

Company Registration Number: 02227583

YACHT FUEL SERVICES LIMITED
DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

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Yacht Fuel Services Limited

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for the year ended 31 December 2007

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* This does not form part of statutory accounts

Yacht Fuel Services Limited
Company Information
for the year ended 31 December 2007

DIRECTORS.

L J Milton
N Miller

SECRETARY.

L J Milton (resigned on 7 November 07)
C A Smith (appointed on 7 November 07)

REGISTERED OFFICE:

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

REGISTERED NUMBER.

02227583 (England and Wales)

AUDITORS.

Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Yacht Fuel Services Limited

Report of the Directors **for the year ended 31 December 2007**

The directors present their report with the financial statements of the Company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of supply of marine fuel oil and lubricants

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

The results for the year are all the more pleasing given they were achieved against the backdrop of a very weak dollar and a significant increase in the worldwide price of oil. The number of yachts fuelled during the year rose to 303 (2006 271). Perhaps most significantly the Company is still debt-free and maintains a positive cash flow.

The high oil price has not deterred our customers and we have continued to grow the business. The increase in marine fuel revenue during the year is primarily due to the high oil prices. As such, the Company business continues to grow and maintains its position as the largest supplier of marine fuel to privately owned super-yachts in the world.

KEY RISKS AND UNCERTAINTIES

The directors are optimistic about the business development in 2008. However this is dependant upon factors such as oil supply, volatility of the US\$ and Euro exchange rates and global economic stability. The exchange rate risk is partly mitigated by buying and selling in the same currency.

KEY PERFORMANCE INDICATORS

The main highlights of our performance are

Turnover by 15% to £14,867,413 (2006 £12,903,451)
Gross Profit up by 36% to £898,753 (2006 £661,592)
Fuel Tonnage Sold up by 13% to 30,861 MT (2006 27,366MT)
Number of yachts fuelled up by 12% to 303 (2006 271)

FUTURE OUTLOOK

The directors are optimistic about the future performance of the Company. The increase in oil price has not affected the demand for marine fuel for super yachts. The Company is hoping to increase the number of yachts fuelled from cross-fertilising between YCO Deuxmil Plc companies.

RESULTS AND DIVIDENDS

The profit for the year is £231,794, which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2007.

DIRECTORS

The directors during the year under review were

L J Milton
N Miller

The directors holding office at 31 December 2007 did not hold any beneficial interest in the issued share capital of the company at 1 January 2007 or 31 December 2007.

Yacht Fuel Services Limited
Report of the Directors (continued)
for the year ended 31 December 2007

CHARITABLE DONATIONS

	2007 £	2006 £
During the year the company made the following payments charitable donations	-	666
	<u> </u>	<u> </u>

COMPANY'S POLICY ON PAYMENT OF CREDITORS

It is the company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. The creditors days increased by 7 days to 42 (2006 35) days in the year under review.

GOING CONCERN

After making appropriate enquiries, the directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 International Financial Reporting Standards as adopted for use in the European Union. 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 year. In preparing these financial statements, the directors are required to

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

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each 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.

Yacht Fuel Services Limited

Report of the Directors (continued)
for the year ended 31 December 2007

AUDITORS

The auditors, Jeffreys Henry LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'L J Milton', is written over the text 'ON BEHALF OF THE BOARD'.

L J Milton - Director

Date 26 June 2008

Report of the Independent Auditors to the Shareholders of
Yacht Fuel Services Limited

We have audited the financial statements of Yacht Fuel Services Limited for the year ended 31 December 2007, which comprise the income statement, statement of changes in equity, balance sheet, cash flow statement and the related notes on pages 7 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union are set out on page 3.

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

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

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

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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.

