

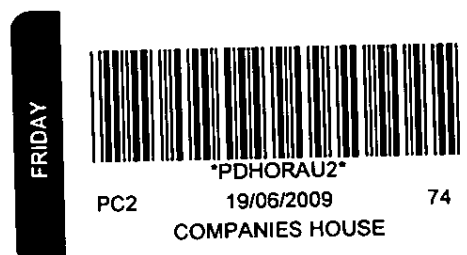
PETROTECHNIK LIMITED

ABBREVIATED ACCOUNTS - FOR THE YEAR ENDED

31 MARCH 2009

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

The company's registered number is 2631843.



PETROTECHNIK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 March 2009.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW:

The principal activity of the company is the sale of UPP polyethylene pipework and associated fittings and equipment for use in petrol filling stations and other fuel distribution centres. There have not been any significant changes in the company's activities during the year.

Sales achieved during the year were 3% up on the same period last year. Sales volume of traditional products were maintained at a similar level to that of last year, although the geographical composition was somewhat changed. Margin, 3% down on the prior year, reflects the current global trading conditions, but remains satisfactory. Overheads were maintained at acceptable levels and in line with last year taking inflation into consideration.

There was a 37% increase in income from shares in wholly owned subsidiaries. Overall profitability decreased slightly, primarily due to margin impact, although the trading result remains very encouraging given the current global trading conditions.

At the balance sheet date, following a year of considerable investment in fixed assets, largely financed through the drawdown of a medium term loan, gearing was 6.7% reflecting the strong financial position of the company. During the year the current ratio improved to 2.06:1 up from 1.83:1 this time last year.

The company has entered the new financial year with a strong order book and continues to seek and maximise opportunities in the markets within which it operates. There are no significant post balance sheet events that the directors consider necessary to report upon.

Principal risks and uncertainties:

Competitive pressure globally remains a continuing risk for the company, which could result in it losing sales to important customers. The company manages this risk by responding to customer requirements on a timely basis and through relationships with key customers to develop an operational environment and product range to suit their needs. At all times the company focuses on maintaining strong customer relationships.

The company carries out financial transactions in three major currencies; US dollars, Euros and Sterling. A natural hedge exists in so far as the company both buys and sells in all three currencies. To the extent that a surplus or deficit in any particular currency arises, a combination of forward and spot transactions will be used to manage the exposure. During the year both the Euro and the US Dollar strengthened considerably, resulting in a net exchange gain for the year.

Going concern:

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Environment:

PetroTechnik recognises the importance of its environmental responsibilities and therefore designs and implements policies to reduce any damage that might be caused by the company's activities.

DIRECTORS' REPORT (Continued)

Employees:

Details of the number of employees and related costs can be found in note 6 to the accounts.

RESULTS AND DIVIDENDS:

Dividends totalling £24.34 per ordinary share were paid during the year ended 31 March 2009 (2008 £16.80 per ordinary share).

	<u>2009</u>	<u>2008</u>
'A' Ordinary shares (paid)	£	£
Ordinary shares (paid)	119,318	82,354
	<u>357,952</u>	<u>247,060</u>
	<u>477,270</u>	<u>329,414</u>

The directors propose to transfer the profit of £692,336 for the year, to reserves (2008 £782,921).

DIRECTORS AND THEIR INTERESTS:

The directors who served throughout the year unless otherwise stated were:

J.A. Boudry	
J. Ageheim	S.DeWild
M.Duguid	G.Owens
S. Maley (resigned 16/01/2009)	A.Golding
G. Lee (appointed 09/04/2008)	A.Ticci

CHARITABLE DONATIONS

During the year the company donated £1,280 (2008: £700) to charity.

FINANCIAL INSTRUMENTS

The company's use of financial instruments and credit risk are disclosed in note 19 to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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.

