

Company Registration No. 686375 (England and Wales)

HELTOR LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004



Simpkins Edwards

Chartered Accountants • Business Advisers • Tax Consultants

HELTOR LIMITED

COMPANY INFORMATION

Directors

Mr A D Kingdon
Mr P J Kingdon
Mr N P Kingdon
Mrs L M Kingdon

Secretary

Mr P J Kingdon

Company number

686375

Registered office

Heathfield
Newton Abbot
Devon
TQ12 6RW

Auditors

Simpkins Edwards
Michael House
Castle Street
Exeter
Devon
EX4 3LQ

Bankers

National Westminster Bank plc
59 High Street
Exeter
Devon
EX4 3DP

HELTOR LIMITED

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HELTOR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2004

The directors present their report and financial statements for the year ended 31 August 2004.

Principal activities and review of the business

The principal activity of the company continued to be that of the sale and distribution of oil and ancillary products, warehousing and distribution. The company continues to receive rental income from investment properties.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

An interim preference dividend was paid amounting to £12,000. The directors do not recommend payment of a final preference dividend.

Post balance sheet events

The company acquired a business on 1 September 2004 as detailed in note 28.

Directors

The following directors have held office since 1 September 2003:

Mr A D Kingdon
Mr P J Kingdon
Mr N P Kingdon
Mrs L M Kingdon

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 August 2004	1 September 2003
Mr A D Kingdon	548	548
Mr P J Kingdon	778	778
Mr N P Kingdon	778	778
Mrs L M Kingdon	-	-

	6% Cumulative redeemable preference shares of £ 1 each	
	31 August 2004	1 September 2003
Mr A D Kingdon	-	-
Mr P J Kingdon	-	-
Mr N P Kingdon	-	-
Mrs L M Kingdon	-	-

HELTOR LIMITED**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2004**

Charitable donations	2004	2003
	£	£

During the year the company made the following payments:

Charitable donations	641	2,367
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Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Simpkins Edwards, will be deemed to be reappointed for each succeeding financial year.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

On behalf of the board

.....*PJ Kingdon*.....
 Mr P J Kingdon
 Director
16.05.05.....

HELTOR LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HELTOR LIMITED

We have audited the financial statements of Heltor Limited on pages 5 to 26 for the year ended 31 August 2004. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

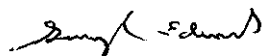
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

HELTOR LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HELTOR LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Simpkins Edwards

Chartered Accountants

Registered Auditor

25 May 2005

Michael House
Castle Street
Exeter
Devon
EX4 3LQ

HELTOR LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2004**

	Notes	2004 £	2003 £
Turnover	2		
Continuing operations		18,848,467	19,034,952
Acquisitions		248,761	-
		<u>19,097,228</u>	<u>19,034,952</u>
Cost of sales		(16,531,964)	(16,529,057)
Gross profit		<u>2,565,264</u>	<u>2,505,895</u>
Distribution costs		(1,773,481)	(1,627,339)
Administrative expenses		(996,246)	(1,033,800)
Other operating income		362,223	387,363
Operating profit	4	<u>157,760</u>	<u>232,119</u>
Operating profit	4		
Continuing operations		122,644	232,119
Acquisitions		35,116	-
		<u>157,760</u>	<u>232,119</u>
Investment income	5	54,633	-
Other interest receivable and similar income	5	115	18
Interest payable and similar charges	6	(52,302)	(36,443)
Profit on ordinary activities before taxation		<u>160,206</u>	<u>195,694</u>
Tax on profit on ordinary activities	7	(45,781)	(68,322)
Profit on ordinary activities after taxation		<u>114,425</u>	<u>127,372</u>
Dividends (including those in respect of non-equity shares)	8	(12,000)	(12,000)
Retained profit for the year	20	<u><u>102,425</u></u>	<u><u>115,372</u></u>

HELTOR LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2004**

	2004	2003
	£	£
Profit for the financial year	114,425	127,372
Unrealised surplus on revaluation of properties	22,319	-
Total recognised gains and losses relating to the year	<u>136,744</u>	<u>127,372</u>

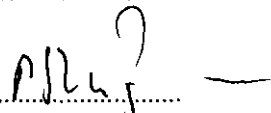
HELTOR LIMITED**BALANCE SHEET
AS AT 31 AUGUST 2004**

