

**GREAT MARSH LIMITED**

**Report and Financial Statements**

**31 March 2004**

**Deloitte & Touche LLP  
Southampton**



**REPORT AND FINANCIAL STATEMENTS 2004**

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**REPORT AND FINANCIAL STATEMENTS 2004**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J R Coninx  
J Roberts  
A R Tomkins

**SECRETARY**

G Hemmings

**REGISTERED OFFICE**

5 - 6 The Square  
Winchester  
Hampshire  
SO23 9WE

**BANKERS**

Bank of Scotland  
38 Threadneedle Street  
London  
EC2P 2EH

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Southampton

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2004.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company were the provision of services for the chemical and oil industries including blending, storage, toll manufacture and waste handling.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The company made a loss for the year as a result of the costs of closing and running down the business following the termination of a contract with its major customer as at 31 December 2003. The company is expected to be dormant in the future.

On 4 July 2003, Thomas Roberts Industries Limited, a connected company, sold its investment in this company to another connected company, Burt Boulton Holdings Limited, for a consideration of £250,000.

### **RESULTS AND DIVIDENDS**

The results of the company for the year are set out on page 5. The directors do not recommend payment of a dividend (2003: £nil).

### **DIRECTORS AND THEIR INTERESTS**

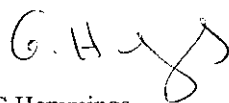
The current directors, all of whom served throughout the year, are listed on page 1. Dr H A Pearce resigned as a director on 28 October 2003.

The company is a wholly owned subsidiary undertaking of Burt Boulton Holdings Limited. Under SI 1985 Number 802 declarations by J Roberts, who is the ultimate controlling party, J R Coninx and A R Tomkins of interests in the share capital of Thomas Roberts Estates Limited, the parent company of Burt Boulton Holdings Limited, and its wholly owned subsidiaries are made in the accounts of that company.

### **AUDITORS**

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, Deloitte & Touche LLP, will therefore be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed under Section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

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



G Hemmings  
Company Secretary  
19 August 2004

## 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 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a 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 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREAT MARSH LIMITED**

We have audited the financial statements of Great Marsh Limited for the year ended 31 March 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. 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 are properly prepared in accordance with the Companies Act 1985. We also report 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.

### **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 at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Southampton

26 August 2004

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2004**

	Note	2004 £	2003 £
<b>TURNOVER: discontinued operations</b>	1	1,600,414	2,274,342
Cost of sales		(1,375,287)	(1,954,955)
<b>Gross profit</b>		225,127	319,387
Distribution costs		(1,395)	(3,907)
Administrative expenses		(177,840)	(602,503)
<b>OPERATING PROFIT/(LOSS): discontinued operations</b>	2	45,892	(287,023)
Loss on termination of operation	5	(746,628)	-
Interest receivable	6	27,242	39,310
Interest payable	7	(1,835)	(2,308)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(675,329)	(250,021)
Tax on loss on ordinary activities	8	3,582	72,973
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>	17, 18	(671,747)	(177,048)

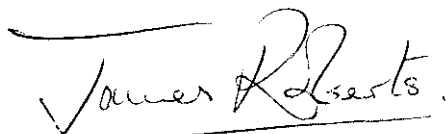
There have been no gains or losses that have not been recognised in the profit and loss account for the current year or the prior year. Accordingly, a statement of total recognised gains and losses has not been prepared.

**BALANCE SHEET**  
**31 March 2004**

	Note	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		-		399,943
<b>CURRENT ASSETS</b>					
Stocks	10	-		11,043	
Debtors	11	18,642		894,879	
Cash at bank and in hand		821,148		295,066	
		839,790		1,200,988	
<b>CREDITORS: amounts falling due within one year</b>	12	(511,566)		(416,609)	
<b>NET CURRENT ASSETS</b>			328,224		784,379
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			328,224		1,184,322
<b>CREDITORS: amounts falling due after more than one year</b>	13		-		(19,204)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14		-		(165,147)
<b>NET ASSETS</b>			328,224		999,971
<b>CAPITAL RESERVES</b>					
Called up share capital	16		250,000		250,000
Profit and loss account	17		78,224		749,971
<b>EQUITY SHAREHOLDERS' FUNDS</b>	18		328,224		999,971

These financial statements were approved by the Board of Directors on 19 August 2004.

Signed on behalf of the Board of Directors



Director



Director

## NOTES TO THE ACCOUNTS

### Year ended 31 March 2004

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Turnover

Turnover, all of which is derived in the United Kingdom from the company's principal activities, comprises sales to external customers, excluding value added tax.

##### Tangible fixed assets

Tangible fixed assets are stated at cost, less depreciation and provision for any impairment.

Depreciation is provided on assets at cost in equal annual instalments over the estimated lives of the assets.

