

Company Registration Number: 02227583

YACHT FUEL SERVICES LIMITED
DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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COMPANIES HOUSE

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

Yacht Fuel Services Limited

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for the year ended 31 December 2008

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* This does not form part of statutory accounts.

Yacht Fuel Services Limited
Company Information
for the year ended 31 December 2008

DIRECTORS:

N Miller
L Milton (Resigned 29 September 2008)

SECRETARY:

C A Smith

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 2008

The directors present their report with the financial statements of the Company for the year ended 31 December 2008.

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 current economic climate. The revenue increased mainly from the very strong Euro and US Dollars in the year. The number of yachts fuelled during the year decreased to 288 (2007: 303). Perhaps most significantly the Company is still debt-free and maintains a positive cash flow.

The decrease in the oil price has encouraged our customers. 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 2009. 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:

Revenue up by 38% to £20,549,943 (2007: £14,867,413)
Gross Profit down by 16% to £776,179 (2007: £898,753)
Fuel Tonnage Sold down by 3% to 29,870 MT (2007: 30,860MT)
Number of yachts fuelled down by 5% to 288 (2007: 303)

FUTURE OUTLOOK

The directors are optimistic about the future performance of the Company. The demand for marine fuel for super yachts remains consistent. 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 £ 253,276, which has been allocated against reserves. No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The directors during the year under review were:

L J Milton (Resigned 29 September 2008)
N Miller

The directors holding office at 31 December 2008 did not hold any beneficial interest in the issued share capital of the company at 1 January 2008 or 31 December 2008.

Yacht Fuel Services Limited

Report of the Directors (continued) **for the year ended 31 December 2008**

CHARITABLE DONATIONS

	2008	2007
	£	£
During the year the company made the following payments charitable donations	1,400	-
	<hr/>	<hr/>

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 decreased by 18 days to 24 (2007: 42) 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 2008

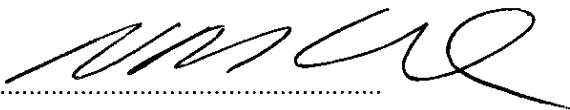
POST BALANCE SHEET EVENTS

On 2 March 2009, the Company received approval from HSBC Bank Plc for the increase in the group overdraft facility by £200,000 to £500,000. The £200,000 increase is temporary which expires in July 2009. The interest rate for the additional £200,000 facility is base rate plus 5%.

AUDITORS

The Company has dispensed with the obligation to appoint auditors annually in accordance with section 485 of the Companies Act 2006. Therefore, the auditors, Jeffreys Henry LLP, will be deemed to be reappointed for each succeeding financial year

ON BEHALF OF THE BOARD:



.....
N Miller
Director

Date: 22 JUNE 2009

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 2008, which comprise the income statement, statement of changes in equity, balance sheet, cash flow statement and the related notes on pages 12 to 28. 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 2008, 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
United Kingdom

Date:..... 22 June 2009

Yacht Fuel Services Limited
Income Statement
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Revenue	3	20,549,943	14,867,413
Cost of sales		(19,773,764)	(13,968,660)
GROSS PROFIT		776,179	898,753
Administrative expenses		(522,755)	(557,720)
OPERATING PROFIT	6	253,424	341,033
Finance costs	5	(148)	(262)
Finance income	5	-	48
PROFIT BEFORE TAX		253,276	340,819
Tax	7	-	(109,025)
PROFIT FOR THE YEAR		253,276	231,794

Yacht Fuel Services Limited
Statement of Changes in Equity
for the year ended 31 December 2008

	Share capital £	Retained earnings £	Total £
As at 1 January 2007	1,000	651,773	652,773
Profit after tax for the year	-	231,794	231,794
	<hr/>	<hr/>	<hr/>
As at 1 January 2008	1,000	883,567	884,567
Profit after tax for the year	-	253,276	253,276
	<hr/>	<hr/>	<hr/>
As at 31 December 2008	<u>1,000</u>	<u>1,136,843</u>	<u>1,137,843</u>

Share capital is the amount subscribed for share at nominal value.

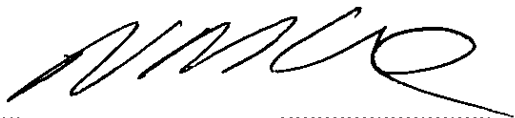
Retained profit represents the cumulative profit of the Company attributable to equity shareholders.

