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Grant Thornton

Consolidated Financial Statements Barton Petroleum (Holdings) Limited

For the year ended 31 March 2009

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Company No. 5073551

Company information

Company registration number	5073551
Registered office	Vaux Road Finedon Road Industrial Estate WELLINGBOROUGH Northamptonshire NN8 4TG
Directors	R J Burton D J Burton
Secretary	L M Burton
Bankers	HSBC Bank plc 15 High Street MARKET HARBOROUGH Leicestershire LE1 BB
Solicitors	Howes Percival Oxford House Cliftonville NORTHAMPTON NN1 5PN
Auditor	Grant Thornton UK LLP Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR

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Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 March 2009.

Principal activities and business review

The principal activity of the company is that of a holding company. It did not trade during the year.

The principal activity of the group is in the distribution of petroleum products and related activities.

The directors are pleased with the operating profits of the group for the financial year but remain cautious that this level can be sustained in the coming year.

Key performance indicators - financial

The directors' main performance indicators used to manage the critical financial aspects of the business are gross margin, volume turnover and debtor days.

The gross margin showed an increase to 7.0% from last year's 5.7%.

Debtor days are used to assist the careful management of working capital. On a year end count-back basis this measurement showed that debtors days have shown a slight decrease from 29 days to 27.

Key performance indicators - non-financial

The directors' main non-financial performance indicators used to manage the business are greenhouse gas emissions and paper waste.

The level of greenhouse gases is carefully monitored. Approximately 7.3 tonnes per annum of heating oils are omitted and 345 tonnes of road fuels are utilised.

Of the paper used within the business, 80% is recycled per annum.

Results and dividends

The profit for the year, after taxation, amounted to £1,035,606 (2008 - £527,639). Dividends of £100,000 have been paid during the year (2008 - £100,000).

Financial risk management objectives and policies

The group uses various financial instruments including cash, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The existence of these financial instruments exposes the group to a number of financial risks which are described in more detail below.

The main risks arising from the group's financial instruments are price risk, liquidity risk and credit risk.

Price risk

The group's exposure to price risk consists mainly of its exposure to movements in oil prices. This risk is managed by daily monitoring of the oil prices from the group's main supplier.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Financial risk management objectives and policies (continued)

Credit risk
The group's principal financial assets are cash and trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Any residual risk is covered by credit insurance.

Directors

The directors who served the group during the year were as follows:

R J Burton
D J Burton

Land and Buildings

The directors are of the opinion that in aggregate the market value of the land and buildings is in excess of the book value.

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that year. In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

L. M. Burton

L M Burton
Secretary

15 SEPTEMBER 2009

Grant Thornton

Report of the independent auditor to the members of Barton Petroleum (Holdings) Limited

We have audited the group and parent company financial statements (the "financial statements") of Barton Petroleum (Holdings) Limited for the year ended 31 March 2009 which comprise the principal accounting policies, consolidated profit and loss account, the balance sheets, consolidated cash flow statement, statement of total recognised gains and losses and notes 1 to 29. 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 auditor's 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 auditor

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

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

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

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

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

Basis of 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.

Grant Thornton

Report of the independent auditor to the members of Barton Petroleum (Holdings) Limited

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 United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2009 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 March 2009.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Kettering

16 SEPTEMBER 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate those of the company and its subsidiary undertakings (see note 11) drawn up to 31 March 2009. Profits or losses on intra-group transactions are eliminated in full.

Where advantage can be taken of merger relief rules, shares issued as consideration for acquisitions are accounted for at nominal value.

Goodwill arising on consolidation representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired is capitalised and is amortised on a straight line basis over its estimated useful economic life of twenty years, as shown in note 9.

