Financial Statements Barton Petroleum (Holdings) Limited and subsidiary undertakings

For the year ended 31 March 2012

Registered number 05073551

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 Chartered Accountants Statutory Auditor Grant Thornton House Kettering Parkway Kettering Venture Park KETTERING Northants NN15 6XR

Contents

Directors' Report

for the year ended 31 March 2012

The directors present their report and the financial statements of the group for the year ended 31 March 2012

Statement of 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Principal activities

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

Business review

The general economic difficulties facing the company together with rising fuel prices has had an impact on profitability for the year under review as can be seen by the fall in operating profit of 26% However a gain on the curtailment of the defined benefit pension scheme of £416k has helped increase the reported profit before taxation by £237k as compared to the prior year The directors have reviewed their cost base and are confident that the trading environment will improve for the forthcoming 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 declined slightly to 5 7% (2011 – 7 2%) due to volatility in oil price and difficult trading conditions which continue to affect customers

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 increased slightly to 34

Directors' Report
for the year ended 31 March 2012

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 emitted 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 £824,588 (2011 - £469,827)

Particulars of dividends paid are disclosed in the notes to the accounts

Directors

The directors who served during the year were

R J Burton
D J Burton

Principal risks and certainties

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

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' Report

for the year ended 31 March 2012

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

Provision of information to auditor

Each of the persons who are directors at the time when the Directors' Report is approved has confirmed that

- as far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all steps that they ought to have taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP, will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 11 OCTOBER 2012 and signed on its behalf

R J Burton
Director

Grant Thornton

Independent auditor's report to the members of Barton Petroleum (Holdings) Limited

We have audited the financial statements of Barton Petroleum (Holdings) Limited for the year ended 31 March 2012 which comprise the group profit and loss account, the group statement of total recognised gains and losses, the group and company balance sheets, the group consolidated cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Grant Thornton

Independent auditor's report to the members of Barton Petroleum (Holdings) Limited

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Andrew Dixon (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Kettering
Date
11 OCTOBER 2012

Consolidated profit and loss account

For the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	1,2	**71,724,778**	71,430,748
Cost of sales		**(67,654,709)**	(66,280,747)
Gross profit		**4,070,069**	5,150,001
Distribution costs		**(1,540,489)**	(1,808,708)
Administrative expenses		**(1,887,138)**	(2,474,438)
Other operating income	3	**3,635**	3,659
Operating profit before exceptional item	4	**646,077**	870,514
Exceptional item	10		
Other exceptional item		**416,000**	-
Operating profit after exceptional item		**1,062,077**	870,514
Interest receivable and similar income		**8,648**	8,962
Interest payable and similar charges	8	**(877)**	(3,427)
Other finance income/(costs)	9	**28,000**	(15,000)
Profit on ordinary activities before taxation		**1,097,848**	861,049
Tax on profit on ordinary activities	11	**(273,260)**	(391,222)
Profit for the financial year	22	**824,588**	469,827

All amounts relate to continuing operations

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

Statement of total recognised gains and losses
For the year ended 31 March 2012

	Note	2012 £	2011 £
Profit for the financial year		**824,588**	469,827
Actuarial (loss)/gain related to pension scheme	28	**(76,000)**	613,000
Deferred tax attributable to actuarial gain	28	**19,780**	159,380
Pension surplus not recognised	28	**(578,000)**	(674,000)
Total recognised gains and losses relating to the year		**190,368**	568,207

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

Consolidated balance sheet

As at 31 March 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	12		**277,228**		300,330
Tangible assets	13		**2,587,672**		2,412,786
			2,864,900		2,713,116
Current assets					
Stocks	16	**1,129,891**		1,022,691	
Debtors	17	**8,512,988**		8,712,563	
Cash at bank and in hand		**3,733,672**		4,260,219	
		13,376,551		1,3995,473	
Creditors: amounts falling due within one year		**(8,434,763)**		(9,062,817)	
Net current assets			**4,941,788**		4,932,656
Total assets less current liabilities			**7,806,688**		7,645,772
Creditors. amounts falling due after one year	19		**(2,636)**		-
Provisions for liabilities					
Deferred taxation	20		**(23,703)**		(45,011)
			7,780,349		7,600,761
Net assets excluding pension scheme assets					
Defined benefit pension scheme asset	28		**-**		39,220
Net assets including pension asset			**7,780,349**		7,639,981
Capital and reserves					
Called-up equity share capital	21		**50**		50
Other reserves	22		**50**		50
Profit and loss account	22		**7,780,249**		7,639,881
Shareholders' funds	23		**7,780,349**		7,639,981