Yacht Fuel Services Limited

Balance Sheet
31 December 2008

	Notes	2008 £	2007 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,775	2,815
CURRENT ASSETS			
Trade and other receivables	9	2,207,529	1,894,209
Cash and cash equivalents	10	435,459	728,578
		<u>2,642,988</u>	<u>2,622,787</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,519,720	1,631,810
Tax payable		-	109,025
		<u>1,519,720</u>	<u>1,740,835</u>
NET CURRENT ASSETS		<u>1,123,268</u>	<u>881,952</u>
NON-CURRENT LIABILITIES			
Deferred tax	12	200	200
		<u>200</u>	<u>200</u>
NET ASSETS		<u><u>1,137,843</u></u>	<u><u>884,567</u></u>
SHAREHOLDERS' EQUITY			
Called up share capital	13	1,000	1,000
Retained earnings	14	1,136,843	883,567
TOTAL EQUITY		<u><u>1,137,843</u></u>	<u><u>884,567</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2009 and were signed on its behalf by:



N Miller - Director

Yacht Fuel Services Limited
Cash Flow Statement
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Cash flows from operating activities			
Cash generated from operations	1	(80,130)	693,407
Finance costs		(148)	(262)
Corporation tax paid			(35,420)
		(109,025)	
Net cash from operating activities		(189,303)	657,725
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,270)	(789)
Interest received		-	48
Net cash from investing activities		(13,270)	(741)
Cash flows from financing activities			
Amount advanced to group companies		(120,842)	(297,023)
Amount received by related party		30,296	10,876
Net cash from financing activities		(90,546)	(286,147)
Increase in cash and cash equivalents		(293,119)	370,837
Cash and cash equivalents at beginning of year	2	728,578	357,741
Cash and cash equivalent at end of year	2	435,459	728,578

Yacht Fuel Services Limited

Notes to the Cash Flow Statement
for the year ended 31 December 2008

1. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM OPERATIONS

	2008 £	2007 £
Operating Profit	253,424	341,033
Adjustments for:		
Depreciation of property, plant and equipment	1,310	848
Operating cash flows before movement in working capital	254,734	341,881
(Increase)/decrease in trade and other receivables	(192,478)	(56,583)
Increase/(decrease) in trade and other payables	(142,386)	408,109
Net cash inflow from operating activities	(80,130)	693,407

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:-

	2008 £	2007 £
Cash and cash equivalents	435,459	728,578
	2008 £	2007 £
Cash and cash equivalents	435,459	728,578
Bank overdrafts	-	-
	435,459	728,578

Yacht Fuel Services Limited
Notes to the Financial Statements
for the year ended 31 December 2008

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 principal accounting policies adopted are set out below:

(a) Standards, amendment and interpretations effective in 2008

The following interpretation to published standards is mandatory for accounting periods beginning on or after 1 January 2008 but is not relevant to the Company's operations:

- IFRIC 12, 'Service concession arrangements';
- IFRIC 13, 'Customer loyalty programmes'; and
- IFRIC 14 IAS 19, 'The limit on a defined asset, minimum funding requirements and their interaction' (effective from 1 January 2008).

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company.

- IAS 1 Revised – Presentation of Financial Statements (effective from 1 January 2009). Key changes include, the requirement to aggregate information in the financial statements on the basis of shared characteristics, the introduction of a Statement of Comprehensive Income & changes in titles of some of the financial statements.

Preparers of financial statements will have the option of presenting income and expense and components of other comprehensive income either in a single statement or in two separate statements (a separate income statement followed by a statement of comprehensive income).

The new titles for the financial statements (for example 'statement of financial position' instead of balance sheet) will be used in the accounting standards but are not mandatory for use in financial statements.

The expected impact is still being assessed in detail by management as the IASB is involved in discussions to examine more fundamental questions about the presentation of information in financial statements.

Yacht Fuel Services Limited
Notes to the Financial Statements
for the year ended 31 December 2008

2. ACCOUNTING POLICIES - Continued

- 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. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.
- IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The company will apply the IAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.
- IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered. IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent. The company will apply the IAS 19 (Amendment) from 1 January 2009.
- There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and IAS 34, 'Interim financial reporting', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the company's accounts and have therefore not been analysed in detail.