Report of the Independent Auditors to the Shareholders of
Yacht Fuel Services Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted for use in the European Union, of the state of the company's affairs as at 31 December 2007, its profit and its cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Jeffreys Henry LLP
Chartered Accountants and Registered Auditors
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Date 26 June 2008

Yacht Fuel Services Limited
Income Statement
for the year ended 31 December 2007

	Notes	2007 £	2006 £
Revenue	3	14,867,413	12,903,451
Cost of sales		(13,968,660)	(12,241,859)
GROSS PROFIT		<u>898,753</u>	<u>661,592</u>
Administrative expenses		(557,720)	(505,153)
OPERATING PROFIT	6	341,033	156,439
Finance costs	5	(262)	(2,622)
Finance income	5	48	2,456
PROFIT BEFORE TAX		<u>340,819</u>	<u>156,273</u>
Tax	7	(109,025)	(35,481)
PROFIT FOR THE YEAR		<u><u>231,794</u></u>	<u><u>120,792</u></u>

Yacht Fuel Services Limited
Statement of Changes in Equity
for the year ended 31 December 2007

	Share capital £	Retained earnings £	Total £
As at 1 January 2006	1,000	530,981	531,981
Profit after tax for the year	-	120,792	120,792
	<hr/>	<hr/>	<hr/>
As at 31 December 2006	1,000	651,773	652,773
Profit after tax for the year	-	231,794	231,794
	<hr/>	<hr/>	<hr/>
As at 31 December 2007	<u>1,000</u>	<u>883,567</u>	<u>884,567</u>

Share capital is the amount subscribed for share at nominal value


Retained profit represents the cumulative profit of the Company attributable to equity shareholders

Yacht Fuel Services Limited

Balance Sheet
31 December 2007

	Notes	2007 £	2006 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,815	2,874
CURRENT ASSETS			
Trade and other receivables	9	1,894,209	1,540,604
Cash and cash equivalents	10	728,578	357,741
		<u>2,622,787</u>	<u>1,898,345</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,631,810	1,212,826
Tax payable		109,025	35,420
		<u>1,740,835</u>	<u>1,248,246</u>
NET CURRENT ASSETS		<u>881,952</u>	<u>650,099</u>
NON-CURRENT LIABILITIES			
Deferred tax	12	200	200
		<u>200</u>	<u>200</u>
NET ASSETS		<u>884,567</u>	<u>652,773</u>
SHAREHOLDERS' EQUITY			
Called up share capital	13	1,000	1,000
Retained earnings	14	883,567	651,773
TOTAL EQUITY		<u>884,567</u>	<u>652,773</u>

The financial statements were approved and authorised for issue by the Board of Directors on 26 June 2008 and were signed on its behalf by


N Miller - Director

Yacht Fuel Services Limited
Cash Flow Statement
for the year ended 31 December 2007

	Notes	2007 £	2006 £
Cash flows from operating activities			
Cash generated from operations	1	704,283	381,564
Finance costs		(262)	(2,622)
Corporation tax paid		(35,420)	(48,638)
Net cash from operating activities		<u>668,601</u>	<u>330,304</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(789)	-
Interest received		48	2,456
Net cash from investing activities		<u>(741)</u>	<u>2,456</u>
Cash flows from financing activities			
Loan advanced to related party		(297,023)	(202,665)
Amount withdrawn by directors		-	(500)
Net cash from financing activities		<u>(297,023)</u>	<u>(203,165)</u>
Increase in cash and cash equivalents		<u>370,837</u>	<u>129,595</u>
Cash and cash equivalents at beginning of year	2	<u>357,741</u>	<u>228,146</u>
Cash and cash equivalent at end of year	2	<u><u>728,578</u></u>	<u><u>357,741</u></u>

Yacht Fuel Services Limited

Notes to the Cash Flow Statement
for the year ended 31 December 2007

1. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM OPERATIONS

	2007 £	2006 £
Operating Profit	341,033	156,439
Adjustments for		
Depreciation of property, plant and equipment	848	958
Operating cash flows before movement in working capital	341,881	157,397
Increase in trade and other receivables	95,923	(10,957)
Increase in trade and other payables	266,479	235,124
Net cash inflow from operating activities	704,283	381,564

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts -

	2007 £	2006 £
Cash and cash equivalents	728,578	357,741
	2006 £	2005 £
Cash and cash equivalents	357,741	340,480
Bank overdrafts	-	(112,334)
	357,741	228,146

Yacht Fuel Services Limited

Notes to the Financial Statements **for the year ended 31 December 2007**

1. GENERAL INFORMATION

Yacht Fuel Services Limited is a company incorporated in England and Wales. The address of the registered office is disclosed on page 1 of the financial statements. The principal activity of the Company is described on page 2.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standard Board (IASB) as adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Company's financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Principles (GAAP) until 31 December 2005. UK GAAP differs in some areas from IFRS. In preparing the Company financial statements, management has considered certain accounting, valuation and consolidation methods applied in the UK GAAP financial statements to comply with IFRS. The comparative figures in respect of 2006 were restated to reflect these adjustments, except as described in the accounting policies. Reconciliations and descriptions of the effect of the transition from GAAP to IFRS on the Group's equity and its net income and cash flows are provided in Note 23.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. There were no significant assumptions and estimates made in the financial statements.