DIRECTORS' REPORT (Continued)

STATEMENT OF INFORMATION GIVEN TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

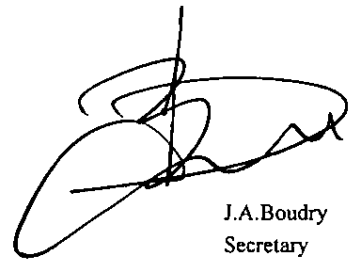
AUDITORS

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

PetroTechnik House
Olympus Close
Whitehouse Industrial Estate
Ipswich
Suffolk IP1 5LN.

9th June 2009

BY ORDER OF THE BOARD,



J.A. Boudry
Secretary

INDEPENDENT AUDITORS' REPORT TO PETROTECHNIK LIMITED PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts that comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes to 1 to 22 together with the financial statements of Petrotechnik Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2009.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A (3) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with that section to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that bulletin we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A (3) of the Companies Act 1985, in respect of the year ended 31 March 2009, and the abbreviated accounts have been properly prepared in accordance with that provision.

Deloitte

Deloitte LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom

12 June 2009

PETROTECHNIK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
GROSS PROFIT		4,220,526	4,446,215
Other operating expenses (net)	3	<u>(3,670,631)</u>	<u>(3,621,617)</u>
OPERATING PROFIT		549,895	824,598
Income from shares in group undertakings		272,508	198,445
Interest receivable		6,286	29,076
Interest payable	4	<u>(59,527)</u>	<u>(50,494)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	769,162	1,001,625
Tax on profit on ordinary activities	7	<u>(151,054)</u>	<u>(218,704)</u>
PROFIT FOR THE YEAR	18	<u>618,108</u>	<u>782,921</u>

There are no recognised gains or losses, other than the profit after taxation for the year and the preceding year, and therefore a statement of total recognised gains and losses has not been included in these accounts.

All amounts shown relate to continuing operations.

The accompanying notes are an integral part of this profit and loss account.

PETROTECHNIK LIMITED
BALANCE SHEET - 31 MARCH 2009

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
FIXED ASSETS			
Intangible assets	9	119,023	95,012
Tangible assets	10 (a)	1,888,411	1,507,494
Investments	10 (b)	279,948	268,091
		<u>2,287,382</u>	<u>1,870,597</u>
CURRENT ASSETS			
Stocks - goods for resale	11	1,815,040	1,961,686
Debtors - due within one year	12	2,347,191	2,982,167
Debtors - due after one year	12	712,301	634,972
Cash at bank and in hand		626,558	474,964
		<u>5,501,090</u>	<u>6,053,789</u>
CREDITORS: Amounts falling due within one year	13	(2,672,375)	(3,312,617)
NET CURRENT ASSETS		<u>2,828,715</u>	<u>2,741,172</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,116,097</u>	<u>4,611,769</u>
CREDITORS: Amounts falling due after more than one year	14	(722,545)	(359,055)
NET ASSETS		<u>4,393,552</u>	<u>4,252,714</u>
CAPITAL AND RESERVES			
Called-up share capital	16	19,608	19,608
Share premium account	18	9,994	9,994
Capital redemption reserve	18	60,400	60,400
Profit and loss account	18	4,303,550	4,162,712
EQUITY SHAREHOLDERS' FUNDS	18	<u>4,393,552</u>	<u>4,252,714</u>

The accounts were approved by the board of directors on 9th June 2009 and signed on its behalf by:-

J.A. Boudry

Director

A. Golding

Director

The accompanying notes are an integral part of this balance sheet.