	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	9	268,037		223,849	
Tangible assets	10 and 11	3,706,428		3,656,136	
Investments	12	129,032		129,032	
		<u>4,103,497</u>		<u>4,009,017</u>	
Current assets					
Stocks	13	155,770		150,341	
Debtors	14	2,346,144		2,031,462	
Cash at bank and in hand		1,672		5,063	
		<u>2,503,586</u>		<u>2,186,866</u>	
Creditors: amounts falling due within one year	15	(3,073,788)		(2,643,015)	
Net current liabilities		<u>(570,202)</u>		<u>(456,149)</u>	
Total assets less current liabilities		<u>3,533,295</u>		<u>3,552,868</u>	
Creditors: amounts falling due after more than one year	16	(190,052)		(315,944)	
Provisions for liabilities and charges	17	(352,649)		(371,074)	
		<u>2,990,594</u>		<u>2,865,850</u>	
Capital and reserves					
Called up share capital	19	202,104		202,104	
Revaluation reserve	20	748,614		726,295	
Profit and loss account	20	2,039,876		1,937,451	
Shareholders' funds	21	<u>2,990,594</u>		<u>2,865,850</u>	
Equity interests		<u>2,790,594</u>		<u>2,665,850</u>	
Non-equity interests		<u>200,000</u>		<u>200,000</u>	
		<u>2,990,594</u>		<u>2,865,850</u>	

HELTOR LIMITED

BALANCE SHEET AS AT 31 AUGUST 2004

The financial statements were approved by the Board on 16.05.05


.....
Mr P J Kingdon
Director


.....
Mr N P Kingdon
Director

HELTOR LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2004**

	2004	2003
£	£	£
Net cash inflow from operating activities	289,577	770,912
Returns on investments and servicing of finance		
Interest received	115	18
Interest paid	(52,302)	(36,443)
Non equity dividends paid	(12,000)	(12,000)
Net cash outflow for returns on investments and servicing of finance	(64,187)	(48,425)
Taxation	(33,237)	(62,366)
Capital expenditure		
Payments to acquire intangible assets	(85,774)	-
Payments to acquire tangible assets	(453,149)	(574,791)
Receipts from sales of tangible assets	148,482	388,017
Net cash outflow for capital expenditure	(390,441)	(186,774)
Net cash (outflow)/inflow before management of liquid resources and financing	(198,288)	473,347
Financing		
Repayment of other long term loans	(50,000)	(100,000)
Repayment of other short term loans	-	(100,000)
Capital element of hire purchase contracts	(178,665)	(161,850)
Net cash outflow from financing	(228,665)	(361,850)
(Decrease)/increase in cash in the year	(426,953)	111,497

HELTOR LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2004**

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	157,760	232,119
	Depreciation of tangible assets	377,791	332,174
	Amortisation of intangible assets	41,586	33,008
	Profit on disposal of tangible assets	(22,484)	(94,255)
	Increase in stocks	(5,429)	(10,055)
	(Increase)/decrease in debtors	(260,049)	215,450
	Increase in creditors within one year	402	62,471
	Net cash inflow from operating activities	289,577	770,912

2	Analysis of net debt	1 September 2003	Cash flow	Other non-cash changes	31 August 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	5,063	(3,391)	-	1,672
	Bank overdrafts	(289,044)	(423,562)	-	(712,606)
		(283,981)	(426,953)	-	(710,934)
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(277,845)	178,665	(78,613)	(177,793)
	Debts falling due after one year	(200,000)	50,000	-	(150,000)
		(477,845)	228,665	(78,613)	(327,793)
	Net debt	(761,826)	(198,288)	(78,613)	(1,038,727)

3	Reconciliation of net cash flow to movement in net debt	2004	2003
		£	£
	(Decrease)/increase in cash in the year	(426,953)	111,497
	Cash outflow from decrease in debt and lease financing	228,665	361,850
	Change in net debt resulting from cash flows	(198,288)	473,347
	New finance lease	(78,613)	(296,190)
	Movement in net debt in the year	(276,901)	177,157
	Opening net debt	(761,826)	(938,983)
	Closing net debt	(1,038,727)	(761,826)

HELTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties valued by the directors on an existing use open market value basis. Other tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% per annum on cost
Land and buildings Leasehold	4% per annum on cost
Plant and machinery	15% - 20% per annum on cost
Fixtures, fittings & equipment	15% per annum on cost
Motor vehicles	20% per annum on cost

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.6 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.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004****1 Accounting policies****1.8 Stock**

Stock is valued at the lower of cost and net realisable value.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes in accordance with FRS 19 - Deferred tax. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2004 include the following amounts relating to acquisitions: cost of sales £213,645. There are no other significant costs relating to the acquisition.