The financial statements were approved and authorised for issue by the board and were signed on its behalf

R J Burton
Director

Date 11 OCTOBER 2012

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

Company balance sheet

As at 31 March 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Investments	14		**793,780**		793,780
			793,780		793,780
Current assets					
Debtors	17	**50,000**		-	
		50,000		-	
Creditors: amounts falling due within one year	18	**(50,000)**		-	
Net current assets			**-**		-
Total assets less current liabilities			**793,780**		793,780
Creditors: amounts falling due after one year	19		**(793,730)**		(793,730)
			50		50
Capital and reserves					
Called-up equity share capital	21		**50**		50
Shareholders' funds	23		**50**		50

The financial statements were approved and authorised for issue by the board and were signed on its behalf

R J Burton
Director

Date
11 OCTOBER 2012

Consolidated cash flow statement

For the year ended 31 March 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	25	**333,402**	724,953
Returns on investments and servicing of finance	26	**7,771**	5,535
Taxation		**(300,498)**	(132,748)
Capital expenditure and financial investment	26	**(550,892)**	(158,967)
Equity dividends paid		**-**	(150,000)
Cash (outflow)/inflow before financing		**(510,217)**	288,773
Financing	26	**(12,042)**	(39,426)
(Decrease)/increase in cash in the year		**(522,259)**	249,347

Reconciliation of net cash flow to movement in net funds

For the year ended 31 March 2012

	2012 £	2011 £
(Decrease)/increase in cash in the year	**(522,259)**	249,347
Cash outflow from decrease in debt and lease financing	**7,047**	39,426
Movement in net funds in the year	**(515,212)**	288,773
Net funds at 1 April 2011	**4,244,582**	3,955,809
Net funds at 31 March 2012	**3,729,370**	4,244,582

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

Notes to the financial statements

For the year ended 31 March 2012

1 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 financial statements consolidate the accounts of Barton Petroleum (Holdings) Limited and all of its subsidiary undertakings ('subsidiaries') Profits or losses on intra-group transactions are eliminated in full

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

Revenue arising from the sale of goods is recognised when significant risks and benefits of ownership of the product have transferred to the purchaser upon shipment of the goods

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the profit and loss account over its estimated economic life

Amortisation is provided at the following rate

Goodwill	-	20 years

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is not charged on freehold land Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their useful economic lives on the following bases

Freehold Property	-	25 years
Long-term leasehold Property	-	Life of the lease
Plant & Machinery	-	2 to 16 years
Motor Vehicles	-	4 to 6 years

Investments

Investments in subsidiaries are valued at cost less provision for impairment

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives Assets acquired by hire purchase are depreciated over their useful lives Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The financial element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Notes to the financial statements

For the year ended 31 March 2012

Accounting policies (continued)

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Stocks

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

Deferred taxation

Full provision is made for deferred ta assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Pension

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

The group operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 6 April 2010 The scheme closed for future accrual of benefits on 30 June 2011

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

Notes to the financial statements

For the year ended 31 March 2012

2 Turnover

Turnover is attributable to the principal activity of the group as stated in the Report of the Directors

All turnover arose within the United Kingdom

3 Other operating income

	2012	2011
	£	£
Other operating income	**3,635**	3,659

4 Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Amortisation – intangible fixed assets	**23,102**	23,102
Depreciation of tangible fixed assets		
- owned by the group	**410,740**	370,455
- held under finance leases	**4,295**	15,840
Operating lease rentals		
- other operating leases	**50,348**	49,642

5 Auditor's remuneration

	2012	2011
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	**5,000**	5,050
Fees payable to the company's auditor and its associates in respect of		
- Other services supplied pursuant to such legislation	**17,000**	16,600
- Other services relating to taxation	**4,450**	4,450

Notes to the financial statements

For the year ended 31 March 2012

6 Staff costs

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	**1,997,977**	2,282,163
Social security costs	**211,144**	257,281
Other pension costs (note 28)	**37,836**	510,566
	2,246,957	3,050,010

The average monthly number of employees, including the directors, during the year were as follows