PETROTECHNIK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
Reconciliation of operating profit to operating cash flows			
Operating profit		549,895	824,598
Depreciation and amortisation charges		183,209	157,473
Profit on disposal of fixed assets		-	(6,612)
Disposal of intangible assets		-	3,788
Decrease/ (Increase) in stocks		146,646	(761,606)
Decrease in debtors		554,738	10,647
Decrease in creditors		(613,286)	(26,787)
Net cash inflow from operating activities		<u>821,202</u>	<u>201,501</u>
Cashflow Statement			
Net cash inflow from operating activities		821,202	201,501
Returns on investments and servicing of finance	20	207,410	263,426
Taxation paid		(237,423)	(286,658)
Capital expenditure	20	<u>(588,137)</u>	<u>(215,710)</u>
		203,052	(37,441)
Equity dividend paid		<u>(477,270)</u>	<u>(329,414)</u>
Cash outflow before financing		(274,218)	(366,855)
Financing	20	<u>357,071</u>	<u>(136,206)</u>
Increase/ (Decrease) in cash in the year		<u>82,853</u>	<u>(503,061)</u>
Reconciliation of net cashflow to movement in net debt			
	21		
Increase/ (Decrease) in cash in the year		82,853	(503,061)
New hire purchase contracts		-	(18,350)
Cashflow from (Increase)/ decrease in debt and lease financing		<u>(357,071)</u>	<u>154,556</u>
Movement in net debt in the year		(274,218)	(366,855)
Net (debt)/ funds at 1 April		<u>(26,872)</u>	<u>339,983</u>
Net debt at 31 March		<u>(301,090)</u>	<u>(26,872)</u>

The accompanying notes are an integral part of this cash flow statement.

PETROTECHNIK LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2009

1 ACCOUNTING POLICIES:

A summary of the principal accounting policies is set out below.

a) Basis of preparation

The accounts are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards.

b) Going concern

As highlighted in note 14 to the financial statements, the group meets its day to day working capital requirements through an overdraft facility which is due for renewal in June 2009. The current economic conditions create uncertainty particularly over (a) the level of demand for the group's products and (b) the exchange rate between sterling and the Euro and the US Dollar.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. The group will open renewal negotiations with the bank in due course and has at this stage not sought any written commitment that the facility will be renewed. However, the group has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

c) Fixed Assets

Tangible and intangible fixed assets are stated at cost, less accumulated depreciation or amortisation and any provision for impairment. Residual value is calculated on prices prevailing at the date of acquisition.

Depreciation or amortisation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2%
Fixtures and fittings	20% to 33%
Motor vehicles	25%
Equipment	20% to 33%
Patents	20%
Trademarks	20%

No depreciation is provided on freehold land.

d) Investments

Fixed asset investments are shown at cost less provision for impairment.

e) Stocks

Stocks are stated at the lower of first-in, first-out cost and net realisable value. Cost includes all expenditure incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred on disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

f) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS (Continued)

1 ACCOUNTING POLICIES (continued):

g) Foreign Currency

Normal trading activities denominated in foreign currencies are recorded in sterling at an average exchange rate for the period. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

h) Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business.

i) Leases

The company enters into operating and finance leases.

Assets held under finance leases and hire purchase contracts are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is depreciated over the shorter of the period of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease or hire purchase contract to produce a constant rate of return on the outstanding balance. Rentals are apportioned between finance charges and reduction of the liability, and allocated to cost of sales or other operating expenses as appropriate. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Further information on future commitments is given in note 19.

j) Pension Costs

The company provides pensions to its employees through a funded defined contribution pension scheme.

The assets of the scheme are held independently of the company by insurance companies. The amount charged to the profit and loss account is the contributions payable during the year.

k) Development Costs

Development costs are charged to the profit and loss account in the year of expenditure.

l) Dividends

Dividends are accounted for in accordance with FRS 21 "Events after the balance sheet date".

2 TURNOVER:

No segmental analysis is given as in the opinion of the directors, disclosure of this information would be seriously prejudicial to the interests of the company.

3 OTHER OPERATING EXPENSES (NET):

	<u>2009</u>	<u>2008</u>
	£	£
Distribution costs	1,427,305	1,421,630
Development expenses	681,876	587,240
Administrative expenses	<u>1,561,450</u>	<u>1,612,747</u>
	<u>3,670,631</u>	<u>3,621,617</u>

NOTES TO THE ACCOUNTS (Continued)

4 INTEREST PAYABLE:

	<u>2009</u>	<u>2008</u>
	£	£
Interest payable on bank loans and overdrafts	57,950	46,847
Interest payable on hire purchase contracts	<u>1,577</u>	<u>3,647</u>
	<u>59,527</u>	<u>50,494</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

Profit on ordinary activities before taxation is stated after charging/(crediting):-