Turnover

Turnover is the revenue arising from the sale of goods and provision of services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts. Revenue arising from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the purchaser upon shipment of the goods. Revenue arising from the provision of services is recognised when the service is considered complete.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	25 years
Leasehold Property	-	Period of lease
Plant & Machinery	-	2 to 16 years
Motor Vehicles	-	4 to 6 years

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Contributions to pension schemes

Defined Contribution Scheme

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

Defined Benefit Pension Scheme

The group has applied the amendment to FRS17 retirement benefits which is effective for accounting periods commencing on or after 6 April 2007. The amendment to FRS17 primarily affects disclosures in relation to defined benefit pension schemes. However, for quoted securities the fair value is now taken to be the current bid price rather than the mid-market value. The change has affected disclosure only and has not lead to any prior year adjustment.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at the appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest charged on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Consolidated profit and loss account

	Note	2009 £	2008 £
Turnover	1	**79,006,027**	78,353,070
Cost of sales		**73,508,751**	73,913,951
Gross profit		**5,497,276**	4,439,119
Other operating charges and income	2	**4,095,003**	3,873,883
Operating profit	3	**1,402,273**	565,236
Interest receivable		**77,075**	122,028
Interest payable and similar charges	6	**(39,474)**	(23,023)
Profit on ordinary activities before taxation		**1,439,874**	664,241
Tax on profit on ordinary activities	7	**404,268**	136,602
Profit for the financial year	22	**1,035,606**	527,639

All of the activities of the group are classed as continuing.

The parent company has taken advantage of section 230(3) of the Companies Act 1985 not to publish its own profit and loss account. The parent company's profit for the financial year was £100,000 (2008 - £100,000).

Consolidated balance sheet

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	9	**346,534**	369,636
Tangible assets	10	**2,580,967**	2,704,917
		2,927,501	3,074,553
Current assets			
Stocks	12	**685,178**	886,908
Debtors	13	**5,702,433**	9,543,038
Cash at bank and in hand		**4,501,706**	2,972,831
		10,889,317	13,402,777
Creditors: amounts falling due within one year	14	**6,707,882**	9,952,356
Net current assets		**4,181,435**	3,450,421
Total assets less current liabilities		**7,108,936**	6,524,974
Creditors: amounts falling due after more than one year	15	**89,914**	116,221
		7,019,022	6,408,753
Provisions for liabilities			
Deferred taxation	17	**34,523**	55,000
Net assets excluding pension asset/(liability)		**6,984,499**	6,353,753
Defined benefit pension scheme asset/(liability)	18	**284,400**	(101,820)
Net assets including pension asset/(liability)		**7,268,899**	6,251,933
Capital and reserves			
Called-up equity share capital	20	**50**	50
Other reserves	21	**50**	50
Profit and loss account	22	**7,268,799**	6,251,833
Shareholders' funds	23	**7,268,899**	6,251,933

These financial statements were approved by the directors and authorised for issue on 15 SEPTEMBER 2009 and are signed on their behalf by:

R J Burton

D J Burton

Company balance sheet

	Note	2009 £	2008 £
Fixed assets			
Investments	11	**793,780**	793,780
Creditors: amounts falling due after more than one year	15	**793,730**	793,730
		50	50
Capital and reserves			
Called-up equity share capital	20	**50**	50
Profit and loss account	22	**-**	-
Shareholders' funds		**50**	50

These financial statements were approved by the directors and authorised for issue on 15 SEPTEMBER 2009 and are signed on their behalf by:

R J Burton

D J Burton

The accompanying accounting policies and notes form part of these financial statements.

Consolidated cash flow statement

	Note	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	24	**2,146,894**	(218,541)
Returns on investments and servicing of finance			
Interest received		**77,075**	122,028
Interest paid		**(10)**	(2)
Interest element of finance leases and hire purchase		**(26,464)**	(25,021)
Net cash inflow from returns on investments and servicing of finance		**50,601**	97,005
Taxation		**(153,214)**	(207,867)
Capital expenditure			
Payments to acquire tangible fixed assets		**(118,022)**	(121,169)
Receipts from sale of fixed assets		**22,598**	9,211
Net cash outflow from capital expenditure		**(95,424)**	(111,958)
Equity dividends paid		**(100,000)**	(100,000)
Financing			
Capital element of finance leases and hire purchase		**(319,982)**	(312,178)
Net cash outflow from financing		**(319,982)**	(312,178)
Increase/(decrease) in cash	25	**1,528,875**	(853,539)