Yacht Fuel Services Limited
Notes to the Financial Statements
for the year ended 31 December 2008

2. ACCOUNTING POLICIES - Continued

- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes the example of a segment so that the guidance is consistent with IFRS 8, 'Operating segments', which requires disclosure for segments to be based on information reported to the chief operating decision-maker. Currently, for segment reporting purposes, each subsidiary designates contracts with group treasury as fair value or cash flow hedges so that the hedges are reported in the segment to which the hedged items relate. This is consistent with the information viewed by the chief operating decision-maker. After the amendment is effective, the hedge will continue to be reflected in the segment to which the hedged items relate (and information provided to the chief operating decision-maker), but the company will not formally document and test this relationship. When remeasuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used. The company will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the company's income statement.
- (c) Standards, amendments and interpretations to existing standards that are not yet effective and not relevant to the Group's operations. The following interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant to the company's operations:
- IFRS 1 (Amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009).
 - IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009).
 - IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009).
 - IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009). IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendments to IFRS 1, 'First-time adoption')(effective from 1 July 2009).
 - IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009).
 - IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009).
 - IAS 19 (Amendment), 'Employees benefits' (effective from 1 January 2009).

Yacht Fuel Services Limited

Notes to the Financial Statements
for the year ended 31 December 2008

2. ACCOUNTING POLICIES - Continued

- IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009).
- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009).
- IAS 27(2008) - Consolidated and Separate Financial Statements (effective from 1 July 2009).
- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009).
- IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009).
- IAS 31 (Amendment), 'Interest in joint ventures' (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009).
- IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from 1 January 2009).
- IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009).
- IFRIC 15, 'Agreements for construction of real estate' (effective from 1 January 2009).
- The minor amendments to IAS 20 'Accounting for government grants and disclosure of government assistance', and IAS 20, 'Financial reporting in hyperinflationary economies', IAS 40, 'Investment property', and IAS 41, 'Agriculture'.
- IFRIC 16, 'Hedges of a net investment in a foreign operation'.

Yacht Fuel Services Limited

Notes to the Financial Statements **for the year ended 31 December 2008**

2. ACCOUNTING POLICIES – Continued

Property, plant and equipment

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.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on reducing balance

The assets residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

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 recognition

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.

Segment reporting

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.

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.

Yacht Fuel Services Limited

Notes to the Financial Statements (continued) **for the year ended 31 December 2008**

2. ACCOUNTING POLICIES (continued)

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 utilized.

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 group companies. The fair value of such financial guarantees is not expected to be significantly different as the probability of the group companies 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.

Yacht Fuel Services Limited

Notes to the Financial Statements (continued)
for the year ended 31 December 2008

2. ACCOUNTING POLICIES (continued)

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.

Critical judgements and estimates

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.

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

3	Revenue	2008 £	2007 £
	An analysis of the Company's revenue for the year is as follows:		
	Continuing operations		
	Marine fuel and lubricants	20,549,943	14,867,413
		<u>20,549,943</u>	<u>14,867,413</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		
		2008 £	2007 £
	Europe	15,049,510	9,663,818
	Americas	3,271,633	4,460,224
	Rest of the World	2,228,800	743,371
		<u>20,549,943</u>	<u>14,867,413</u>
		<u>20,549,943</u>	<u>14,867,413</u>
5.	Net finance costs	2008 £	2007 £
	Finance income:		
	Deposit account interest	-	48
		<u>-</u>	<u>48</u>
	Finance costs:		
	Bank interest	(148)	(262)
		<u>(148)</u>	<u>(262)</u>
	Net finance costs	<u>(148)</u>	<u>(214)</u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

6. Operating Profit	2008	2007
	£	£
The operating profit is stated after charging/(crediting):		
Other operating leases	40,567	38,500
Depreciation - owned assets	1,310	848
Auditors' remuneration	10,000	10,000
Foreign exchange differences (profit)/loss	(13,131)	(20,164)
	<u> </u>	<u> </u>