	<u>2009</u>	<u>2008</u>
	£	£
a) Depreciation of tangible fixed assets:-		
- owned	121,512	89,546
- held under hire purchase contracts	5,032	11,391
b) Amortisation of intangible fixed assets	56,665	56,536
c) Auditors' remuneration – audit fee	9,500	9,500
d) Staff costs (see Note 6)	1,979,081	1,771,766
e) Operating lease rentals:-		
Land and buildings	168,131	135,331
f) Profit on disposal of fixed asset	-	(6,612)
g) Foreign exchange gains	(310,272)	(105,595)
	<u> </u>	<u> </u>

6 STAFF COSTS:

The average monthly number of persons employed (including executive directors) by the company during the year was as follows :-

	<u>2009</u>	<u>2008</u>
	Number	Number
Sales and administration	29	27
Development	<u>5</u>	<u>4</u>
	<u>34</u>	<u>31</u>
Their aggregate remuneration comprised :-		
	<u>2009</u>	<u>2008</u>
	£	£
Wages and salaries	1,675,631	1,490,275
Social security costs	199,466	188,777
Other pension costs and benefits	<u>103,984</u>	<u>92,714</u>
	<u>1,979,081</u>	<u>1,771,766</u>

NOTES TO THE ACCOUNTS (Continued)

6 STAFF COSTS (Continued):

	<u>2009</u>	<u>2008</u>
	£	£
Directors' remuneration:-		
Emoluments	794,039	756,031
Company contributions to money purchase pension schemes	<u>56,013</u>	<u>52,590</u>
	<u>850,052</u>	<u>808,621</u>
 Highest paid director - emoluments	 237,143	 225,683
- contributions to money purchase pension schemes	<u>24,750</u>	<u>27,448</u>
	<u>261,893</u>	<u>253,131</u>
 	 <u>2009</u>	 <u>2008</u>
	£	£
Fees paid to third parties in respect of directors' services	<u>75,612</u>	<u>68,046</u>
 Number of directors who were members of pension schemes was as follows:		
Money Purchase Schemes	<u>5</u>	<u>5</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES:

	<u>2009</u>	<u>2008</u>
	£	£
Current taxation		
Corporation tax at 28% (2008-30%) on taxable profit for the year	147,500	268,758
Adjustments to tax charge in respect of previous periods	<u>645</u>	<u>(7,719)</u>
	148,145	261,039
Deferred Taxation		
Origination and reversal of timing differences	<u>2,909</u>	<u>(42,335)</u>
Tax on profit on ordinary activities	<u>151,054</u>	<u>218,704</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2008 - 30%). The actual tax charge for the current year and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	<u>2009</u>	<u>2008</u>
	£	£
Profit on ordinary activities before tax	<u>769,162</u>	<u>1,001,625</u>
Tax on profit at standard rate	215,365	300,487
<u>Factors affecting charge for the year</u>		
Expenses not deductible for tax purposes	27,719	49,394
Capital allowances for period in (excess) deficit of depreciation	(5,834)	154
Other timing differences	-	(8,211)
R&D tax relief	(13,448)	(13,532)
Adjustments for overseas taxation	(76,302)	(59,534)
Adjustments to tax charge in respect of previous period	<u>645</u>	<u>(7,719)</u>
	<u>148,145</u>	<u>261,039</u>

8 DIVIDENDS PAID:

	<u>2009</u>	<u>2008</u>
	£	£
'A' Ordinary shares – paid - £24.34 per share (2008 - £16.80 per share)	119,318	82,354
Ordinary shares – paid - £24.34 per share (2008 - £16.80 per share)	<u>357,952</u>	<u>247,060</u>
	<u>477,270</u>	<u>329,414</u>

NOTES TO THE ACCOUNTS (Continued)

9 INTANGIBLE FIXED ASSETS:

The movement in the year was as follows:-

	<u>Patents and Trademarks</u>
	£
COST	
Beginning of year	327,279
Additions	80,676
End of year	<u>407,955</u>
AMORTISATION	
Beginning of year	232,267
Charge	56,665
End of year	<u>288,932</u>
NET BOOK VALUE	
End of year	<u>119,023</u>
Beginning of year	<u>95,012</u>

