

# Deloitte & Touche

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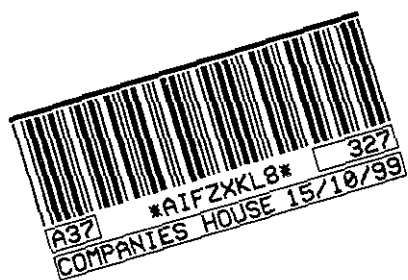
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**GREAT MARSH LIMITED**

**Report and Financial Statements**

**31 March 1999**

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**Deloitte Touche  
Tohmatsu**

**GREAT MARSH LIMITED**

**Report and Financial Statements**

**31 March 1999**

**Deloitte & Touche  
Chartered Accountants  
Mountbatten House  
1 Grosvenor Square  
Southampton  
SO15 2BZ**

**REPORT AND FINANCIAL STATEMENTS 1999**

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**REPORT AND FINANCIAL STATEMENTS 1999**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Dr H A Pearce  
J Roberts  
A R Tomkins

**SECRETARY**

G Thorley - Hemmings

**REGISTERED OFFICE**

5 - 6 The Square  
Winchester  
Hampshire  
SO23 9WE

**BANKERS**

Lloyds Bank PLC

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Mountbatten House  
1 Grosvenor Square  
Southampton  
SO15 2BZ

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 1999.

## ACTIVITIES

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

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The turnover of the company reduced due to a fall in drumming income and lower income from the toll blending of bitumen products. This led to a decline in operating profit from continuing operations. However, the company produced a satisfactory result due to further profits from discontinued operations.

No significant change in the company's activities is anticipated in 1999/2000. Difficult trading conditions are expected to continue and this is likely to result in a reduced operating profit..

## RESULTS AND DIVIDENDS

The results of the company for the year are set out on page 5. An interim dividend of £3,500,000 (1998 - £nil) has been paid. The directors do not propose a final dividend.

## DIRECTORS

The directors who served throughout the year are listed on page 1.

The company is a wholly owned subsidiary undertaking of Thomas Roberts (Westminster) Limited. Under SI 1985 Number 802 declarations by J Roberts, who is the ultimate controlling party, and A R Tomkins of interests in the share capital of Thomas Roberts (Westminster) Limited are made in the accounts of that company. The other director did not have, either at the beginning or at the end of the year, any beneficial interests in the share capital of the company or parent company or a subsidiary of the company's parent company.

**YEAR 2000**

The directors have considered the risks and uncertainties surrounding year 2000 issues, and how they may affect the company. The directors are taking action to minimise the impact of such issues, and consider the anticipated cost to be immaterial.

## AUDITORS

**A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.**

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

G. Henry Hays

20th August 1999

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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;
- 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. 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.



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

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with 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 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE  
Chartered Accountants and Registered Auditors

2 September 1999

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 1999**

	Note	£	1999 £	£	1998 £
<b>TURNOVER</b>					
Continuing operations		2,532,687		3,274,492	
Discontinued operations		-		-	
		<hr/>		<hr/>	
Cost of sales	3		2,532,687		3,274,492
	3		(2,028,772)		(2,680,035)
			<hr/>		<hr/>
<b>GROSS PROFIT</b>			503,915		594,457
Distribution costs	3		(23,783)		(22,508)
Administration expenses	3		(290,408)		(345,848)
			<hr/>		<hr/>
<b>OPERATING PROFIT / (LOSS)</b>					
Continuing operations	3	141,499		319,546	
Discontinued operations	3	48,225		(93,445)	
		<hr/>		<hr/>	
<b>TOTAL OPERATING PROFIT</b>			189,724		226,101
Profit on sale of discontinued operations	2		200,000		-
			<hr/>		<hr/>
			389,724		226,101
Interest payable	5		(2,705)		(3,143)
Interest receivable	6		377,623		366,116
			<hr/>		<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			764,642		589,074
Tax on profit on ordinary activities	7		176,395		174,352
			<hr/>		<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			588,247		414,722
Dividend paid	8		(3,500,000)		-
			<hr/>		<hr/>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	15		(2,911,753)		414,722
			<hr/>		<hr/>

