

Company Registration No. SC157919 (Scotland)

EGL GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

FRIDAY



ADHZ6P86

A11

19/11/2010

132

COMPANIES HOUSE

EGL GROUP LIMITED

COMPANY INFORMATION

Directors

S Sanford
Ms A Mines
J Hendry
T Cranmer

Secretary

I C Matthews

Company number

SC157919

Registered office

78 Montgomerie Street
Edinburgh
EH7 5JA

Auditors

Rushton Osborne & Co. Limited
Ringley Park House
59 Reigate Road
Reigate, Surrey
RH2 0QJ

EGL GROUP LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 17

EGL GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2010

The directors present their report and financial statements for the period ended 30 June 2010.

Principal activities and review of the business

The principal activity of the company continued to be that of coal dealers and traders.

Turnover for the period was £37.5m with an operating profit of £1.3m. Pre-tax profits were £1.2m.

Principal risks and uncertainties

The directors constantly monitor the risks and uncertainties facing the company with particular reference to the exposure on exchange rates, liquidity, stocks, interest rates and credit risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

The company uses various financial instruments which include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are currency risk, cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Currency risk

The company has minimal exposure to translation and transaction foreign exchange risk. Transaction exposures which cumulatively total a certain size, are hedged when known, principally using forward currency contracts. Whilst the aim is to achieve an economic hedge the company does not adopt an accounting policy of hedge accounting for these financial statements.

Liquidity risk

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

Short-term flexibility is achieved by utilising related company funds.

Interest rate risk

The company finances its operations through a mixture of retained profits, related company funds and loans from the directors. The company's exposure to interest rate fluctuations on its borrowings is managed by actively looking to reduce its working capital requirement.

Credit risk

The company's principal financial assets are stock and trade debtors. The principal credit risk arises therefore from its 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.

EGL GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

Position of company at year end

The results for the period and the financial position at the period end were considered satisfactory by the directors.

Key performance indicators

The directors use a number of measures, both financial and non-financial to monitor and benchmark the performance of the company. They regard the following as the key financial indicators of performance:

- Operating profit - measuring the profits generated by the company's operations.
- Net cash flow from operating activities - measuring the performance in translating operating profit into cash flow through management of working capital.

The key non-financial indicators are associated with the company's ability to maintain its existing customer and supplier base.

Results and dividends

The results for the period are set out on page 6.

Interim ordinary dividends were paid amounting to £1,000,000. The directors do not recommend payment of a final dividend.

Future developments

The directors will continue to grow and develop the business in the future but anticipate that business will be very difficult during the current year.

Directors

The following directors have held office since 1 January 2009:

S Sanford
Ms A Mines
J Hendry
T Cranmer

Directors' interests

The directors' interests in the shares of the company, including spouses interests, were as stated below:

	Ordinary Shares of £1 each	
	30 June 2010	1 January 2009
S Sanford	250,000	250,000
Ms A Mines	250,000	250,000
J Hendry	-	-
T Cranmer	-	-

Auditors

The auditors, Rushton Osborne & Co. Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

EGL GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 law). 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

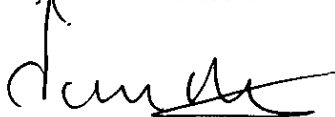
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



I C Matthews

Secretary

10 November 2010

EGL GROUP LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EGL GROUP LIMITED

We have audited the financial statements of EGL Group Limited for the period ended 30 June 2010 which comprise the Profit and Loss Account, the Balance Sheet, the 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 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 explained more fully in the Directors' Responsibilities Statement, 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

EGL GROUP LIMITED

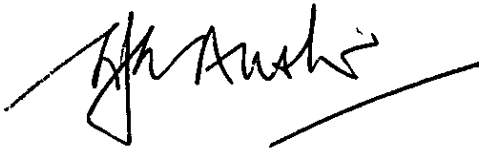
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF EGL GROUP LIMITED

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 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.