4 Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	41,586	33,008
Depreciation of tangible assets	377,791	332,174
Loss on disposal of tangible assets	1,270	-
Operating lease rentals	15,450	15,000
Auditors' remuneration	5,450	5,000
and after crediting:		
Profit on disposal of tangible assets	(23,754)	(94,255)

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

5	Investment income	2004 £	2003 £
	<i>Income from shares in group undertakings</i>	54,633	-
	Bank interest	115	18
		<u>54,748</u>	<u>18</u>
6	Interest payable	2004 £	2003 £
	<i>On bank loans and overdrafts</i>	16,328	7,121
	<i>On loans repayable after five years</i>	24,790	24,063
	<i>Hire purchase interest</i>	11,184	5,259
		<u>52,302</u>	<u>36,443</u>

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

7	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	41,474	33,237
	Adjustment for prior years	22,732	-
	Current tax charge	<u>64,206</u>	<u>33,237</u>
	Deferred tax		
	Deferred tax charge/credit current year	(1,180)	35,365
	Deferred tax adjust re previous year	(17,245)	(280)
		<u>(18,425)</u>	<u>35,085</u>
		<u>45,781</u>	<u>68,322</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>160,206</u>	<u>195,694</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.09% (2003: 27.14%)	<u>45,002</u>	<u>53,111</u>
	Effects of:		
	Non deductible expenses	38	231
	Depreciation add back	108,418	73,538
	Capital allowances	(93,364)	(89,146)
	Adjustments to previous periods	22,732	-
	Dividends and distributions received	(15,347)	-
	Other tax adjustments	(3,273)	(4,497)
		<u>19,204</u>	<u>(19,874)</u>
	Current tax charge	<u>64,206</u>	<u>33,237</u>
8	Dividends	2004	2003
		£	£
	Dividends on non-equity shares:		
	Preference interim paid	12,000	12,000
		<u>12,000</u>	<u>12,000</u>

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004****9 Intangible fixed assets**

	Goodwill £
Cost	
At 1 September 2003	471,113
Additions	85,774
	<hr/>
At 31 August 2004	556,887
	<hr/>
Amortisation	
At 1 September 2003	247,264
Charge for the year	41,586
	<hr/>
At 31 August 2004	288,850
	<hr/>
Net book value	
At 31 August 2004	268,037
	<hr/>
At 31 August 2003	223,849
	<hr/>

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004****10 Tangible fixed assets**

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2003	431,957	45,255	440,911	157,406	2,061,003	3,136,532
Additions	85,247	-	42,033	25,296	351,505	504,081
Disposals	(27,681)	-	(7,092)	(10,691)	(243,248)	(288,712)
At 31 August 2004	489,523	45,255	475,852	172,011	2,169,260	3,351,901
Depreciation						
At 1 September 2003	107,542	11,831	300,401	107,075	1,053,018	1,579,867
On disposals	-	-	(7,015)	(9,467)	(196,232)	(212,714)
Charge for the year	7,122	2,772	41,949	20,172	305,776	377,791
At 31 August 2004	114,664	14,603	335,335	117,780	1,162,562	1,744,944
Net book value						
At 31 August 2004	374,859	30,652	140,517	54,231	1,006,698	1,606,957
At 31 August 2003	324,415	33,424	140,510	50,331	1,007,985	1,556,665

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 August 2004	383,261
At 31 August 2003	455,206
Depreciation charge for the year	
At 31 August 2004	79,515
At 31 August 2003	51,555

Leasehold land and buildings are held on short term leases

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004****11 Tangible fixed assets**

	Investment properties £
Cost or valuation	
At 1 September 2003	2,099,471
Additions	27,681
Revaluation	22,319
Disposals	(50,000)
At 31 August 2004	<u>2,099,471</u>

The valuations of investment properties were made as at 31 August 2004 by the directors, on an open market basis. No depreciation is provided in respect of those properties in accordance with SSAP 19.

The historical cost of the properties at 31 August 2004 was £1,489,791 (2003: £1,512,110).

There have been transfers between freehold property and investment properties as detailed above as a result of change in use.