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 1999**

	Note	£	1999 £	£	1998 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		562,746		581,236
<b>CURRENT ASSETS</b>					
Stocks	10	70,192		101,715	
Debtors	11	762,733		5,207,038	
Cash at bank and in hand		1,110,408		2,061	
		<u>1,943,333</u>		<u>5,310,814</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(1,119,665)</u>		<u>(1,529,123)</u>	
<b>NET CURRENT ASSETS</b>			<u>823,668</u>		<u>3,781,691</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,386,414		4,362,927
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13		<u>(8,000)</u>		<u>(72,760)</u>
<b>NET ASSETS</b>			<u>1,378,414</u>		<u>4,290,167</u>
<b>CAPITAL RESERVES</b>					
Called up share capital	14		250,000		250,000
Profit and loss account	15		1,128,414		4,040,167
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16		<u>1,378,414</u>		<u>4,290,167</u>

These financial statements were approved by the Board of Directors on 20th August 1999.  
Signed on behalf of the Board of Directors

Director

*James Roberts*  
*A. R. Tomkins*

## NOTES TO THE ACCOUNTS

### Year ended 31 March 1999

#### 1. ACCOUNTING POLICIES

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

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Turnover

Turnover comprises sales to external customers, excluding value added tax.

##### Tangible fixed assets

Tangible fixed assets are stated at cost.

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	5-15 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 at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

##### Pension costs

The company is a member of the group pension scheme of Thomas Roberts (Westminster) Limited. Contribution rates are based on periodic recommendations by the Actuary to the scheme. The company has been advised that no contribution needs to be made for the current year.

Particulars of the scheme, including the latest actuarial assessment which was made on 31 March 1998, are given in the financial statements of Thomas Roberts (Westminster) Limited.

##### 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.

##### Cash flow statement

The company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking and its ultimate parent company has prepared a cash flow statement.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1999**

**2. DISPOSAL OF BUSINESS**

On 21 February 1997 the Group entered into an unconditional contract for the disposal of part of the tangible fixed assets and business of South Western Tar Distilleries Limited. Completion of the sale was on 1 April 1997, but the effective date of disposal was deemed to be 31 March 1997. Additional proceeds of £200,000 were received in the year to 31 March 1999. Further proceeds may become receivable depending on certain conditions being fulfilled in the future.

**3. OPERATING PROFIT**

	1999 £	1998 £
Operating profit is arrived at after charging:		
Depreciation of tangible fixed assets	164,762	160,143
Auditors' remuneration	10,500	10,500
Operating leases:		
Hire of plant and machinery	34,252	42,085
Other operating leases	25,369	20,465
Profit/(loss) on disposal of fixed assets	-	12,400

	1999			1998		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Cost of sales	2,076,997	(48,225)	2,028,772	2,586,590	93,445	2,680,035
Distribution costs	23,783	-	23,783	22,508	-	22,508
Administrative expenses	290,408	-	290,408	345,848	-	345,848

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1999**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Directors' emoluments (including pension contributions)</b>		
Emoluments	81,270	87,634
	<u>          </u>	<u>          </u>
	<b>No.</b>	<b>No.</b>
Number of directors with benefits accruing under defined benefit schemes	1	1
	<u>          </u>	<u>          </u>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	811,660	922,533
Social security costs	74,386	84,150
	<u>          </u>	<u>          </u>
	886,046	1,006,683
	<u>          </u>	<u>          </u>
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed</b>		
Production staff	23	30
Sales staff	1	-
Administration staff	17	17
	<u>          </u>	<u>          </u>
	41	47
	<u>          </u>	<u>          </u>

**5. INTEREST PAYABLE**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Interest payable in respect of finance leases repayable within 5 years	2,705	3,143
	<u>          </u>	<u>          </u>

**6. INTEREST RECEIVABLE**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Interest receivable from parent company	376,102	366,116
Other interest receivable	1,521	-
	<u>          </u>	<u>          </u>
	377,623	366,116
	<u>          </u>	<u>          </u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1999**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1999 £	1998 £
Taxation charge is based on the result for the year and comprises:		
Corporation tax at 31% (1998 – 31%)	193,395	234,052
Deferred taxation	(16,398)	(51,325)
	<u>176,997</u>	<u>182,727</u>
Adjustments in respect of previous years:		
Corporation tax	-	(2,700)
Deferred taxation	(602)	(5,675)
	<u>176,395</u>	<u>174,352</u>

**8. DIVIDEND PAID**

	1999 £	1998 £
Interim dividend at £14 per share (1998 – nil pence per share)	3,500,000	-