10 (a) TANGIBLE FIXED ASSETS:

The movement in the year was as follows:-

	<u>Freehold Property</u>	<u>Plant & Machinery</u>	<u>Total</u>
	£	£	£
COST			
Beginning of year	1,250,000	1,119,120	2,369,120
Additions	-	507,461	507,461
End of year	<u>1,250,000</u>	<u>1,626,581</u>	<u>2,876,581</u>
DEPRECIATION			
Beginning of year	30,221	831,405	861,626
Charge	7,716	118,828	126,544
End of year	<u>37,937</u>	<u>950,233</u>	<u>988,170</u>
NET BOOK VALUE			
End of year	<u>1,212,063</u>	<u>676,348</u>	<u>1,888,411</u>
Beginning of year	<u>1,219,779</u>	<u>287,715</u>	<u>1,507,494</u>

The net book value of plant and machinery includes an amount of £15,391 (2008 - £23,110) in respect of assets held under hire purchase contracts. Freehold land of £772,469 (2008 - £772,469) is not depreciated.

NOTES TO THE ACCOUNTS (Continued)

10 (b) TANGIBLE FIXED ASSETS - INVESTMENT IN SUBSIDIARY UNDERTAKINGS:-

<u>Name of Subsidiary Undertaking</u>	<u>Country of Incorporation</u>	<u>Principal activity and Country of operation</u>	<u>Holding</u>
PetroTechnik France S.A.R.L.	France	Agency company for the sale of UPP pipe and fittings in France and French territories.	100% Ordinary
Cookson and Zinn (PTL) Ltd	England	Manufacture of steel tanks in the UK	100% Ordinary
PetroTechnik do Brasil Ltda	Brazil	Agency company for the sale of UPP pipe and fittings in Brazil and Latin America	100% Ordinary
PetroTechnik Inc	USA	Agency company for the sale of UPP pipe and fittings in North America	100% Ordinary

COST	£
Beginning of year	268,091
Exchange rate revaluation	11,857
End of year	<u>279,948</u>

NET BOOK VALUE	
End of year	<u>279,948</u>
Beginning of year	<u>268,091</u>

PetroTechnik France S.A.R.L., Cookson and Zinn (PTL) Ltd, PetroTechnik do Brasil Ltda and PetroTechnik Inc. have been treated as subsidiary undertakings because PetroTechnik Limited exercises dominant influence over these investments, directing their financial and operating policies.

Advantage has been taken of the exemptions conferred by Section 248 of the Companies Act 1985 on the grounds that, in the directors' opinion, the company is entitled to the benefit of those exemptions as a medium sized company. Accordingly PetroTechnik France S.A.R.L, Cookson and Zinn (PTL) Ltd, PetroTechnik do Brasil Ltda and PetroTechnik Inc. have not been consolidated and are treated as investments.

At 31 March 2009 the share capital and reserves of these companies were as follows:

	PetroTechnik France S.A.R.L. Euro	PetroTechnik Inc. USD	Cookson and Zinn (PTL) Ltd £	PetroTechnik Brasil Ltda * Reals
Called up share capital	7,622	100	2	900,000
Profit and loss reserve b/fwd	(182,058)	(959,890)	469,308	1,450,321
Retained profit/ (loss) for the year	194,392	(519,383)	116,335	722,936
Share capital and reserves as at 31 March 2009	<u>19,956</u>	<u>(1,479,173)</u>	<u>585,645</u>	<u>3,073,257</u>

* PetroTechnik Brasil Ltda has paid dividends not reflected in the above figures.

11 STOCKS:

In the directors' opinion, the replacement value of stock is not materially different from the value stated in the accounts. The company has consignment stock of £220,517 (2008 - £nil) where the risks and benefits associated with the stock remain with the manufacturer until transfer of title and consequently this stock has not been recognised as an asset of the company.