	2012	2011
	No	No
	71	73

7 Directors' remuneration

	2012	2011
	£	£
Emoluments receivable	**73,653**	128,622

8 Interest payable

	2012	2011
	£	£
On finance leases and hire purchase contracts	**877**	3,427

9 Other finance income/(costs)

	2012	2011
	£	£
Expected return on pension scheme assets	**230,000**	209,000
Interest on pension scheme liabilities	**(202,000)**	(224,000)
	28,000	(15,000)

10 Exceptional item

	2012	2011
	£	£
Gain on curtailment of the defined benefit pension scheme (note 28)	**416,000**	-

Notes to the financial statements

For the year ended 31 March 2012

11 Taxation

Analysis of charge in the year

	2012	2011
	£	£
Current tax (see note below)		
UK Corporation tax charge on profit for the year	**89,309**	248,239
Adjustment in respect of prior periods	**(3,741)**	-
Total current tax	**85,568**	248,239
Deferred tax		
Origination and reversal of timing differences	**(21,559)**	(7,028)
Effect of decreased tax rate on opening liability	**(2,241)**	-
Capital allowances	**-**	91
Under/(over) provision in prior year	**2,492**	38
FRS 17 deferred tax movement	**209,000**	149,920
Total deferred tax	**187,692**	142,983
Tax on profit on ordinary activities	**273,260**	391,222

Factors affecting current tax charge

The tax assessed for the year is lower than (2011 – higher than) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	**1,097,848**	861,049
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 – 28%)	**285,440**	241,094
Effects of:		
Expenses not deductible for tax purposes	**7,380**	14,557
Capital allowances for year in excess of depreciation	**18,451**	3,476
Adjustments to tax charge in respect of prior periods	**(3,741)**	-
Adjustment to tax rate	**(6,386)**	-
Marginal relief	**(6,577)**	-
Tax credits	**1**	(2,206)
Defined benefit scheme not taxable	**(209,000)**	(8,680)
Other differences leading to a decrease in the tax charge	**-**	(2)
Current tax charge for the year (see note above)	**85,568**	248,239

Notes to the financial statements

For the year ended 31 March 2012

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2011 and at 31 March 2012	462,044
Amortisation	
At 1 April 2011	161,714
Provided in the year	23,102
At 31 March 2012	184,816
Net book value	
At 31 March 2012	**277,228**
At 31 March 2011	300,330

13 Tangible fixed assets

Group	Freehold property £	L/term leasehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost					
At 1 April 2011	1,543,584	114,622	985,335	2,705,629	5,349,170
Additions	-	281,607	44,472	266,033	592,112
Disposals	-	-	-	(228,033)	(228,033)
At 31 March 2012	1,543,584	396,229	1,029,807	2,743,629	5,713,249
Depreciation					
At 1 April 2011	219,626	90,364	731,927	1,894,467	2,936,384
Charge for the year	25,939	6,600	59,460	323,036	415,035
On disposals	-	-	(4)	(225,838)	(225,842)
At 31 March 2012	245,565	96,964	791,383	1,991,665	3,125,577
Net book value					
At 31 March 2012	**1,298,019**	**299,265**	**238,424**	**751,964**	**2,587,672**
At 31 March 2011	1,323,958	24,258	253,408	811,162	2,412,786

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2012 £	2011 £
Motor vehicles	**4,995**	55,832

Notes to the financial statements

For the year ended 31 March 2012

Tangible fixed assets (continued)

Included in freehold property is freehold land at cost of £609,754 (2011- £ 609,754) which is not depreciated

14 Fixed asset investments

Company	Investments in subsidiary undertakings £
Cost or valuation	
At 1 April 2011 and at 31 March 2012	**793,780**
Net book value	
At 31 March 2012	**793,780**
At 31 March 2011	793,780

15 Principal subsidiaries

Company name	Country	Percentage shareholding	Nature of business
Barton Petroleum Limited	England and Wales	100	Distribution of petroleum products
FW Abbott Limited	England and Wales	100	Maintenance and repair of commercial vehicles

16 Stocks

	The group		The company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Raw materials	**17,557**	23,742	**-**	-
Work in progress	**16,875**	28,878	**-**	-
Goods for resale	**1,095,459**	970,071	**-**	-
	1,129,891	1,022,691	**-**	-

Notes to the financial statements

For the year ended 31 March 2012

17 Debtors

	The group 2012 £	The group 2011 £	The company 2012 £	The company 2011 £
Trade debtors	**7,946,298**	8,066,538	**-**	-
Amounts owed by group undertakings	**-**	-	**50,000**	-
Prepayments and accrued income	**566,690**	646,025	**-**	-
	8,512,988	8,712,563	**50,000**	-