Other primary statements

Statement of total recognised gains and losses

	2009	2008
	£	£
Profit for the financial year	**1,035,606**	527,639
Actuarial gain/(loss) in respect of defined benefit pension scheme	**113,000**	(227,000)
Deferred tax in respect of defined benefit pension scheme	**(31,640)**	60,760
Total recognised gains and losses for the year	**1,116,966**	361,399

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the principal activity of the group as stated in the Report of the Directors.

2 Other operating charges and income

	2009 £	2008 £
Distribution costs	**1,830,799**	1,738,498
Administrative expenses	**2,272,124**	2,135,385
Other operating income	**(7,920)**	-
	4,095,003	3,873,883

3 Operating profit

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Depreciation of owned fixed assets	**318,101**	288,348
Depreciation of assets held under finance leases and hire purchase agreements	**101,622**	145,566
Amortisation of goodwill	**23,102**	23,102
Profit on disposal of fixed assets	**(9,425)**	(5,675)
Auditor's remuneration:		
Statutory audit of financial statements	**4,350**	5,190
Audit of company's subsidiaries	**16,900**	20,210
Taxation services	**3,600**	4,725
Operating lease costs:		
Land and buildings	**41,800**	41,800

4 Directors and employees

The average number of persons employed by the group during the financial year, including the directors, amounted to 77 (2008 - 76).

The aggregate payroll costs of the above were:

	2009 £	2008 £
Wages and salaries	**2,380,759**	2,174,476
Social security costs	**258,530**	231,663
Other pension costs	**256,176**	255,735
	2,895,465	2,661,874

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 6) and amounts recognised in the statement of recognised gains and losses.

5 Directors

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Emoluments receivable	**81,683**	79,045

The number of directors who accrued benefits under group pension schemes was as follows:

	2009 No	2008 No
Defined benefit schemes	**1**	1

6 Interest payable and similar charges

	2009 £	2008 £
Interest payable on bank borrowing	**10**	2
Finance charges	**26,464**	25,021
Finance costs/(income) in respect of pension scheme (note 18)	**13,000**	(2,000)
	39,474	23,023

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	**314,746**	160,355
Over provision in prior year	**(7,141)**	(10,133)
Total current tax	**307,605**	150,222
Deferred tax:		
Reduction in tax rate	**-**	(8,200)
Origination and reversal of timing differences	**(19,983)**	(60,300)
Over provision in prior year	**(494)**	-
FRS 17 deferred tax movement	**117,140**	54,880
Tax on profit on ordinary activities	**404,268**	136,602

Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2009	2008
	£	£
Profit on ordinary activities before taxation	**1,439,874**	664,241
Profit on ordinary activities multiplied by the rate of tax	**403,165**	199,272
Expenses not deductible for tax purposes	**17,030**	9,627
Difference between capital allowances and depreciation	**18,019**	18,902
Utilisation of tax losses	**(5,634)**	-
Marginal relief	**-**	(8,646)
Adjustment to tax charge in respect of prior periods	**(7,141)**	(10,133)
Defined benefit scheme not taxable	**(118,160)**	(58,800)
Other timing differences	**326**	-
Total current tax (note 7(a))	**307,605**	150,222

8 Dividends

Dividends on shares classed as equity

	2009	2008
	£	£
Paid during the year:		
Equity dividends on ordinary shares	**100,000**	100,000

9 Intangible fixed assets

The Group

	Goodwill on consolidation
	£
Cost	
At 1 April 2008 and at 31 March 2009	462,044
Amortisation	
At 1 April 2008	92,408
Provided in the year	23,102
At 31 March 2009	115,510
Net book value	
At 31 March 2009	**346,534**
At 31 March 2008	369,636

There were no intangible fixed assets recognised by the company at 31 March 2009 and 31 March 2008.