NOTES TO THE ACCOUNTS (Continued)

12 DEBTORS:

The following are included in debtors within one year-

	<u>2009</u>	<u>2008</u>
	£	£
Trade debtors	1,079,314	1,390,561
Amounts due from subsidiary undertakings	864,890	1,189,371
VAT recoverable	65,517	116,249
Other debtors	73,979	19,164
Prepayments and accrued income	261,986	262,408
Deferred tax asset	1,505	4,414
	<u>2,347,191</u>	<u>2,982,167</u>

Debtors falling due after more than one year comprise:

	<u>2009</u>	<u>2008</u>
	£	£
Amounts due from subsidiary undertakings	<u>712,301</u>	<u>634,972</u>

13 CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR:

The following amounts are included in creditors falling due within one year-

	<u>2009</u>	<u>2008</u>
	£	£
Obligations under hire purchase contracts (note 14)	8,490	9,685
Other loans (note 14)	2,872	8,096
Bank loans (note 14)	125,000	125,000
Bank overdraft	68,741	-
Trade creditors	1,434,193	1,978,857
Corporation tax	74,986	164,264
Other creditors:		
- other taxes and social security	43,293	44,018
- other creditors	26,671	9,466
- accruals	888,129	973,231
	<u>2,672,375</u>	<u>3,312,617</u>

Creditors include hire purchase loans of £8,490 (2008 - £9,685), secured on certain fixed assets of the company.

14 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	<u>2009</u>	<u>2008</u>
	£	£
Bank loans	718,750	343,750
Obligations under hire purchase contracts	3,795	11,882
Other loans	-	3,423
	<u>722,545</u>	<u>359,055</u>

Analysis of borrowings and hire purchase contracts:

	<u>2009</u>	<u>2008</u>
	£	£
Due within 1 year		
- bank loan		
- hire purchase	125,000	125,000
- other loans	8,490	9,685
Due between 1-2 years	2,872	8,096
- bank loan		
- hire purchase	125,000	125,000
- other loans	3,795	8,894
Due between 2-5 years	-	3,423
- bank loan		
- hire purchase	593,750	218,750
- other loans	-	2,988
Less included in Creditors -- amounts falling due within one year	858,907	501,836
	<u>(136,362)</u>	<u>(142,781)</u>
	<u>722,545</u>	<u>359,055</u>

NOTES TO THE ACCOUNTS (Continued)

14 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR: (Continued)

The hire purchase obligations and other loans are secured on certain fixed assets of the company.

The bank overdraft is secured by a fixed and floating charge over certain assets of the company and a guarantee provided by its subsidiary company Cookson and Zinn (PTL) Limited. The bank loan bears interest at 1.25% above the bank base rate per annum and is subject to normal banking terms and conditions, repayable by quarterly instalments which commenced 16 January 2006. The bank loan is secured by a fixed and floating charge over certain assets of the company.

15 DEFERRED TAXATION

The movement in deferred taxation during the current year and previous years are as follows:

	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
At 1 April 2008	4,414	(37,921)
(Charge)/credit for year	(2,909)	42,335
At 31 March 2009	<u>1,505</u>	<u>4,414</u>

The amounts of the deferred taxation assets provided and unprovided in the accounts are as follows:

	<u>Provided</u> <u>2009</u>	<u>Provided</u> <u>2008</u>	<u>Unprovided</u> <u>2009</u>	<u>Unprovided</u> <u>2008</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	<u>1,505</u>	<u>4,414</u>	<u>-</u>	<u>-</u>

16 CALLED-UP SHARE CAPITAL:

Authorised:

	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
14,706 ordinary shares of £1 each	14,706	14,706
4,902 'A' ordinary shares of £1 each	4,902	4,902
60,400 11 % cumulative redeemable preference shares of £1 each	60,400	60,400
	<u>80,008</u>	<u>80,008</u>
Allotted, called-up and fully paid:		
14,706 ordinary shares of £1 each	14,706	14,706
4,902 'A' ordinary shares of £1 each	4,902	4,902
	<u>19,608</u>	<u>19,608</u>

