildings £	Rental tools £	Plant, machinery, fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2004	751,514	1,421,884	170,544	56,326	2,400,268
Additions in year	-	273,347	31,479	23,877	328,703
Disposals in year	-	(142,658)	(3,090)	(22,913)	(168,661)
At 30 June 2005	751,514	1,552,573	198,933	57,290	2,560,310
<b>Accumulated depreciation</b>					
At 1 July 2004	153,675	707,652	98,901	27,745	987,973
Charge in year	25,529	223,845	24,025	14,322	287,721
Disposals in year	-	(98,735)	(3,090)	(18,617)	(120,442)
At 30 June 2005	179,204	832,762	119,836	23,450	1,155,252
<b>Net book value</b>					
At 30 June 2005	572,310	719,811	79,097	33,840	1,405,058
At 30 June 2004	597,839	714,232	71,643	28,581	1,412,295

The net book value of assets held under finance leases or hire purchase contracts is £13,226 (2004 : £21,580).

Included within freehold buildings is land of £110,000 which is not depreciated (2004 £110,000).

### 9 STOCKS

	2005 £	2004 £
Finished goods	597,492	438,090

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2005

### 10 DEBTORS

	2005 £	2004 £
Trade debtors	1,195,542	1,025,277
Amounts due from parent company (note 19)	1,550,840	600,081
Other debtors	-	4,171
Prepayments and accrued income	53,885	21,268
	<u>2,800,267</u>	<u>1,650,797</u>

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Obligations under finance leases and hire purchase contracts (note 13)	6,403	10,496
Trade creditors	58,403	41,120
Corporation tax	103,594	54,721
Other taxes and social security	54,867	42,688
Accruals and deferred income	163,390	90,567
	<u>386,657</u>	<u>239,592</u>

### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Obligations under finance leases and hire purchase contracts (note 13)	<u>-</u>	<u>6,403</u>

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2005

### 13 BORROWINGS

	2005 £	2004 £
<i>Obligations under finance leases and hire purchase contracts</i>	<u>6,403</u>	<u>16,899</u>
The maturity of the above amounts is as follows:		
In one year or less, or on demand	6,403	10,496
In more than one year but not more than two years	<u>-</u>	<u>6,403</u>
	<u>6,403</u>	<u>16,899</u>

Obligations held under finance leases and hire purchase contracts are secured by the related assets.

### 14 CALLED UP SHARE CAPITAL

	2005 £	2004 £
<b>Authorised</b>		
100,000 Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>
<b>Called up, allotted and fully paid</b>		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit attributable to members of the company	677,561	344,404
Opening shareholders' funds	<u>4,243,936</u>	<u>3,899,532</u>
Closing shareholders' funds	<u>4,921,497</u>	<u>4,243,936</u>



## SPECIALISED PETROLEUM MANUFACTURING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

#### 16 OPERATING LEASE COMMITMENTS

At 30 June 2005 the company was committed to making the following payments during the next year in respect of operating leases:

	Other 2005 £	Other 2004 £
Leases which expire:		
Within one year	31,678	8,560
Within two to five years	85,257	18,218
	<u>116,935</u>	<u>26,778</u>

#### 17 PENSION SCHEMES

The company operates two defined contribution pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £26,738 (2004 : £20,387). There were no prepaid contributions at the balance sheet date (2004 : £4,171). There were accrued contributions at 30 June 2005 of £2,875 (2004 : £nil).

#### 18 ULTIMATE PARENT COMPANY

The immediate and ultimate parent company undertaking is SPM Inc, a company incorporated in Texas, USA.

#### 19 RELATED PARTY TRANSACTIONS

During the year the company purchased goods from SPM Inc, its parent company, at a cost of \$4,399,941 (2004: \$2,950,026). The company made further advances to SPM Inc in the year amounting to £1,200,749 (2004: £1,045,576). At the year end £1,550,840 (2004: £600,081) was due from SPM Inc on which interest of £75,574 (2004: £36,625) was charged. Management fees for the year of £290,571 (2004: £284,043) were charged by SPM Inc.

## **SPECIALISED PETROLEUM MANUFACTURING LIMITED**

### **ADDITIONAL INFORMATION**

The additional information, which comprises the trading profit and loss account and the related notes 1 to 9, has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the independent auditors' report thereon.