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004****12 Fixed asset investments**

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 September 2003 & at 31 August 2004	129,032
Net book value	
At 31 August 2004	129,032
	<u>129,032</u>
At 31 August 2003	<u>129,032</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Heathfield Terminal Company Limited	England and Wales	Ordinary	100
Participating interests			
Heathfield Management (South West) Limited	England and Wales	Ordinary	49 0

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2004 £	Profit for the year 2004 £
	Principal activity		
Heathfield Terminal Company Limited	Operation of an oil terminal	293,046	11,242
Heathfield Management (South West) Limited	Dealing in and reconditioning fertilizers and animal feeds	26,824 -	325 -
		<u>293,046</u>	<u>11,242</u>

13 Stocks

	2004 £	2003 £
Raw materials and consumables	155,770	150,341
	<u>155,770</u>	<u>150,341</u>

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

14 Debtors	2004	2003
	£	£
Trade debtors	1,811,694	1,757,377
Amounts owed by subsidiary undertakings	54,633	-
Other debtors	288,704	91,330
Prepayments and accrued income	191,113	182,755
	<u>2,346,144</u>	<u>2,031,462</u>
	<u><u>2,346,144</u></u>	<u><u>2,031,462</u></u>
 15 Creditors: amounts falling due within one year	 2004	 2003
	£	£
Bank loans and overdrafts	712,606	289,044
Net obligations under hire purchase contracts	137,741	161,901
Trade creditors	1,732,042	1,760,570
Amounts owed to subsidiary undertakings	54,836	17,286
Corporation tax	64,206	33,237
Other taxes and social security costs	34,823	34,132
Directors' current accounts	22,116	942
Other creditors	55,777	107,869
Accruals and deferred income	259,641	238,034
	<u>3,073,788</u>	<u>2,643,015</u>
	<u><u>3,073,788</u></u>	<u><u>2,643,015</u></u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

16 Creditors: amounts falling due after more than one year	2004 £	2003 £
Other loans	150,000	200,000
Net obligations under hire purchase contracts	40,052	115,944
	<u>190,052</u>	<u>315,944</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments:		
Other loans	150,000	200,000
	<u>150,000</u>	<u>200,000</u>
Loan maturity analysis		
In more than five years	150,000	200,000
	<u>150,000</u>	<u>200,000</u>
Net obligations under hire purchase contracts		
Repayable within one year	137,741	161,901
Repayable between one and five years	40,052	115,944
	<u>177,793</u>	<u>277,845</u>
Included in liabilities falling due within one year	(137,741)	(161,901)
	<u>40,052</u>	<u>115,944</u>

Other loans consist of three unsecured notes of £50,000 each carrying interest at the rate of 8.75% per annum. All notes are redeemable on 31 August 2015, but may be redeemed earlier at the option of the company. Since the balance sheet date the repayment terms have been changed the loan notes are now repayable within 18 months of the year end and are interest free.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004****17 Provisions for liabilities and charges**

	Deferred tax liability £
Balance at 1 September 2003	371,074
Profit and loss account	(18,425)
	<u>352,649</u>
Balance at 31 August 2004	<u>352,649</u>

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	<u>352,649</u>	<u>371,074</u>

No provision has been made for deferred tax gains recognised on revaluing investment properties to their open market value as the company does not intend to sell the revalued assets. The potential tax liability is estimated to be £80,746.

18 Pension costs**Defined contribution**

	2004 £	2003 £
Contributions payable by the company for the year	<u>10,723</u>	<u>13,942</u>

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

19 Share capital	2004	2003
	£	£
Authorised		
10,200 Ordinary shares of £1 each	10,200	10,200
400,000 6% Cumulative redeemable preference shares of £1 each	400,000	400,000
	<u>410,200</u>	<u>410,200</u>
Allotted, called up and fully paid		
2,104 Ordinary shares of £1 each	2,104	2,104
200,000 6% Cumulative redeemable preference shares of £1 each	200,000	200,000
	<u>202,104</u>	<u>202,104</u>

The 200,000 6% cumulative redeemable preference shares of £1 each have been treated as non equity because of the following rights attaching to the shares concerned:-

1. The company may redeem all or any of the preference shares at any time and shall redeem any preference shares in issue on 31 August 2015.
2. The right to dividend is 6% per annum.
3. On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets shall first be applied in paying to the holders of the preference shares an amount equal to the amount paid up together with a sum equal to all arrears and accruals of the preference dividend.
4. No entitlement to vote at general meetings, except in exceptional circumstances as detailed in the Articles of Association.