NOTES TO THE ACCOUNTS (Continued)

16 CALLED-UP SHARE CAPITAL (Continued)

Distribution of Profits:

Equity

'A' ordinary shareholders have a preferential right to 8% of the first £500,000 of profit before taxation of the company and its subsidiaries and 5% of the excess over £500,000, in each financial year, as well as to participate equally with ordinary shareholders. No ordinary dividends shall be paid in any financial year unless any preference dividend in respect of the preference shares, or preferential dividend in respect of the 'A' ordinary shares have been paid or until all preference shares which have fallen due for redemption have been redeemed. Any ordinary dividend shall not exceed the dividend paid on each 'A' ordinary share.

Allocation of Capital:

On a return of capital on a winding up, or a capital reduction or otherwise:

- a) The holders of the preference shares shall receive (provided sufficient assets exist) £1 per share together with any arrears of preference dividend.
- b) The holders of the 'A' ordinary shares shall receive (provided sufficient assets exist) £1 per share together with any arrears of dividend.
- c) Any surplus assets arising after, first, the repayment of (a) and (b) above and, second, the repayment of £1 per share to the holders of each of the ordinary shares shall be distributed amongst the holders of the 'A' ordinary shares and the ordinary shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on these shares.

Other rights:

The holders of 'A' ordinary shares may at any time convert the whole of their 'A' ordinary shares into a like number of ordinary shares. Each of the 'A' ordinary, and ordinary shares carry one vote. The preference shares do not carry a vote. Details of dividends paid appear in Note 8.

17 RELATED PARTY TRANSACTIONS:

J. Boudry, a director of PetroTechnik Limited, controls the company as a result of controlling 51% of the issued share capital of PetroTechnik Limited.

Limit AB and PetroTeknik AB, of which J. Ageheim is a director and shareholder, supplied goods and consultancy services during the year amounting to £85,664 (2008 - £44,051). Included in trade creditors at the year end was £261 (2008 - £2,261) due to PetroTeknik AB. Sale of goods to PetroTeknik AB in the normal course of business during the year amounted to £939,358 (2008 - £1,106,564). Included in trade debtors at the year end was £21,183 (2008 - £52,326) due from PetroTeknik AB. During the year, intercompany transactions occurred between PetroTechnik France SARL (a subsidiary undertaking) and PetroTechnik Limited. The nature of these transactions was the provision of goods and services consisting of total sales of £1,280,345 (2008 - £1,289,956). The amounts outstanding at the year end amounted to £234,019 (2008 - £417,541).

MSD Solutions Limited, of which M. Duguid is a director and shareholder, provided consultancy services to the company during the year of £39,212 (2008 - £39,151). Included within trade creditors was £2,633 (2008 - £2,380) due to MSD Solutions Limited. Sale of good to PetroTechnik Do Brasil Ltda amounted to £50,725 (2008 - £98,221). Included in debtors at the year end was £nil (2008 - £48,052). During the year the company received a dividend of £272,508 (2008 - £198,445) from PetroTechnik Do Brasil Ltda. PetroTechnik Limited purchased goods and services amounting to £40,086 (2008 - £27,830) from its subsidiary undertaking PetroTechnik Inc. The amount outstanding at the year end amounted to £nil (2008 - £nil). Sale of goods to PetroTechnik Inc. amounted to £1,238,289 (2008 - £758,756). Included in debtors at the year end was £1,273,899 (2008 - £837,600) which included short term financing. PetroTechnik Limited purchased goods and services amounting to £23,392 (2008 - £35,395) from its subsidiary undertaking Cookson and Zinn (PTL) Limited. The amount outstanding at the year end amounted to £5,426 (2008 - £8,421). Sales of goods to Cookson and Zinn (PTL) Limited amounted to £27,762 (2008 - £59,588). Included in debtors at the year end was £(168,082) (2008 - £49,231). PetroTechnik received a rental income from Cookson and Zinn (PTL) of £80,000.