The principal asset lives are as follows:

Short leasehold land and buildings	4 - 20 years
Commercial vehicles	7 years
Plant, equipment and fittings	4 - 15 years

##### Stocks

Finished goods are stated at the lower of cost and net realisable value. Cost represents invoice price plus carriage costs.

##### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to remit those earnings.

Deferred tax assets and liabilities are not discounted.

##### Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rentals under operating leases are charged to profit and loss account in equal annual amounts over the lease term.

##### Pension costs

Pension contributions are charged to the profit and loss account as incurred. These contributions are invested separately from the company's assets.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2004**

**2. OPERATING PROFIT/(LOSS)**

	2004 £	2003 £
<b>Operating profit/(loss) is arrived at after charging:</b>		
Depreciation of tangible fixed assets:		
- owned	106,283	138,007
- held under hire purchase contracts	5,789	8,683
Auditors' remuneration	7,500	8,750
Operating leases:		
- hire of plant and machinery	53,475	32,665
- other operating leases	12,744	8,705
	<u>106,283</u>	<u>138,007</u>

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2004 £	2003 £
<b>Directors' emoluments</b>		
Emoluments	<u>56,905</u>	<u>93,099</u>
	<b>No.</b>	<b>No.</b>
Number of directors with benefits accruing under defined benefit schemes	<u>1</u>	<u>1</u>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	475,150	558,404
Social security costs	46,761	49,373
Redundancy costs	240,714	-
Other pension costs (see note 4)	4,620	406,122
	<u>767,245</u>	<u>1,013,899</u>
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed</b>		
Production staff	12	14
Administration staff	6	7
	<u>18</u>	<u>21</u>

## NOTES TO THE ACCOUNTS

### Year ended 31 March 2004

#### 4. PENSION COSTS

The company participates in two pension schemes with the assets of the schemes held separately from those of the company in independently administered funds.

The principal scheme open to all eligible employees is a defined contribution group personal pension plan. Contributions payable by the company amount to £4,620 (2003 £6,122). All contributions were paid in the year.

The company also participates in the Thomas Roberts Group Pension Fund, which is a defined benefit scheme closed to new members with effect from 6 August 2001. This is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Accordingly, the profit and loss account is charged with the contributions made to the scheme as if it was a defined contribution scheme. Contributions payable by the company amount to £nil (2003: £400,000). The pension costs are based on the most recent actuarial valuation, which was completed with an effective date of 31 March 2001. The total market value of the scheme's assets as at the review date was £47.1 million and the actuarial value of those assets represented 104% of the liability for benefits accrued for service to the review date. Since 31 March 2001 the market value of the scheme's assets has declined. Any further impact will be reflected in the next SSAP24 triennial valuation as at 31 March 2004 based upon which subsequent pension costs will be determined until the adoption of FRS 17.

#### 5. LOSS ON TERMINATION OF OPERATION

These costs represent the costs of site clearance and disposal of assets of £262,900, redundancy of £240,714 and other costs of £243,014 as part of the closure of business on 31 December 2003 following the termination of a contract with its major customer.

#### 6. INTEREST RECEIVABLE

	2004 £	2003 £
Interest receivable from parent company	2,836	25,835
Other interest receivable	24,406	13,475
	<u>27,242</u>	<u>39,310</u>

#### 7. INTEREST PAYABLE

	2004 £	2003 £
Interest payable in respect of finance leases repayable within 5 years	<u>1,835</u>	<u>2,308</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2004**

**8. TAX ON LOSS ON ORDINARY ACTIVITIES**

Analysis of tax credit on ordinary activities:	2004 £	2003 £
United Kingdom corporation tax at 30% based on the loss for the year	-	72,973
Adjustment in respect of prior years	3,582	-
Total tax credit for year	<u>3,582</u>	<u>72,973</u>

The tax assessed for the period is lower (2003: lower) than that resulting from applying the standard 30% rate of corporation tax in the UK (2002: 30%). The differences are explained below:

	2004 %	2003 %
Standard tax rate for period as a percentage of losses	30	30
Effects of:		
Capital allowances in excess of depreciation	(1)	(7)
Surrender of losses as group relief	(27)	-
Utilisation of tax losses	(7)	-
Movement in short term timing differences	8	6
Net book value of intangible assets	(3)	-
Prior period adjustments	1	-
Current tax rate for period as a percentage of losses	<u>1</u>	<u>29</u>

A deferred tax asset has not been recognised in respect of losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £49,743 (2003: £42,240). The asset would be recovered if the reversal of the provision is available to offset against future profits.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2004**

**9. TANGIBLE FIXED ASSETS**

	Short leasehold land and buildings £	Plant equipment and vehicles £	Total £
<b>Cost</b>			
At 1 April 2003	134,040	1,957,607	2,091,647
Additions	1,692	47,332	49,024
Disposals	(135,732)	(2,004,939)	(2,140,671)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2004	-	-	-
<b>Accumulated depreciation</b>			
At 1 April 2003	113,093	1,578,611	1,691,704
Charge for the year	4,559	107,513	112,072
Disposals	(117,652)	(1,686,124)	(1,803,776)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2004	-	-	-
<b>Net book value</b>			
At 31 March 2004	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2003	20,947	378,996	399,943
	<u>          </u>	<u>          </u>	<u>          </u>

The net book value of the company's fixed assets includes £nil (2003: £20,984) in respect of assets held under hire purchase contracts.