10 Tangible fixed assets

The Group

	Freehold Property	Leasehold Property	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2008	1,531,882	114,622	882,030	2,631,280	5,159,814
Additions	11,702	-	25,052	272,192	308,946
Disposals	-	-	(35,903)	(185,601)	(221,504)
At 31 March 2009	1,543,584	114,622	871,179	2,717,871	5,247,256
Depreciation					
At 1 April 2008	139,465	84,552	576,204	1,654,676	2,454,897
Charge for the year	30,760	1,764	57,756	329,443	419,723
On disposals	-	-	(30,171)	(178,160)	(208,331)
At 31 March 2009	170,225	86,316	603,789	1,805,959	2,666,289
Net book value					
At 31 March 2009	**1,373,359**	**28,306**	**267,390**	**911,912**	**2,580,967**
At 31 March 2008	1,392,417	30,070	305,826	976,604	2,704,917

Included within the net book value of £2,508,967 is £271,958 (2008 - £689,017) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £101,622 (2008 - £145,566).

The company had no fixed assets at 31 March 2009 or 31 March 2008.

11 Investments

The Company

	Shares in group undertakings
	£
Net book value at 31 March 2008 and 31 March 2009	**793,780**

At 31 March 2009 the company held more than 20% of a class of the allotted equity share capital of the following:

	Country of registration	Class of share capital held	Proportion held	Nature of business
Barton Petroleum Limited	England and Wales	Ordinary	100%	Distribution of petroleum products
FW Abbott Limited	England and Wales	Ordinary	100%	Maintenance and repair of commercial vehicles

12 Stocks

	The group	
	2009	2008
	£	£
Raw materials	**19,242**	16,541
Work in progress	**14,665**	31,900
Goods for resale	**651,271**	838,467
	685,178	886,908

The company had no stocks at 31 March 2009 or 31 March 2008.

13 Debtors

	The group	
	2009	2008
	£	£
Trade debtors	**5,456,052**	8,878,615
Other debtors	**17,129**	-
Prepayments and accrued income	**229,252**	664,423
	5,702,433	9,543,038

The company had no debtors at 31 March 2009 or 31 March 2008.

14 Creditors: amounts falling due within one year

	The group	
	2009	2008
	£	£
Trade creditors	**5,740,492**	9,159,463
Corporation tax	**314,746**	160,355
Other taxation and social security	**123,809**	109,797
Amounts due under hire purchase agreements	**170,490**	273,241
Other creditors	**15,700**	13,130
Accruals and deferred income	**342,645**	236,370
	6,707,882	9,952,356

The company had no creditors: amounts falling due within one year at 31 March 2009 or 31 March 2008.

15 Creditors: amounts falling due after more than one year

	The group		The company	
	2009	2009	**2009**	2008
	£	£	**£**	£
Amounts owed to group undertakings	**-**	-	**793,730**	793,730
Amounts due under hire purchase agreements	**89,914**	116,221	**-**	-
	89,914	116,221	**793,730**	793,730

16 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	The group	
	2009	2008
	£	£
Amounts payable within 1 year	**170,490**	273,241
Amounts payable between 1 and 2 years	**701,272**	108,483
Amounts payable between 3 and 5 years	**19,642**	7,738
	260,404	389,462

Amounts due under hire purchase agreements are secured on the assets to which they relate.

The company had no future commitments under hire purchase agreements at 31 March 2009 or 31 March 2008.

17 Deferred taxation

The movement in the deferred taxation provision during the year was:

The Group

	2009	2008
	£	£
Provision brought forward	**55,000**	123,500
Profit and loss account movement arising during the year	**(20,477)**	(68,500)
Provision carried forward	**34,523**	55,000

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	**34,523**	63,200
Reduction in tax rate	**-**	(8,200)
	34,523	55,000

The Company
The company has no deferred taxation at 31 March 2009 and 31 March 2008.

18 Pensions and other post retirement benefits

Defined Contribution Pension Scheme
The group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in funds independent from those of the group.