NOTES TO THE ACCOUNTS (Continued)

18 ANALYSIS OF RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS:

	Ordinary Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Profit and Loss Account £	Total Shareholder Funds £
<u>2008</u>					
Beginning of year	19,608	9,994	60,400	3,709,205	3,799,207
Profit for year	-	-	-	782,921	782,921
Dividends paid (note 8)	-	-	-	(329,414)	(329,414)
End of year	<u>19,608</u>	<u>9,994</u>	<u>60,400</u>	<u>4,162,712</u>	<u>4,252,714</u>
	Ordinary Share Capital £	Share Premium Account £	Capital Redemption Reserve £	Profit and Loss Account £	Total Shareholder Funds £
<u>2009</u>					
Beginning of year	19,608	9,994	60,400	4,162,712	4,252,714
Profit for year	-	-	-	618,108	618,108
Dividends paid (note 8)	-	-	-	(477,270)	(477,270)
End of year	<u>19,608</u>	<u>9,994</u>	<u>60,400</u>	<u>4,303,550</u>	<u>4,393,552</u>

Of the total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:-

	<u>2009</u> £	<u>2008</u> £
Distributable:		
- profit and loss account	4,303,550	3,709,205
Non-distributable:		
- share premium account	9,994	9,994
- capital redemption reserve	60,400	60,400
Total reserves	<u>4,373,944</u>	<u>3,779,599</u>

19 GUARANTEES AND OTHER FINANCIAL COMMITMENTS:

	<u>2009</u> £	<u>2008</u> £
a) Capital commitments		
Contracted for but not provided in the accounts	-	120,000

b) Lease commitments

The company leases certain land and buildings on a short term lease at the rate of £122,500 per annum. The company is responsible for the insurance of the building.

The minimum annual rental payable under the lease is as follows:-

	<u>2009</u> £	<u>2008</u> £
Operating leases which expire:		
- within 2 to 5 years	122,500	122,500

c) Contingent liabilities

At 31 March 2009 the company had given a bond to H M Customs & Excise totalling £5,000 (2008 - £5,000) in the normal course of business.

d) Financial instruments

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company has no significant concentration of credit risk, with exposure spread over a large number of customers. The company is exposed to any potential change in the interest rate attached to the loan (note 14) and to the bank overdraft at the year end.

e) Guarantees

The company has guaranteed the bank loan and overdraft of its subsidiary Cookson & Zinn (PTL) Limited. These borrowings amounted to £236,469 (2008 - £nil) as at the year end.

NOTES TO THE ACCOUNTS (Continued)

20 ANALYSIS OF CASH FLOWS:

	<u>2009</u>	<u>2008</u>
	£	£
Returns on Investments and Servicing of Finance		
Dividend received	272,508	198,445
Interest received	6,286	29,076
Interest paid	(57,950)	(46,847)
Hire Purchase interest paid	(1,577)	(3,647)
Investment overseas	(11,857)	86,399
	<u>207,410</u>	<u>263,426</u>
 Capital Expenditure		
Payments to acquire tangible and intangible fixed assets	(588,137)	(222,322)
Receipts from sale of tangible fixed assets	-	6,612
	<u>(588,137)</u>	<u>(215,710)</u>
 Financing		
New Hire Purchase Contracts	-	18,350
New loans received	500,000	-
Capital element of hire purchase contracts & loans	(142,929)	(154,556)
	<u>357,071</u>	<u>(136,206)</u>

21 ANALYSIS OF CHANGES IN NET DEBT

	<u>Beginning of year</u>	<u>Cash Flows</u>	<u>End of year</u>
	£	£	£
Cash at bank and in hand	474,964	151,594	626,558
Bank Overdraft	-	(68,741)	(68,741)
		82,853	
Hire purchase contracts	(21,567)	9,282	(12,285)
Bank Loan	(468,750)	(375,000)	(843,750)
Other Loans	(11,519)	8,647	(2,872)
	<u>(26,872)</u>	<u>(274,218)</u>	<u>(301,090)</u>

22 PENSIONS

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as incurred and the charge for the year was £76,017 (2008 £71,734). The outstanding contributions included within accruals at the balance sheet date were £nil (2008 £nil).