(a) Standards, amendment and interpretations effective in 2007

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the company's financial instruments, or the disclosures relating to taxation and trade and other payables.

IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the company's financial statements.

IFRIC 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognized in an interim year on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the company's financial statements.

Yacht Fuel Services Limited

Notes to the Financial Statements
for the year ended 31 December 2007

2. ACCOUNTING POLICIES (Continued)

- (b) Standards, amendments and interpretations effective in 2006 but not relevant
The following standards, amendments and interpretations are mandatory for accounting years beginning on or after 1 January 2006 but are not relevant to the Company's operations
- IAS 21 (Amendment), Net Investment in a Foreign Operation,
 - IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions,
 - IAS 39 (Amendment), The Fair Value Option,
 - IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts,
 - IFRS 1 (Amendment), First time Adoption of International Financial Reporting Standards and IFRS6 (Amendment), Exploration and Evaluation of Mineral Resources,
 - IFRS 6, Exploration for and Evaluation of Mineral Resources,
 - IFRIC 4, Determining whether an Arrangement contains a Lease, and
 - IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
 - IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment,
- (c) Standards, amendments and interpretations effective in 2007 but not relevant
The following standards, amendments and interpretations to published standards are mandatory for accounting years beginning on or after 1 January 2007 but they are not relevant to the Company's operations
- IFRS 4, 'Insurance contracts',
 - IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies', and
 - IFRIC 9, 'Re-assessment of embedded derivatives'
 - IFRIC 11, 'IFRS 2 – Group and treasury share transactions',
- (d) Interpretations to existing standards that are not yet effective and not relevant for the company's operations The following interpretations to existing standards have been published and are mandatory for the Company's accounting years beginning on or after 1 January 2008 or later years but are not relevant for the Company's operations
- IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008) IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services IFRIC 12 is not relevant to the company's operations because the company does not provide for public sector services
 - IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008) IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values IFRIC 13 is not relevant to the company's operations because the company does not operate any loyalty programmes
 - IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008) IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset It also explains how the pension asset or liability may be affected by a statutory or contractual minimum-funding requirement IFRIC 14 is not relevant to the company as it does not have pension scheme in place

Notes to the Financial Statements **for the year ended 31 December 2007**

(d) Interpretations to existing standards that are not yet effective and not relevant for the company's operations The following interpretations to existing standards have been published and are mandatory for the Company's accounting years beginning on or after 1 January 2008 or later years but are not relevant for the Company's operations

- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009) It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial year of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The company will not apply IAS 23 (Amended) from 1 January 2009 as the company does not have qualifying assets.
- IFRS 8, 'Operating segments' (effective from 1 January 2009) IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. IFRS 8 is not relevant to the company's operations because the company's equities and debt securities are not publicly traded or in the process of being so.

Tangible non-current assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Fixtures and fittings - 25% on reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Revenue is recognised to the extent that it is probable that economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding VAT and other duties. Revenue represents the net invoiced value of marine fuel supplied.

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Yacht Fuel Services Limited

Notes to the Financial Statements (continued) **for the year ended 31 December 2007**

2 ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Functional currency translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is Euros (€). The financial statements are presented in Pounds Sterling (£), which is the Company's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the presentational currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differed from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Yacht Fuel Services Limited

Notes to the Financial Statements (continued) **for the year ended 31 December 2007**

2. ACCOUNTING POLICIES (continued)

Operating leases

Rental leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Company at the balance sheet date approximated their fair values, due to relatively short term nature of these financial instruments.