**9. TANGIBLE FIXED ASSETS**

	Short leasehold land and buildings £	Plant equipment and vehicles £	Total £
<b>Cost</b>			
At 1 April 1998	148,173	2,035,270	2,183,443
Additions	11,842	134,430	146,272
At 31 March 1999	<u>160,015</u>	<u>2,169,700</u>	<u>2,329,715</u>
<b>Accumulated depreciation</b>			
At 1 April 1998	105,381	1,496,826	1,602,207
Charge for the year	9,137	155,625	164,762
At 31 March 1999	<u>114,518</u>	<u>1,652,451</u>	<u>1,766,969</u>
<b>Net book value</b>			
At 31 March 1999	<u>45,497</u>	<u>517,249</u>	<u>562,746</u>
At 31 March 1998	<u>42,792</u>	<u>538,444</u>	<u>581,236</u>

The net book value of the company's fixed assets includes £13,310 (1998 £21,717) in respect of assets held under hire purchase contracts.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1999**

**10. STOCKS**

	1999 £	1998 £
Raw materials and consumables stores	3,630	16,255
Saleable products	66,562	85,460
	<u>70,192</u>	<u>101,715</u>

**11. DEBTORS**

	1999 £	1998 £
Trade debtors	478,102	563,686
Amounts owed by parent company	-	4,500,000
Amounts owed by fellow subsidiaries	1,766	1,635
Other debtors	180,059	29,748
Prepayments and accrued income	102,806	111,969
	<u>762,733</u>	<u>5,207,038</u>

All amounts are due within one year.

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

	1999 £	1998 £
Bank overdraft	-	156,350
Trade creditors	116,599	127,166
Amounts owed to parent company	21,206	62,098
Amounts owed to fellow subsidiaries	48,661	96,146
Other creditors	204,885	429,031
Corporation tax	193,159	234,052
Other taxes and social security	68,404	71,269
Accruals and deferred income	445,127	327,386
Obligations under hire purchase contracts	21,624	25,625
	<u>1,119,665</u>	<u>1,529,123</u>

Hire purchase obligations are secured by the assets to which they relate. The bank overdraft is secured by a cross guarantee with fellow group companies.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1999**

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	1999 £	1998 £
Deferred taxation	8,000	25,000
Provisions	-	47,760
	<u>8,000</u>	<u>72,760</u>
<b>a) Deferred taxation</b>		<b>£</b>
Movement in year:		
At 1 April 1998		25,000
Credit for the year		(16,398)
Prior year adjustment		(602)
At 31 March 1999		<u>8,000</u>

The amounts provided and the full potential liabilities for deferred taxation comprises:

	Amounts Provided		Amounts Unprovided	
	1999 £	1998 £	1999 £	1998 £
Capital allowances in excess of depreciation	100,037	141,731	-	-
Other timing differences	(92,037)	(116,731)	-	-
	<u>8,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>

	1999 £	1998 £
<b>b) Provisions</b>		
Movement in year:		
At 1 April 1998	47,760	33,911
(Utilisation) / charge for the year	(47,760)	13,849
At 31 March 1999	<u>-</u>	<u>47,760</u>

The provision relates to future dredging costs.

**14. CALLED UP SHARE CAPITAL**

	1999 £	1998 £
Authorised, allotted and fully paid: 250,000 shares of £1 each	<u>250,000</u>	<u>250,000</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1999**

**15. PROFIT AND LOSS ACCOUNT**

	£
At 1 April 1998	4,040,167
Retained loss for the year	<u>(2,911,753)</u>
At 31 March 1999	<u>1,128,414</u>

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

	1999 £	1998 £
Opening shareholders' funds	4,290,167	3,875,445
(Loss)/Profit for the year	<u>(2,911,753)</u>	<u>414,722</u>
Closing shareholders' funds	<u>1,378,414</u>	<u>4,290,167</u>

**17. OPERATING LEASES**

At 31 March 1999 the company was committed to making the following payments during the next year in respect of operating leases:

	£
Leases which expire:	
Within one year	-
Within two to five years	59,621
	<u>59,621</u>

**18. CONTINGENT LIABILITIES**

Under a group registration the company is jointly and severally liable for value added tax due by other companies. At 31 March 1999 this contingent liability amounted to £235,044 (1998: £229,810).

**19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption contained within FRS 8 as it is a 100% subsidiary of Thomas Roberts (Westminster) Limited, whose consolidated financial statements are publicly available.

**20. ULTIMATE PARENT COMPANY**

The company's ultimate parent company is Thomas Roberts (Westminster) Limited which is incorporated in Great Britain. Copies of the financial statements of this company can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.