20 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 September 2003	726,295	1,937,451
Retained profit for the year	-	102,425
Revaluation during the year	22,319	-
	<u>748,614</u>	<u>2,039,876</u>
Balance at 31 August 2004		

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

21 Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the financial year	114,425	127,372
Dividends	(12,000)	(12,000)
	<u>102,425</u>	<u>115,372</u>
Other recognised gains and losses	22,319	-
	<u>124,744</u>	<u>115,372</u>
Net addition to shareholders' funds		
Opening shareholders' funds	2,865,850	2,750,478
	<u>2,990,594</u>	<u>2,865,850</u>
Closing shareholders' funds		

22 Financial commitments

At 31 August 2004 the company was committed to making the following payments under non-cancellable operating leases in the year 31 August 2005:

	Land and buildings	
	2004	2003
	£	£
Operating leases which expire:		
In over five years	15,450	15,450
	<u>15,450</u>	<u>15,450</u>

23 Capital commitments

At 31 August 2004 the company had capital commitments as follows:

	2004	2003
	£	£
Contracted for but not provided in the financial statements	170,000	149,971
	<u>170,000</u>	<u>149,971</u>

The company has additional capital commitments as a result of the business purchased during the year and on the 1 September 2004. The commitments are based on sales from customers acquired or a maximum payment. The maximum amount payable in addition to the amount disclosed above is £100,000.

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

24 Directors' emoluments	2004	2003
	£	£
Emoluments for qualifying services	262,898	342,441
Company pension contributions to money purchase schemes	6,395	8,099
	<u>269,293</u>	<u>350,540</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2003 - 1).

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

Emoluments for qualifying services	156,673	225,533
Company pension contributions to money purchase schemes	6,395	8,099
	<u>163,068</u>	<u>233,632</u>

25 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2004	2003	in year
	£	£	£
Mr A D Kingdon	-	412	1,056
Mr P J Kingdon	-	-	43,407
Mr N P Kingdon	-	531	920
	<u>-</u>	<u>943</u>	<u>45,383</u>

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004****26 Employees****Number of employees**

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

	2004 Number	2003 Number
Directors	3	3
Administration	6	6
Distribution	42	42
	<u>51</u>	<u>51</u>

Employment costs

	2004 £	2003 £
Wages and salaries	1,122,178	1,121,897
Other pension costs	10,723	13,942
	<u>1,132,901</u>	<u>1,135,839</u>

27 Control

The company was controlled throughout the period by its directors, by virtue of the fact that between them they own all of the company's issued ordinary share capital.

HELTOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

28 Related party transactions**Wessex GS Limited**

Mr A D Kingdon, Mr P J Kingdon and Mr N P Kingdon, directors of this company, are also directors and shareholders of that company. During the year the company made sales of £157,982 to, and purchased goods and services of £174,740 from Wessex GS Limited. At the balance sheet date £50,069 was owed by Heltor Limited.

Heathfield Rentals Limited

Mr N P Kingdon, a director of this company, is also a director of that company. During the year the company made sales of £2,221 to, and purchased goods and services of £43,518 from Heathfield Rentals Limited. At the balance sheet date £7,974 was owed by Heltor Limited.

Heathfield Management (South West) Limited

Mr P J Kingdon, a director of this company, is also a director and majority shareholder of that company. During the year the company made sales of £7,844 and purchased goods and services of £53,406 from Heathfield Management (South West) Limited. At the balance sheet date £11,504 was owed by Heltor Limited.

Heathfield Terminal Company Limited

Heathfield Terminal Company Limited is a 100% subsidiary of Heltor Limited. Mr A D Kingdon, Mr P J Kingdon and Mr N P Kingdon, directors of this company, are also directors of that company. During the year the company made sales of £19,606 and purchased goods and services of £39,490 from Heathfield Terminal Company Limited. A final dividend of £54,633 was declared by the subsidiary at the year end. At the balance sheet date £54,836 was owed by Heltor Limited.

Whidley Holdings Limited

Mr A D Kingdon, a director of this company, is also a director of that company. During the year Heltor Limited provided services of £22,701 to Whidley Holdings Limited. The company also paid rent of £15,450 interest on loan notes of £17,500 and preference dividends of £12,000 to that company. At the balance sheet date £168,320 was owed by Heltor Limited.

Mr A D Kingdon

During the year the company supplied and purchased goods and services to/from Mr A D Kingdon (director) of £7,341 and £9,165 respectively. At the balance sheet date £1,175 was owed by Heltor Limited.

All of the above transactions were conducted on an arms length basis.

29 Post balance sheet events

On 1 September 2004 the company purchased a business. There was a capital commitment at 31 August 2004 which has been included within the figure disclosed in note 22.