18 Creditors: amounts falling due within one year

	The group 2012 £	The group 2011 £	The company 2012 £	The company 2011 £
Bank loans and overdrafts	**-**	4,288	**-**	-
Trade creditors	**8,216,440**	8,362,022	**-**	-
Corporation tax	**33,308**	248,238	**-**	-
Social security and other taxation	**100,194**	103,390	**-**	-
Net obligations under finance leases and hire purchase contracts	**1,666**	11,349	**-**	-
Accruals and deferred income	**83,155**	333,530	**50,000**	-
	8,434,763	9,062,817	**50,000**	-

19 Creditors: amounts falling due after more than one year

	The group 2012 £	The group 2011 £	The company 2012 £	The company 2011 £
Net obligations under finance leases and hire purchase contracts	**2,636**	-	**-**	-
Amounts owed to group undertakings	**-**	-	**793,730**	793,730
	2,636	-	**793,730**	793,730

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	The group 2012 £	The group 2011 £	The company 2012 £	The company 2011 £
Between one and five years	**2,636**	-	**-**	-

Notes to the financial statements

For the year ended 31 March 2012

20 Deferred taxation

	The group 2012 £	The group 2011 £	The company 2012 £	The company 2011 £
At 1 April 2011	**45,011**	51,948	-	-
Released during the year	**(21,308)**	(6,937)	-	-
At 31 March 2012	**23,703**	45,011	-	-

The provision for deferred taxation is made up as follows

	The group 2012 £	The group 2011 £	The company 2012 £	The company 2011 £
Accelerated capital allowances	**23,703**	45,011	-	-

21 Share capital

	2012 £	2011 £
Authorised, allotted, called up and fully paid		
50 Ordinary shares of £1 each	**50**	50

22 Reserves

Group	**Capital redemption reserve £**	**Profit and loss account £**
At 1 April 2011	50	7,639,881
Profit for the year	-	824,588
Dividends Equity capital	-	(50,000)
Pension reserve movement	-	(634,220)
At 31 March 2012	**50**	**7,780,249**

Company	**Profit and loss account £**
At 1 April 2011	-
Profit for the year	50,000
Dividends Equity capital	(50,000)
At 31 March 2012	-

Notes to the financial statements

For the year ended 31 March 2012

23 Reconciliation of movements in shareholders' funds

Group	2012 £	2011 £
Opening shareholders' funds	**7,639,981**	7,221,774
Profit for the year	**824,588**	469,827
Dividends (note 24)	**(50,000)**	(150,000)
Other recognised gains and losses during the year	**(634,220)**	98,380
Closing shareholders' funds	**7,780,349**	7,639,981

Company	2012 £	2011 £
Opening shareholders' funds	**50**	50
Profit for the year	**50,000**	150,000
Dividends (note 24)	**(50,000)**	(150,000)
Closing shareholders' funds	**50**	50

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £50,000 (2011 - £150,000)

24 Dividends

	2012 £	2011 £
Dividends on equity capital	**50,000**	150,000

25 Net cash flow from operating activities

	2012 £	2011 £
Operating profit	**646,077**	870,514
Gain on curtailment of pension scheme	**416,000**	-
Amortisation of intangible fixed assets	**23,102**	23,102
Depreciation of tangible fixed assets	**415,035**	386,295
Profit on disposal of tangible fixed assets	**(34,034)**	(26,480)
Increase in stocks	**(107,200)**	(233,108)
Decrease/(increase) in debtors	**199,575**	(756,078)
(Decrease)/increase in creditors	**(449,153)**	506,708
Decrease in net pension assets/liabilities	**(776,000)**	(46,000)
Net cash inflow from operating activities	**333,402**	724,953

Notes to the financial statements

For the year ended 31 March 2012

26 Analysis of cash flows for headings netted in cash flow statement

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	**8,648**	8,962
Interest paid		-
Interest element of finance leases and hire purchase	**(877)**	(3,427)
Net cash inflow from returns on investments and servicing of finance	**7,771**	5,535
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(587,117)**	(187,019)
Sale of fixed assets	**36,225**	28,052
Net cash outflow from capital expenditure	**(550,892)**	(158,967)
Financing		
Repayment of finance leases	**(12,042)**	(39,426)