The Company provides financial guarantees to licensed banks for credit facilities extended to a subsidiary company. The fair value of such financial guarantees is not expected to be significantly different as the probability of the subsidiary company defaulting on the credit lines is remote.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Going concern

After making appropriate enquiries, the directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2007

3	Revenue	2007	2006
		£	£
	An analysis of the Company's revenue for the year is as follows		
	Continuing operations		
	Revenue	14,867,413	12,903,451
		<u> </u>	<u> </u>
4	Segmental analysis		
	The Company's primary segment is business segment and the secondary is geographical location		
	The business segment consists solely of the supply of marine fuel and lubricants		
	The geographical segment consists of Europe, Americas and the rest of the world The breakdown of the revenue is shown below		
		2007	2006
		£	£
	Europe	9,663,818	8,387,243
	Americas	4,460,224	3,871,035
	Rest of the World	743,371	645,173
		<u> </u>	<u> </u>
		14,867,413	12,903,451
		<u> </u>	<u> </u>
5.	Net finance costs	2007	2006
		£	£
	Finance income		
	Deposit account interest	48	2,456
		<u> </u>	<u> </u>
	Finance costs		
	Bank interest	262	2,622
		<u> </u>	<u> </u>
	Net finance costs	(214)	(166)
		<u> </u>	<u> </u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2007

6. Operating Profit	2007	2006
	£	£
The operating profit is stated after charging/(crediting)		
Other operating leases	38,500	35,196
Depreciation - owned assets	848	958
Auditors' remuneration	10,000	12,350
Foreign exchange differences	(20,164)	25,459
	<u> </u>	<u> </u>

The analysis of administrative expenses in the consolidated income statement by nature of expense

	2007	2006
	£	£
Employment costs	135,685	108,565
Depreciation and amortisation	848	958
Advertising costs	23,062	29,581
Travelling and entertaining	68,092	95,922
Establishment costs	39,250	35,583
Other expenses	290,783	234,544
	<u> </u>	<u> </u>
	<u>557,720</u>	<u>505,153</u>

7. Income Tax Expense	2007	2006
	£	£
Current tax		
Corporation tax	109,025	35,281
Deferred tax	-	200
	<u> </u>	<u> </u>
	<u>109,025</u>	<u>35,481</u>
 Profit before tax	 <u>340,820</u>	 <u>156,273</u>
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006 - 30%)	 102,246	 46,882
Effects of		
Non deductible expenses	6,786	4,263
Depreciation add back	254	287
Capital allowance	(261)	(221)
Other tax adjustments	-	(15,930)
	<u> </u>	<u> </u>
	<u>6,779</u>	<u>(11,601)</u>
 Current tax charge	 <u>109,025</u>	 <u>35,281</u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2007

8. Property, Plant and Equipment

	Fixtures and fittings 2007 £
COST	
At 1 January 2007	38,991
Additions	<u>789</u>
At 31 December 2007	<u>39,780</u>
DEPRECIATION	
At 1 January 2007	36,117
Charge for year	<u>848</u>
At 31 December 2007	<u>36,965</u>
CARRYING VALUE	
At 31 December 2007	<u><u>2,815</u></u>
At 31 December 2006	<u><u>2,874</u></u>
	2006 £
COST	
At 1 January 2006	38,991
Additions	<u>-</u>
At 31 December 2006	<u>38,991</u>
DEPRECIATION	
At 1 January 2006	35,159
Charge for year	<u>958</u>
At 31 December 2006	<u>36,117</u>
CARRYING VALUE	
At 31 December 2006	<u><u>2,874</u></u>
At 31 December 2005	<u><u>3,832</u></u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2007

9. Trade and Other Payables

	2007	2006
	£	£
Current		
Trade receivables	744,651	665,224
Receivables from related parties	1,106,682	809,659
Other receivables	27,238	9,625
Other taxes receivables	3,192	43,635
Prepayments	<u>12,446</u>	<u>12,461</u>
	<u>1,894,209</u>	<u>1,540,604</u>

10. Cash and Cash Equivalents

	2007	2006
	£	£
Bank current account	<u>728,578</u>	<u>357,741</u>

11. Trade and Other Payables

	2007	2006
	£	£
Current		
Trade payables	1,596,065	1,186,406
Social security and other taxes	4,708	3,176
Amount due from related party	10,876	-
Accruals and deferred income	<u>20,161</u>	<u>23,244</u>
	<u>1,631,810</u>	<u>1,212,826</u>