Defined Benefit Pension Scheme
The group operates a defined benefit pension scheme (Barton Petroleum Limited Retirement Benefits Scheme) providing benefits based on final pensionable pay. The assets of the scheme are administered by trustees in a fund independent from the assets of the group.

Pension contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. A full actuarial valuation was carried out at 6 April 2007 and updated at 31 March 2009.

The principle assumptions used by the actuary were:

	2009	2008
	%	%
Rate of increase in salaries	**4.1**	4.6
Rate of increase in pensions in payment	**3.1**	3.6
Discount rate at 31 March	**6.7**	6.2
Inflation assumption	**3.1**	3.6

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2009 and 31 March 2008 are based on the S1PMA and S1PFA YOB table with a current year of use. Under this table the future life expectancies are 22.3 years for a male at age 65 and 24.9 years for a female at age 65 at this time.

The expected return on plan assets is based on bid value.

The amounts charged in profit or loss are as follows:

	2009	2008
	£	£
Current service cost	**215,000**	227,000

The amounts recognised in the balance sheet are as follows:

	2009	2008
	£	£
Fair value of plan assets	**2,864,000**	2,822,000
Present value of funded retirement benefit obligations	**(2,469,000)**	(2,962,000)
	395,000	(140,000)
Related deferred tax (liability)/asset	**(110,600)**	38,180
Net asset/(liability)	**284,400**	(101,820)

Pensions and other post retirement benefits (continued)

Defined benefit pension scheme (continued)

The amounts recognised in the statement of total recognised gains and losses (STRGL) are as follows:

	2009 £	2008 £
Net actuarial gains/(losses) recognised in the year	**113,000**	(227,000)
Deferred tax		
- actuarial gain/(loss)	**(31,640)**	63,560
- change in tax rate	**-**	(2,800)
Amount recognised in the STRGL	**81,360**	(166,240)

The cumulative actuarial gains recognised in the STRGL at 31 March 2009 were £219,620 (2008 - £138,260).

The major categories of plan asset, as a percentage of the total plan assets, are as follows:

	2009 %	2008 %
Equities and property	**32**	59
Bonds	**52**	34
Cash	**16**	7

The actual return on plan assets was £498,000 (2008 - £176,000).

Changes in the present value of the defined benefit obligation are as follows:

	2009 £	2008 £
Opening defined benefit obligation at 1 April	**2,962,000**	2,701,000
Current service cost	**215,000**	227,000
Interest cost	**186,000**	149,000
Actuarial gain	**(784,000)**	(115,000)
Benefits paid	**(110,000)**	-
Closing defined benefit obligation at 31 March	**2,469,000**	2,962,000

Changes in the fair value of plan assets are as follows:

	2009 £	2008 £
Opening fair value of plan assets at 1 April	**2,822,000**	2,592,000
Expected return	**173,000**	151,000
Actuarial loss	**(671,000)**	(342,000)
Contributions by employer	**650,000**	421,000
Benefits paid	**(110,000)**	-
Closing fair value of plan assets at 31 March	**2,864,000**	2,822,000

Pensions and other post retirement benefits (continued)

Defined benefit pension scheme (continued)

History of experience gains and losses is as follows:

	2009	2008	2007	2006	2005
	£	£	£	£	£
Fair value of plan assets at 31 March	**2,864,000**	2,822,000	2,592,000	2,397,000	1,965,000
Present value of defined benefit obligation at 31 March	**(2,469,000)**	(2,962,000)	(2,701,000)	(3,149,000)	(2,423,000)
Surplus/(deficit) in the plan	**395,000**	(140,000)	(109,000)	(752,000)	(458,000)
Experience adjustments arising on plan assets	**(671,000)**	(342,000)	105,000	145,000	(15,000)
Experience adjustments arising on plan liabilities	**80,000**	(148,000)	195,000	(89,000)	108,000

19 Leasing commitments

At 31 March 2009 the group had annual commitments under non-cancellable operating leases as set out below.