27 Analysis of changes in net funds

	At 1 Apr 2011	Cash flow	Other non-cash changes	At 31 Mar 2012
	£	£		£
Cash at bank and in hand	4,260,219	(526,547)	-	**3,733,672**
Bank overdrafts	(4,288)	4,288	-	**-**
	4,255,931	(522,259)	-	**3,733,672**
Debt.				
Finance leases	(11,349)	12,042	(4,995)	**(4,302)**
Net funds	4,244,582	(510,217)1	(4,995)	**3,729,370**

28 Pension commitments

The group operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund

The group operates a defined benefit pension scheme

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 2010 and updated at 31 March 2011

Notes to the financial statements

For the year ended 31 March 2012

Pension commitments (continued)

Benefits are payable based on final pensionable pay The assets of the scheme are administered by trustees in a fund independent from the assets of the company

The amounts recognised in the balance sheet are as follows

	2012 £	2011 £
Present value of funded obligations	**(3,629,000)**	(3,668,000)
Fair value of plan assets	**5,084,000**	4,395,000
Surplus in scheme	**1,455,000**	727,000
Surplus not recognised	**(1,455,000)**	(674,000)
Surplus included in balance sheet	**-**	53,000
Related deferred tax asset	**-**	(13,780)
Net asset	**-**	39,220

The amounts recognised in profit or loss are as follows

	2012 £	2011 £
Current service cost	**(59,000)**	(250,000)
Interest on obligation	**(202,000)**	(224,000)
Expected return on scheme assets	**230,000**	209,000
Gain on curtailment	**416,000**	-
Total	**385,000**	(265,000)
Actual return on scheme assets	**439,000**	(143,000)

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

	2012 £	2011 £
Opening defined benefit obligation	**3,668,000**	3,895,000
Current service cost	**59,000**	250,000
Interest cost	**202,000**	224,000
Actuarial losses/(gains)	**285,000**	(679,000)
Gain on curtailment	**(416,000)**	-
Benefits paid	**(169,000)**	(22,000)
Closing defined benefit obligation	**3,629,000**	3,668,000

Notes to the financial statements

For the year ended 31 March 2012

Pension commitments (continued)

Changes in the fair value of scheme assets are as follows

	2012 £	2011 £
Opening fair value of scheme assets	**4,395,000**	3,978,000
Expected return	**230,000**	209,000
Actuarial gains and (losses)	**209,000**	(66,000)
Contributions by employer	**419,000**	296,000
Benefits paid	**(169,000)**	(22,000)
Closing fair value of plan assets at 31 March	**5,084,000**	4,395,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £(822,860) (2011 - £19,920)

The group expects to contribute £150,000 to its defined benefit pension scheme in 2013

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

	2012 %	2011 %
Equities and property	**46.00**	47 00
Bonds	**52.00**	47 00
Cash	**2.00**	6 00

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2012 %	2011 %
Discount rate at 31 March	**5.20**	5 60
Expected return on scheme assets at 31 March	**4.10**	5 10
Future salary increases	**-**	4 50
Future pension increases	**3.00**	3 00
Inflation assumption	**3.20**	3 50
Consumer price inflation	**2.50**	2 80

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2012 and 31 March 2011 are based on the S1PMA and S1PFA YOB table with a current year of use Under this table the future life expectancies are 22 2 years for a male at age 65 and 24 4 years for a female at age 65 at this time

Notes to the financial statements

For the year ended 31 March 2012

Pension commitments (continued)

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2012	2011	2010	2009	2008
	£	£	£	£	£
Defined benefit obligations	**(3,629,000)**	(3,668,000)	(3,895,000)	(2,469,000)	(2,962,000)
Scheme assets	**5,084,000**	4,395,000	3,978,000	2,864,000	2,822,000
Surplus/(deficit)	**1,455,000**	727,000	83,000	395,000	(140,000)
Experience adjustments on scheme liabilities	**(107,000)**	337,000	9,000	80,000	(148,000)
Experience adjustments on scheme assets	**209,000**	(66,000)	704,000	(671,000)	(342,000)

The Barton Petroleum Limited Retirement Benefits Scheme was closed to future accrual of benefits from 30 June 2011

29 Operating lease commitments

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings 2012	Land and buildings 2011
	£	£
Expiry date:		
After more than 5 years	**46,480**	41,480

30 Capital commitments

At 31 March 2012 the company had capital commitments as follows

	2012	2011
	£	£
Contracted for but not provided in these financial statements	**114,000**	842,500

31 Ultimate controlling related party

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