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

	2008	2007
	£	£
Employment costs	149,247	135,685
Depreciation and amortisation	1,310	848
Advertising costs	38,309	23,062
Travelling and entertaining	11,824	68,092
Establishment costs	41,405	39,250
Other expenses	281,970	290,783
	<u> </u>	<u> </u>
	522,755	557,720
	<u> </u>	<u> </u>

7. Income Tax Expense	2008	2007
	£	£
Current tax:		
Corporation tax	-	109,025
Deferred tax	-	-
	<u> </u>	<u> </u>
	-	109,025
	<u> </u>	<u> </u>
Profit before tax	253,276	340,819
	<u> </u>	<u> </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2007 - 30%)	70,917	102,246
Effects of:		
Non deductible expenses	1,785	6,786
Depreciation add back	367	254
Capital allowance	(3,842)	(261)
Other tax adjustments	(69,227)	-
	<u> </u>	<u> </u>
	(70,917)	6,779
	<u> </u>	<u> </u>
Current tax charge	-	109,025
	<u> </u>	<u> </u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

8. Property, Plant and Equipment

	2008 £
COST	
At 1 January 2008	39,780
Additions	<u>13,270</u>
At 31 December 2008	<u>53,050</u>
DEPRECIATION	
At 1 January 2008	36,965
Charge for year	<u>1,310</u>
At 31 December 2008	<u>38,275</u>
CARRYING VALUE	
At 31 December 2008	<u>14,775</u>
At 31 December 2007	<u>2,815</u>
	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>2,815</u>
At 31 December 2006	<u>2,874</u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

9. Trade and Other Receivables

	2008	2007
	£	£
Current:		
Trade receivables	929,081	744,651
Receivables from related parties	1,227,524	1,106,682
Other receivables	10,512	27,238
Other taxes receivables	28,349	3,192
Prepayments	<u>12,063</u>	<u>12,446</u>
	<u><u>2,207,529</u></u>	<u><u>1,894,209</u></u>

10. Cash and Cash Equivalents

	2008	2007
	£	£
Bank current account	<u>435,459</u>	<u>728,578</u>

11. Trade and Other Payables

	2008	2007
	£	£
Current:		
Trade payables	1,429,757	1,596,065
Social security and other taxes	4,852	4,708
Amount due to related party	41,172	10,876
Accruals and deferred income	<u>43,939</u>	<u>20,161</u>
	<u><u>1,519,720</u></u>	<u><u>1,631,810</u></u>

Yacht Fuel Services Limited

Notes to the Financial Statements – continued
for the year ended 31 December 2008

12. Provision for Liabilities and Charges

	2008	2007
	£	£
Balance brought forward	200	200
Profit and loss account	-	-
	<hr/>	<hr/>
Balance carried forward	200	200
	<hr/>	<hr/>

The deferred tax liability is made up as follows:

	2008	2007
	£	£
Accelerated capital allowances	200	200
	<hr/>	<hr/>

13. Called Up Share Capital

Authorised

Number	Class	Nominal Value	2008	2007
			£	£
1,000	Ordinary	£1	1,000	1,000
			<hr/>	<hr/>

Allotted, called up and fully paid

1,000	Ordinary	£1	1,000	1,000
			<hr/>	<hr/>

14. Retained Earnings

	2008	2007
	£	£
Balance brought forward	883,567	651,773
Profit for the year	253,276	231,794
	<hr/>	<hr/>
Balance carried forward	1,136,843	883,567
	<hr/>	<hr/>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

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	
	2008	2007	2008	2007
	£	£	£	£
Euro (€)	104,247	192,826	290,084	113,978
United States Dollars (US\$)	1,243,864	641,396	1,707,589	1,241,599
	<u>1,348,111</u>	<u>834,222</u>	<u>1,997,673</u>	<u>1,355,577</u>

The foreign exchange rates affecting the Company are as follows:

	Income statement		Balance sheet	
	2008	2007	2008	2007
	£	£	£	£
Euro (€)	0.79	0.68	0.97	0.68
United States Dollars (US\$)	<u>0.54</u>	<u>0.53</u>	<u>0.69</u>	<u>0.51</u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

15. Risk and Sensitivity Analysis

(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. The Company has a group overdraft facility with the bank for £300,000 and is being charged at an interest rate of 3% per annum above HSBC's sterling base rate, as published from time to time. The overdraft facility is due for renewal in December 2009.