**10. STOCKS**

	2004 £	2003 £
Finished goods	-	11,043
	<u>          </u>	<u>          </u>

**11. DEBTORS**

	2004 £	2003 £
Trade debtors	5,664	319,263
Amount due from group undertaking	-	350,000
Other taxes recoverable	12,978	-
Corporation tax recoverable	-	72,973
Prepayments and accrued income	-	152,643
	<u>          </u>	<u>          </u>
	18,642	894,879
	<u>          </u>	<u>          </u>

All amounts are due within one year.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2004**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade creditors	17,799	147,826
Obligations under hire purchase contracts (see note 15)	-	4,493
Amounts due to group undertaking	119,445	8,453
Other taxes and social security	1,989	77,429
Other creditors	-	6,041
Accruals and deferred income	372,333	172,367
	<u>511,566</u>	<u>416,609</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Obligations under hire purchase contracts (see note 15)	-	19,204
	<u>-</u>	<u>19,204</u>

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	Provision for reorganisation costs £
At 1 April 2003	165,417
Provision written back in profit and loss account	<u>(165,417)</u>
At 31 March 2004	<u>-</u>

The provision for re-organisation costs related to specific costs no longer expected to be incurred by the company following the closure of the business.

Deferred tax is calculated at 30% (2003: 30%) analysed over the following timing differences:

	2004 £	2003 £
Capital allowances in excess of depreciation	-	9,584
Short term timing differences	-	<u>(9,584)</u>
	<u>-</u>	<u>-</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2004**

**15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2004 £	2003 £
The company's obligations under finance leases and hire purchase contracts are repayable as follows:		
In one year, or less or on demand	-	6,420
Between one and two years	-	6,420
Between two and five years	-	14,882
	<hr/>	<hr/>
	-	27,722
Finance charges and interest allocated to future accounting periods	-	(4,025)
	<hr/>	<hr/>
	-	23,697
Included in current liabilities (see note 12)	-	(4,493)
	<hr/>	<hr/>
Included in liabilities falling due after more than one year (see note 13)	-	19,204
	<hr/> <hr/>	<hr/> <hr/>
Hire purchase obligations are secured by the assets to which they relate.		

**16. CALLED UP SHARE CAPITAL**

	2004 £	2003 £
Authorised, allotted, called up and fully paid: 250,000 ordinary shares of £1 each	<hr/> 250,000	<hr/> 250,000
	<hr/> <hr/>	<hr/> <hr/>

**17. PROFIT AND LOSS ACCOUNT**

	£
At 1 April 2003	749,971
Retained loss for the year	(671,747)
	<hr/>
At 31 March 2004	78,224
	<hr/> <hr/>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Opening shareholders' funds	999,971	1,177,019
Retained loss for the year	(671,747)	(177,048)
	<hr/>	<hr/>
Closing shareholders' funds	328,224	999,971
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE ACCOUNTS

### Year ended 31 March 2004

#### 19. OPERATING LEASES

At 31 March 2004, the company was committed to making the following payments during the next year in respect of operating leases on plant and machinery:

	2004 £	2003 £
Leases which expire:		
Within one year	-	4,680
Within two to five years	-	34,164
	<hr/>	<hr/>
	-	38,844
	<hr/>	<hr/>

#### 20. CONTINGENT LIABILITIES

Under a group registration the company is jointly and severally liable for value added tax due by other companies. At 31 March 2004 this contingent liability amounted to £87,000 (2003: £71,652).

#### 21. RELATED PARTY TRANSACTIONS

During the year the following transactions took place with connected companies under common control:

The company paid management fees to Thomas Roberts (Westminster) Limited amounting to £203,084 (2003: £236,004).

The company paid rent to Burt Boulton Holdings Limited amounting to £330,000 (2003: £341,837).

The company received interest from Thomas Roberts Industries Limited amounting to £2,836 (2003: £25,835)

As at 31 March 2004 the company had balances of £82,500 (2003: £88,135) and £36,945 (2003: £35,802) owing to Burt Boulton Holdings Limited and Thomas Roberts (Westminster) Limited respectively.

#### 22. ULTIMATE PARENT COMPANY

At the year end the company's ultimate parent company was Thomas Roberts Estates Limited which is incorporated in the United Kingdom. Copies of the financial statements of this company can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

#### 23. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is Mr J Roberts.