	2009 Land & Buildings	2008 Land & Buildings
	£	£
Operating leases which expire:		
After more than 5 years	**41,480**	41,480
	41,480	41,480

The company did not have any annual commitments under non-cancellable operating leases at 31 March 2009 and 31 March 2008.

20 Share capital

Authorised share capital:

	2009	2008
	£	£
50 Ordinary shares of £1 each	**50**	50

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	**50**	**50**	50	50
Equity shares				
Ordinary shares of £1 each	**50**	**50**	50	50

21 Other reserves

The Group

	2009	2008
	£	£
Capital redemption reserve	**50**	50

The company had no other reserves at 31 March 2009 or 31 March 2008.

22 Profit and loss account

The Group

	2009	2008
	£	£
Balance brought forward	**6,251,833**	5,990,434
Profit for the financial year	**1,035,606**	527,639
Other recognised gains and losses	**81,360**	(166,240)
Equity dividends	**(100,000)**	(100,000)
Balance carried forward	**7,268,799**	6,251,833

The Company

	2009	2008
	£	£
Balance brought forward	**-**	-
Profit for the financial year	**100,000**	100,000
Equity dividends	**(100,000)**	(100,000)
Balance carried forward	**-**	-

23 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	**1,035,606**	527,639
Other recognised gains and losses	**81,360**	(166,240)
Equity dividends paid	**(100,000)**	(100,000)
Net addition to shareholders' funds	**1,016,966**	261,399
Opening shareholders' funds	**6,251,933**	5,990,534
Closing shareholders' funds	**7,268,899**	6,251,933

24 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2009 £	2008 £
Operating profit	**1,402,273**	565,236
Depreciation	**419,723**	433,914
Amortisation	**23,102**	23,102
Profit on disposal of fixed assets	**(9,425)**	(5,675)
Decrease/(increase) in stocks	**201,730**	(274,750)
Decrease/(increase) in debtors	**3,840,605**	(2,606,318)
(Decrease)/increase in creditors	**(3,296,114)**	1,839,950
Provision for service cost of defined benefit pension scheme	**215,000**	227,000
Defined benefit pension scheme contributions paid	**(650,000)**	(421,000)
Net cash inflow/(outflow) from operating activities	**2,146,894**	(218,541)

25 Reconciliation of net cash flow to movement in net funds

	2009 £	2008 £
Increase/(decrease) in cash in the period	**1,528,875**	(853,539)
Cash outflow in respect of hire purchase	**319,982**	312,178
Change in net funds resulting from cash flows	**1,848,857**	(541,361)
New finance leases	**(190,924)**	(254,446)
Change in net funds	**1,657,933**	(795,807)
Net funds at 1 April 2008	**2,583,369**	3,379,176
Net funds at 31 March 2009	**4,241,302**	2,583,369

26 Analysis of changes in net funds

	At 1 Apr 2008 £	Cash flows £	Non-cash items £	At 31 Mar 2009 £
Net cash:				
Cash in hand and at bank	2,972,831	1,528,875	-	**4,501,706**
Debt:				
Hire purchase agreements	(389,462)	319,982	(190,924)	**(260,404)**
Net funds	2,583,369	1,848,857	(190,924)	**4,241,302**

During the year, the group entered into hire purchase agreements in respect of assets with a total capital value at the inception of the leases of £190,924 (2008 - £254,446).

27 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £279,000 (2008 - £320,000).

28 Contingent liabilities

The group faces a claim in connection with an industrial accident at the premises of F. W. Abbott Limited, one of its subsidiary undertakings, in June 2007. The company has pleaded not guilty to two charges under the Health and Safety at Work Act 1974 and intends to vigorously defend its case. The outcome of the case cannot be pre-judged; and no reasonable estimate can be made at this stage as to the financial impact, if any, on the group's accounts.

There were no other contingent liabilities at 31 March 2009 or 31 March 2008.

29 Ultimate parent company

The directors are considered the controlling and ultimate controlling related party by virtue of their shareholdings.