Mr John Austin (Senior Statutory Auditor)
for and on behalf of Rushton Osborne & Co. Limited

18-11-2010

Chartered Accountants
Statutory Auditor

Ringley Park House
59 Reigate Road
Reigate, Surrey
RH2 0QJ

EGL GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2010

		18 Month Period ended 30 June 2010 £'000	31 December 2008 £'000
	Notes		
Turnover	2	37,564	37,071
Cost of sales		(34,751)	(34,036)
Gross profit		2,813	3,035
Administrative expenses		(1,581)	(1,843)
Other operating income		54	64
Operating profit	3	1,286	1,256
Other interest receivable and similar income	4	3	68
Interest payable and similar charges	5	(70)	(41)
Profit on ordinary activities before taxation		1,219	1,283
Tax on profit on ordinary activities	6	(368)	(369)
Profit for the period	14	851	914

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

EGL GROUP LIMITED

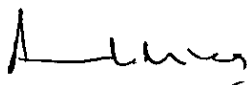
BALANCE SHEET

AS AT 30 JUNE 2010

		2010	2008
	Notes	£'000	£'000
Fixed assets			
Tangible assets	8	65	69
Current assets			
Stocks	9	2,993	3,124
Debtors: amounts falling due within one year	10	1,416	4,015
Debtors: amounts falling due after more than one year	10	1,440	3,678
Cash at bank and in hand		79	168
		<u>5,928</u>	<u>10,985</u>
Creditors: amounts falling due within one year	11	<u>(4,357)</u>	<u>(9,268)</u>
Net current assets		1,571	1,717
Total assets less current liabilities		<u>1,636</u>	<u>1,786</u>
		<u>1,636</u>	<u>1,786</u>
Capital and reserves			
Called up share capital	13	500	500
Profit and loss account	14	1,136	1,286
Shareholders' funds	15	<u>1,636</u>	<u>1,786</u>

Approved by the Board and authorised for issue on 10 November 2010

Ms A Mines
Director



Company Registration No. SC157919

EGL GROUP LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2010

		18 Month Period ended 30 June 2010 £'000	31 December 2008 £'000
Net cash inflow from operating activities		1,204	1,041
Returns on investments and servicing of finance			
Interest received	3	68	
Interest paid	(70)	(41)	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(67)	27
Taxation		(381)	(431)
Capital expenditure			
Payments to acquire tangible assets	(68)	(56)	
Receipts from sales of tangible assets	-	1	
Net cash outflow for capital expenditure		(68)	(55)
Equity dividends paid		(1,000)	(950)
Net cash outflow before management of liquid resources and financing		(312)	(368)
Financing			
Other new short term loans	180	-	
Capital element of hire purchase contracts	-	(19)	
Net cash inflow/(outflow) from financing		180	(19)
Decrease in cash in the period		(132)	(387)

EGL GROUP LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010	2008
		£'000	£'000
	Operating profit	1,286	1,256
	Depreciation of tangible assets	71	66
	Decrease/(increase) in stocks	131	(2,348)
	Decrease/(increase) in debtors	4,823	(594)
	(Decrease)/Increase in creditors within one year	(5,107)	2,661
	Net cash inflow from operating activities	1,204	1,041

2	Analysis of net (debt)/funds	1 January 2009	Cash flow	Other non-cash changes	30 June 2010
		£'000	£'000	£'000	£'000
	Net cash:				
	Cash at bank and in hand	168	(89)	-	79
	Bank overdrafts	(99)	(43)	-	(142)
		<u>69</u>	<u>(132)</u>	<u>-</u>	<u>(63)</u>
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due within one year	-	(180)	-	(180)
	Net funds/(debt)	69	(312)	-	(243)

3	Reconciliation of net cash flow to movement in net (debt)/funds	2010	2008
		£'000	£'000
	Decrease in cash in the period	(132)	(387)
	Cash (inflow)/outflow from (increase)/decrease in debt	(180)	19
	Movement in net (debt)/funds in the period	(312)	(368)
	Opening net funds	69	437
	Closing net (debt)/funds	(243)	69