## SPECIALISED PETROLEUM MANUFACTURING LIMITED

### TRADING PROFIT AND LOSS ACCOUNT Year ended 30 June 2005

	Note	2005 £	2004 £
SALES	1	5,135,382	3,638,829
Cost of sales	2	(3,163,912)	(2,238,810)
GROSS PROFIT		<u>1,971,470</u>	<u>1,400,019</u>
LESS: OVERHEAD EXPENSES			
Office	3	862,765	716,873
Establishment	4	116,097	92,088
Travel and Subsistence	5	35,955	30,811
Motor	6	15,578	23,964
General	7	79,186	120,313
Financial	8	1,108	1,677
		<u>1,110,689</u>	<u>985,726</u>
NET TRADING PROFIT FOR THE YEAR		860,781	414,293
ADD: OTHER INCOME			
Interest receivable & similar income	9	110,950	76,851
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u><u>971,731</u></u>	<u><u>491,144</u></u>

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE TRADING PROFIT AND LOSS ACCOUNT Year ended 30 June 2005

	2005 £	2004 £
<b>1 SALES</b>		
United Kingdom	5,135,382	3,638,829
<b>2 COST OF SALES</b>		
Purchases for resale	1,811,223	1,196,729
Purchases for refurbishment	74,909	80,049
Rental equipment	97,513	72,588
Obsolete stock write off	3,027	14,120
Issues to rental, refurbishment and stock adjustments	258,909	57,831
Staff costs		
Direct wages	404,702	309,665
Employer's NIC	42,846	32,791
Pension costs	6,641	8,698
Carriage and handling charges	251,828	134,090
Plant Hire	-	11,456
Freight out	-	2,937
Exchange rate (gains)/losses	(20,316)	139,935
Depreciation on plant and machinery - cost of goods sold	232,630	177,921
	<u>3,163,912</u>	<u>2,238,810</u>
<b>3 OFFICE EXPENSES</b>		
Staff costs		
Directors' remuneration	247,724	164,842
Wages and salaries	225,786	178,800
Employer's NIC	24,980	21,543
Pension costs	20,098	11,689
Telephone	17,314	20,108
Printing and stationery	18,491	22,108
Advertising	1,774	3,250
Computer costs	16,027	10,490
Management charges	290,571	284,043
	<u>862,765</u>	<u>716,873</u>

# SPECIALISED PETROLEUM MANUFACTURING LIMITED

## NOTES TO THE TRADING PROFIT AND LOSS ACCOUNT Year ended 30 June 2005

	2005 £	2004 £
<b>4 ESTABLISHMENT EXPENSES</b>		
General rates	33,373	24,283
Repairs and renewals	-	(2,913)
Light and heat	9,901	16,189
Machinery held under operating leases	31,789	7,371
Depreciation on premises	25,522	25,529
Depreciation on fixtures and fittings	21,216	21,224
Profit on disposal of fixed assets	(5,704)	-
Rent	-	405
	<u>116,097</u>	<u>92,088</u>
<b>5 TRAVEL AND SUBSISTENCE EXPENSES</b>		
Travel expense	<u>35,955</u>	<u>30,811</u>
<b>6 MOTOR EXPENSES</b>		
Motor expenses	7,224	9,883
Depreciation on motor vehicles	8,354	14,081
	<u>15,578</u>	<u>23,964</u>
<b>7 GENERAL EXPENSES</b>		
General insurance	26,380	29,715
Legal and professional	7,367	5,386
Audit and accountancy	12,900	16,175
Bank charges	3,555	1,642
Subscriptions and donations	3,402	5,257
Sundry expenses	25,620	21,795
Bad debts charge/recovery	(38)	(551)
Convention expenses	-	40,894
	<u>79,186</u>	<u>120,313</u>
<b>8 FINANCIAL EXPENSES</b>		
Hire purchase	<u>1,108</u>	<u>1,677</u>

## **SPECIALISED PETROLEUM MANUFACTURING LIMITED**

### **NOTES TO THE TRADING PROFIT AND LOSS ACCOUNT** **Year ended 30 June 2005**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>9 INTEREST RECEIVABLE &amp; SIMILAR INCOME</b>		
Interest receivable from group undertakings	75,574	36,625
Bank interest	18,568	13,039
Other interest	16,808	27,187
	<u>110,950</u>	<u>76,851</u>