(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.

(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

	2008	2007
	£	£
Directors benefits	<u>7,900</u>	<u>6,763</u>

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

17. Employees and Directors

	2008	2007
	£	£
Wages and salaries	134,432	121,644
Social security costs	14,815	14,041
	<hr/>	<hr/>
	149,247	135,685
	<hr/>	<hr/>

	2008	2007
	Numbers	Numbers
The average monthly number of employees (including directors) during the year was as follows:		
Directors	2	2
Operations	4	2
	<hr/>	<hr/>
	6	4
	<hr/>	<hr/>

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 2011. At the balance sheet date the Company was committed to payments under the operating lease agreement as follows:

	2008	2007
	£	£
Less than one year	41,520	28,875
Between one and five years	73,734	-
	<hr/>	<hr/>
	115,254	28,875
	<hr/>	<hr/>

(b) Capital commitments

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

Yacht Fuel Services Limited

Notes to the Financial Statements - continued **for the year ended 31 December 2008**

19. Related Party Transactions

During the year, the Company paid management fees 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	
	2008	2007	2008	2007
	£	£	£	£
YCO Deuxmil Plc	190,000	202,000	-	-
BA Yachts Assistance SL	-	-	905,835	455,827
Yacht Help Group (Mallorca) SL	-	-	-	841
Yacht Help Group Gibraltar Limited	-	-	37,000	243

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

At 31 December 2008 the following amounts were (owed to) or due from group companies:

Company	2008	2007
	£	£
YCO Deuxmil Plc	1,227,524	1,106,682
BA Yachts Assistance SL	(3,873)	(10,876)
Yacht Help Group (Mallorca) SL	-	-
Yacht Help Group Gibraltar Limited	-	-
YCO SAM	(299)	-

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 provided for.

A debenture in favour of HSBC Bank Plc was created on 11 January 2008 and registered on 18 January 2008 to secure the Company's obligations under the group overdraft facility. The debenture is a fixed and floating charge over the Group'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 each of the Group companies in favour of HSBC given on 3 January 2008 to secure the Group's obligations under the overdraft facility referred above.

Yacht Fuel Services Limited

Notes to the Financial Statements - continued
for the year ended 31 December 2008

21. Post Balance Sheet Events

On 3 March 2009, HSBC Bank Plc agreed to temporarily increase the Group overdraft facility by £200,000 to £500,000, which expires in July 2009 and will revert to £300,000 thereon. The interest rate for the additional £200,000 is based rate plus 5%. The Group overdraft facility is secured against the assets of the Company.

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.

Yacht Fuel Services Limited
Income Statement Summaries
for the year ended 31 December 2008

	2008 £	2007 £
REVENUE		
	<u>20,549,943</u>	14,867,413
	<u>20,549,943</u>	<u>14,867,413</u>
COST OF SALES		
Purchases	<u>19,773,764</u>	<u>13,968,660</u>
	<u>776,179</u>	<u>898,753</u>
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	40,567	38,500
Insurance	838	750
Administrative expenses		
Wages	134,432	121,644
Social security	14,815	14,041
Agents fees	52,036	44,175
Telephone	11,966	18,350
Post and stationery	4,528	4,588
Travelling	6,998	45,277
Entertainment	4,826	22,815
Advertising and promotion	38,309	23,062
Repairs and renewals	8,562	3,552
Motor running expenses	22	14,103
Staff benefits	7,900	6,763
Sundry expenses	1,545	3,609
Bank charges	(6,933)	(1,270)
Accountancy	-	7,795
Heat, Light & Power	5,000	-
Management charges	190,000	202,000
Legal fees	9,165	5,132
Auditors' remuneration	8,600	2,150
Donations	1,400	-
Foreign exchange losses	(13,131)	(20,164)
Depreciation of tangible fixed assets	1,310	848
	<u>522,755</u>	<u>557,720</u>
FINANCE COSTS		
Bank interest	148	262
	<u>148</u>	<u>262</u>
FINANCE INCOME		
Deposit account interest	-	48
	<u>-</u>	<u>48</u>
	<u>253,276</u>	<u>340,819</u>