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for sales of coal and aggregates net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	20 - 25% per annum on cost
Plant and machinery	15 - 50% per annum on cost, dependent on contract life.
Computer equipment	20 - 25% per annum on cost
Fixtures, fittings & equipment	15 - 25% per annum on cost
Motor vehicles	25% per annum on cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.7 Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have been transferred to the buyer, which may be upon shipment or the product being ready for delivery, based on specific contract terms.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

1 Accounting policies

(continued)

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

	2010 £'000	2008 £'000
Class of business		
Coal trading	37,107	35,846
Sale of aggregates	457	1,225
	<u>37,564</u>	<u>37,071</u>

3 Operating profit

	2010 £'000	2008 £'000
Operating profit is stated after charging:		
Depreciation of tangible assets	71	66
Loss on foreign exchange transactions	7	-
Operating lease rentals		
- Plant and machinery	44	35
- Other assets	54	39
Auditors' remuneration	15	15
and after crediting:		
Profit on foreign exchange transactions	-	(9)
	<u>-</u>	<u>(9)</u>

4 Investment income

	2010 £'000	2008 £'000
Bank interest	3	68
	<u>3</u>	<u>68</u>

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

5	Interest payable	2010	2008
		£'000	£'000
	On bank loans and overdrafts	1	16
	Hire purchase interest	-	1
	Other interest	69	24
		<u>70</u>	<u>41</u>
6	Taxation	2010	2008
		£'000	£'000
	Domestic current year tax		
	U.K. corporation tax	351	385
	Adjustment for prior years	3	(4)
		<u>354</u>	<u>381</u>
	Current tax charge		
	Deferred tax		
	Deferred tax charge/credit current year	14	(12)
		<u>368</u>	<u>369</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	1,219	1,283
		<u></u>	<u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.50%)	341	366
		<u></u>	<u></u>
	Effects of:		
	Non deductible expenses	9	9
	Depreciation add back	15	19
	Capital allowances	(14)	(9)
	Adjustments to previous periods	3	(4)
		<u>13</u>	<u>15</u>
	Current tax charge	<u>354</u>	<u>381</u>

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

7	Dividends	2010 £'000	2008 £'000
	Ordinary interim paid 20 December 2008	-	200
	Ordinary interim paid 15 July 2008	-	750
	Ordinary interim paid 20 August 2009	400	-
	Ordinary interim paid 31 March 2010	600	-
		<u>1,000</u>	<u>950</u>

8	Tangible fixed assets	Land and buildings Leasehold £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
	Cost					
	At 1 January 2009	2	391	8	70	471
	Additions	-	58	1	8	67
	Disposals	(2)	(3)	-	-	(5)
	At 30 June 2010	<u>-</u>	<u>446</u>	<u>9</u>	<u>78</u>	<u>533</u>
	Depreciation					
	At 1 January 2009	2	366	6	29	403
	On disposals	(2)	(3)	-	-	(5)
	Charge for the period	-	34	1	35	70
	At 30 June 2010	<u>-</u>	<u>397</u>	<u>7</u>	<u>64</u>	<u>468</u>
	Net book value					
	At 30 June 2010	<u>-</u>	<u>49</u>	<u>2</u>	<u>14</u>	<u>65</u>
	At 31 December 2008	<u>-</u>	<u>25</u>	<u>2</u>	<u>42</u>	<u>69</u>

9	Stocks	2010 £'000	2008 £'000
	Contracted stocks	2,008	2,421
	Goods for resale	985	703
		<u>2,993</u>	<u>3,124</u>

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

10 Debtors	2010 £'000	2008 £'000
Trade debtors	1,141	3,792
Amounts due from related companies	1,440	3,678
Other debtors	162	64
Prepayments and accrued income	113	145
Deferred tax asset	-	14
	<u>2,856</u>	<u>7,693</u>

Amounts falling due after more than one year and included in the debtors above are:

	2010 £'000	2008 £'000
Amounts due from related companies	<u>1,440</u>	<u>3,678</u>

The amounts due from related companies are loans to EGL Developments Limited and EGL Puracite Limited, due in more than one year. Both companies are under the control of the directors of EGL Group Limited.