Yacht Fuel Services Limited

Notes to the Financial Statements – continued
for the year ended 31 December 2007

12. Provision for Liabilities and Charges

	2007	2006
	£	£
Balance brought forward	200	-
Profit and loss account	<u>-</u>	<u>200</u>
Balance carried forward	<u><u>200</u></u>	<u><u>200</u></u>

The deferred tax liability is made up as follows:

	2007	2006
	£	£
Accelerated capital allowances	<u><u>200</u></u>	<u><u>200</u></u>

13. Called Up Share Capital

Authorised, allotted, issued and fully paid

Number	Class	Nominal Value	2007	2006
			£	£
1,000	Ordinary	£1	1,000	1,000

14 Retained Earnings

	2007	2006
	£	£
Balance brought forward	651,773	530,981
Profit for the year	<u>231,794</u>	<u>120,792</u>
Balance carried forward	<u><u>883,567</u></u>	<u><u>651,773</u></u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2007

15. Risk and Sensitivity Analysis

The company's activities expose it to a variety of financial risks interest rate risk, liquidity risk, foreign currency risk, capital risk, market risk and credit risk. The company's activities also expose it to non-financial risks market risk. The company's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on the company's financial performance. The directors, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

(a) Interest rate and foreign currency risk

The company does not have formal policies on interest rate risk or foreign currency risk.

The Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than pound sterling (£). The Company maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

The Company does not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency, given the nature of the business for the time being.

The net unhedged financial assets and liabilities of the Company that are denominated in its functional currency are as follows:

	Financial Assets		Financial Liabilities	
	2007	2006	2007	2006
	£	£	£	£
Euro (€)	192,826	87,357	113,978	117,385
United States Dollars (US\$)	641,396	633,813	1,241,599	959,874
	<u>834,222</u>	<u>721,170</u>	<u>1,355,577</u>	<u>1,077,259</u>

(b) Liquidity risk

The company prepares periodic working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the company, to manage liquidity risk. The directors have considered the risk posed by liquidity and are satisfied that there is sufficient growth and equity in the company.

(c) Capital risk

The company's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(d) Market risk

The market may not grow as rapidly as anticipated. The company may lose customers to its competitors. The company's major competitors may have significantly greater financial resources than those available to the company. There is no certainty that the company will be able to achieve its projected levels of sales or profitability.

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2007

15. Risk and Sensitivity Analysis

(e) Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit-rating agencies. The company's credit risk is primarily attributable to its trade. The amounts presented in the balance sheet are net of allowance for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experiences, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk, with exposure spread over a large number of counter parties and customers.

16 Directors Emoluments	2007	2006
	£	£
Directors benefits	6,763	6,029
	<hr/>	<hr/>
17. Employees and Directors	2007	2006
	£	£
Wages and salaries	121,644	97,170
Social security costs	14,041	11,395
	<hr/>	<hr/>
	135,685	108,565
	<hr/>	<hr/>
	2007	2006
	Numbers	Numbers
The average monthly number of employees (including directors) during the year was as follows		
Directors	2	2
Operations	2	2
	<hr/>	<hr/>
	4	4
	<hr/>	<hr/>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued **for the year ended 31 December 2007**

18. Financial Commitments

(a) Operating lease commitments

The company leases office premises under a non-cancellable operating lease agreement, which contains various escalation clauses and renewal rights. The lease expenditure is charged to the income statement during the year as incurred. The lease expires on 6 October 2008. At the balance sheet date the Company was committed to payments under the operating lease agreement as follows

	2007	2006
	£	£
Less than one year	28,875	38,500
Between one and five years	-	28,875
	<u>28,875</u>	<u>67,375</u>

(b) Capital commitments

There was no capital expenditure contracted for at the balance sheet date but not yet incurred

19. Related Party Transactions

During the year, the Company paid management fee to YCO Deuxmil Plc (formerly Deuxmil Marine Plc), its parent company. It also made purchases from BA Yachts Assistance SL, Yacht Help Group (Mallorca) SL and Yacht Help Group Gibraltar Limited, which are fellow subsidiaries. The details of the transactions are as follows