11 Creditors: amounts falling due within one year	2010 £'000	2008 £'000
Bank loans and overdrafts	142	99
Trade creditors	2,679	6,830
Corporation tax	358	385
Other taxes and social security costs	27	34
Directors' current accounts	721	940
Other creditors	195	15
Accruals and deferred income	235	965
	<u>4,357</u>	<u>9,268</u>

The bank overdraft is secured by guarantees.

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

12 Pension and other post-retirement benefit commitments

Defined contribution

The company 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 pension cost charge represents contributions payable by the company to the fund.

	2010 £'000	2008 £'000
Contributions payable by the company for the period	137	35

13 Share capital

Authorised

1,000,000 Ordinary shares of £1 each

Allotted, called up and fully paid

500,000 Ordinary shares of £1 each

	2010 £'000	2008 £'000
	1,000	1,000
	500	500

14 Statement of movements on profit and loss account

	Profit and loss account £'000
Balance at 1 January 2009	1,285
Profit for the period	851
Dividends paid	(1,000)
Balance at 30 June 2010	1,136

15 Reconciliation of movements in shareholders' funds

	2010 £'000	2008 £'000
Profit for the financial period	851	914
Dividends	(1,000)	(950)
Net depletion in shareholders' funds	(149)	(36)
Opening shareholders' funds	1,786	1,822
Closing shareholders' funds	1,636	1,786

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2010

16 Contingent liabilities

The company has given a guarantee to secure the borrowings of EGL Developments Limited.

This amounted to £200,000 (2008: £200,000) at the year end date.

17 Financial commitments

At 30 June 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2011:

	Land and buildings		Other	
	2010	2008	2010	2008
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	-	10	12	3
Between two and five years	23	23	14	32
	<u>23</u>	<u>33</u>	<u>26</u>	<u>35</u>

18 Capital commitments

The company has entered into forward exchange contracts totalling £504,032 (2008: £397,351). The value of these contracts has been calculated at a fair value based on the spot rate of exchange at 30 June 2010. The difference between the fair value and the contract value of these agreements is a loss of £6,400 (2008: profit £17,000).

19 Directors' emoluments

	2010	2008
	£'000	£'000
Emoluments for qualifying services	424	953
Company pension contributions to money purchase schemes	86	15
	<u>510</u>	<u>968</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2008 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	122	305
Company pension contributions to money purchase schemes	<u>3</u>	<u>-</u>

EGL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

20 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2010 Number	2008 Number
Operations staff	1	1
Administrative staff	4	5
Management staff	8	8
	<u>13</u>	<u>14</u>

Employment costs

	2010 £'000	2008 £'000
Wages and salaries	850	1,274
Social security costs	114	147
Other pension costs	137	35
	<u>1,101</u>	<u>1,456</u>

21 Related party transactions

During the period dividends totalling £1,000,000 (2008: £950,000) were paid to S Sanford and A Mines, directors and shareholders, or to their spouses who are also shareholders.

At 30 June 2010 the company owed £337,060 (2008: £69,502) to S Sanford and £383,974 (2008: £869,576) to A Mines in respect of the directors current account and loans. Net interest of £10,281 (2008: £3,543) was paid to S Sanford and £38,864 (2008: £21,998) to A Mines during the year on the loans.

At 30 June 2010 the company was owed £1,419,366 (2008: £3,560,334) by EGL Developments Ltd and £21,082 (2008: £118,128) by EGL Puracite Ltd. Both of these companies are under the common control of the directors.

During the period the company made purchases of £311,977 (2008: £166,956) from and sales of £236,040 (2008: £60,804) to EGL Puracite Ltd.