Company	Management fee		Purchases of goods	
	2007	2006	2007	2006
	£	£	£	£
YCO Deuxmil Plc	202,000	60,000	-	-
BA Yachts Assistance SL	-	-	455,827	-
Yacht Help Group (Mallorca) SL	-	-	841	-
Yacht Help Group Gibraltar Limited	-	-	243	-
	<u>202,000</u>	<u>60,000</u>	<u>456,871</u>	<u>0</u>

All the above transactions with related parties were conducted at arms length

At 31 December 2007 the following amounts were (owed to) or due from group companies

Company	2007	2006
	£	£
YCO Deuxmil Plc	1,106,682	809,659
BA Yachts Assistance SL	(10,876)	-
Yacht Help Group (Mallorca) SL	-	-
Yacht Help Group Gibraltar Limited	-	-
	<u>1,095,806</u>	<u>809,659</u>

During the year, the company paid CA Smith £6,382 in respect of accounting fees. CA Smith is a director of YCO Deuxmil Plc. At the year end, £nil balance were owed to him by the company

Yacht Fuel Services Limited

Notes to the Financial Statements - continued **for the year ended 31 December 2007**

20 Contingent Liabilities

The company has no contingent liabilities in respect of legal claims arising from the ordinary course of business and it is not anticipated that any material liabilities will arise from the contingent liabilities other than those provide for

A debenture in favour of Coutts & Co created on 26 July 2005 and registered on 27 July 2005 to secure an overdraft facility granted by Coutts & Co to YFS on 25 July 2005 The debenture is a fixed and floating charge over the YFS 's undertaking and all of its property and assets present and future including its goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery

21. Post Balance Sheet Events

A secured overdraft facility letter dated 3 January 2008 between YCO Deuxmil Plc, the Company and HSBC in respect of an overdraft of £150,000 The facility is due for review in December 2008 and is being charged at an interest rate of 2% per annum above HSBC 's sterling base rate, as published from time to time

A debenture in favour of HSBC created on 11 January 2008 and registered on 18 January 2008 to secure the Company's obligations under the overdraft facility referred above The debenture is a fixed and floating charge over the Company 's undertaking and all of its property and assets present and future including its goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery

An unlimited corporate guarantee given by the Company in favour of HSBC given on 3 January 2008 to secure the YCO Deuxmil Plc's obligations under the loan facility referred to above

22. Ultimate Controlling Party

The ultimate parent company is YCO Deuxmil Plc, a company incorporated in England and Wales YCO Deuxmil Plc is quoted on the Alternative Investment Market of the London Stock Exchange

There is no one controlling party at the date of signing the accounts

23 Explanation of transition to IFRS

There have been no adjustments or restatements to the reported financial position, financial performance and cash flows of the company resulting from the transition to IFRS from UK GAAP with effect from 1 January 2006

Yacht Fuel Services Limited
Income Statement Summaries
for the year ended 31 December 2007

	2007 £	2006 £
REVENUE	<u>14,867,413</u>	<u>12,903,451</u>
	<u>14,867,413</u>	<u>12,903,451</u>
COST OF SALES		
Purchases	<u>13,968,660</u>	<u>12,241,859</u>
	<u>13,968,660</u>	<u>12,241,859</u>
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	38,500	35,196
Insurance	750	387
Administrative expenses		
Wages	121,644	97,170
Social security	14,041	11,395
Agents fees	44,175	43,128
Telephone	18,350	18,200
Post and stationery	4,588	5,347
Travelling	45,277	81,711
Entertainment	22,815	14,211
Advertising and promotion	23,062	29,581
Repairs and renewals	3,552	3,291
Staff benefits	6,763	6,029
Sundry expenses	3,609	4,559
Bank charges	(1,270)	1,486
Accountancy	7,795	26,315
Bad debts	-	7,012
Management charges	202,000	60,000
Legal fees	5,132	6,678
Auditors' remuneration	2,150	12,350
Donations	-	666
Foreign exchange losses	20,164	25,459
Depreciation of tangible fixed assets	848	958
	<u>557,767</u>	<u>505,153</u>
FINANCE COSTS		
Bank interest	262	2,622
	<u>262</u>	<u>2,622</u>
FINANCE INCOME		
Deposit account interest	48	2,456
	<u>48</u>	<u>2,456</u>