

COOKE PETROLEUM LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30th June 2004

COMPANY REGISTRATION NUMBER: 2761361



26/10/2005

COOKE PETROLEUM LIMITED

Report of the Directors for the year ended 30th June 2004

The directors submit their report and accounts for the year ended 30th June 2004.

Results and dividends

The results for the year are shown on the Profit and Loss Account on page 4.

The directors do not propose payment of an ordinary dividend.

Review of business and future developments

The principal activity of the company is that of forecourt operations.

An exceptional loss was incurred during the year on the disposal of two forecourt sites.

The directors consider the trading results for the year to be satisfactory.

Directors and directors' interests

The directors holding office during the year, together with details of their beneficial interest in the issued share capital of the company were:

	Ordinary shares of £1 each	
	2004	2003
Mr. F. Carroll	10,600	10,600
Mr. G.J. Colbeck	-	-

In addition to the above, Mr. F. Carroll holds 3,000 (2003 3,000) ordinary £1 shares as Trustee of a related company pension scheme, these shares being allocated to Mr. Carroll's fund within the scheme.

Auditors

Mitchell Charlesworth are willing to continue in office as auditors and a resolution will be proposed for their reappointment at the forthcoming Annual General Meeting.

By Order of the Board

G.J. COLBECK
Secretary

Wyre Street,
Padiham,
Burnley,
Lancashire. BB12 8DF.

14th October 2005

COOKE PETROLEUM LIMITED

Statement of Directors' Responsibilities for the year ended 30th June 2004

The directors are required under company law to prepare accounts 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 the year then ended.

In preparing these accounts, they are required to:

- ◆ select suitable accounting policies and apply them consistently;
- ◆ make reasonable and prudent judgements and estimates;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for:

- ◆ keeping proper accounting records;
- ◆ safeguarding the company's assets;
- ◆ taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square · Temple Street · Liverpool · L2 5RH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COOKE PETROLEUM LIMITED

We have audited the accounts of Cooke Petroleum Limited for the year ended 30th June 2004 which are set out on pages 4 to 16. These accounts have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the accounts concerning the company's Balance Sheet deficit. Details of the review of prospects for the company and the support of the related company are detailed in note 1. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MITCHELL CHARLESWORTH
Registered Auditor

17th October 2005

COOKE PETROLEUM LIMITED

Profit and Loss Account for the year ended 30th June 2004

	Notes	Continuing Operations 2004	Discontinued Operations 2004	Total Year ended 30th June 2004	Total 7 months to 30th June 2003
Turnover	2	14,597,222	1,316,060	15,913,282	12,204,045
Cost of sales		<u>13,582,295</u>	<u>1,225,439</u>	<u>14,807,734</u>	<u>11,325,988</u>
Gross profit		1,014,927	90,621	1,105,548	878,057
Administrative expenses		941,619	55,629	997,248	835,027
Other operating income		<u>30,860</u>	<u>1,134</u>	<u>31,994</u>	<u>22,449</u>
Operating profit	3	104,168	36,126	140,294	65,479
Exceptional item	5	<u>-</u>	<u>1,045,679</u>	<u>1,020,687</u>	<u>-</u>
Loss on ordinary activities before interest		104,168	(1,009,553)	(880,393)	65,479
Interest payable	7			<u>54,737</u>	<u>47,063</u>
Loss on ordinary activities before taxation				(935,130)	18,416
Taxation	8			<u>55,128</u>	<u>3,412</u>
Loss on ordinary activities after taxation	18			<u>£ (990,258)</u>	<u>£ 15,004</u>

Discontinued operations refer to the results attributable to the Ormskirk and Accrington forecourt sites that were sold during the year.

The notes on pages 9 to 16 form part of these accounts.

COOKE PETROLEUM LIMITED

Statement of Historical Cost Profits and Losses for the year ended 30th June 2004

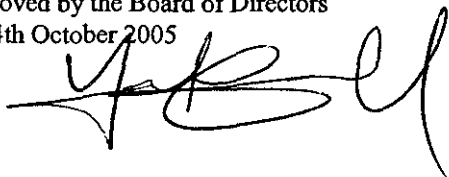
	Year ended 30th June 2004	7 months to 30th June 2003
Reported loss on ordinary activities before taxation	(935,130)	18,416
Realisation of property revaluation gains of previous years	<u>1,014,204</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u>£ 79,074</u>	<u>£18,416</u>
Historical cost profit after taxation	<u>£ 23,496</u>	<u>£15,004</u>

COOKE PETROLEUM LIMITED

Balance Sheet 30th June 2004

	Notes	30th June 2004	30th June 2003
Fixed assets			
Tangible assets	10	3,654,181	6,401,329
Current assets			
Stocks	11	324,728	458,573
Debtors	12	328,339	481,810
Cash at bank and in hand		<u>57,473</u>	<u>106,702</u>
		710,540	1,047,085
Creditors			
Amounts falling due within one year	13	<u>3,317,293</u>	<u>5,319,485</u>
Net current liabilities		<u>(2,606,753)</u>	<u>(4,272,400)</u>
Total assets less current liabilities		1,047,428	2,128,929
Creditors			
Amounts falling due after more than one year	14	<u>1,133,728</u>	<u>1,224,971</u>
		£(86,300)	£ 903,958
Capital and reserves			
Called up share capital	17	172,000	172,000
Revaluation reserve	18	495,370	1,509,574
Profit and loss account	18	<u>(753,670)</u>	<u>(777,616)</u>
Total shareholders' funds	19	£(86,300)	£ 903,958
Attributable to:			
Equity shareholders		(236,300)	753,958
Non-equity shareholders		<u>150,000</u>	<u>150,000</u>
		£(86,300)	£ 903,958

Approved by the Board of Directors
on 14th October 2005



F. CARROLL - Director

The notes on pages 9 to 16 form part of these accounts.

COOKE PETROLEUM LIMITED

Cash Flow Statement for the year ended 30th June 2004

Reconciliation of operating profit to net cash outflow from operating activities

	Year ended 30th June 2004	7 months to 30th June 2003
Operating profit	140,294	65,479
Depreciation charges	64,638	58,379
Loss on disposal	-	4,706
Decrease in stocks	133,845	82,656
Decrease in debtors	153,471	(567)
Decrease in creditors	<u>(1,472,880)</u>	<u>(97,623)</u>
Net cash outflow from operating activities	£(980,632)	£113,030

Cash flow statement

Net cash outflow from operating activities	(980,632)	113,030
Net cash inflow from the sale of discontinued operations	1,667,374	-
Returns on investments and servicing of finance (note 1)	(54,737)	(38,593)
Tax paid	(1,455)	-
Capital expenditure (note 1)	(5,552)	(13,991)
Financing (note 1)	<u>(441,246)</u>	<u>(157,496)</u>
Increase in cash (note 2)	£ 183,752	£(97,050)

Reconciliation of net cash flow to movement in net debt (note 2)

Increase in cash in the year	183,752	(97,050)
Cash outflow from decrease in debt	<u>441,246</u>	<u>157,496</u>
Movement in net debt in the year	624,998	60,446
Net debt at 30th June 2003	<u>(2,051,138)</u>	<u>(2,111,584)</u>
Net debt at 30th June 2004	£(1,426,140)	£2,051,138

COOKE PETROLEUM LIMITED

Notes to the Cash Flow Statement

Note 1 - Gross cash flows	Year ended 30th June 2004	7 months to 30th June 2003
Returns on investments and servicing of finance		
Interest paid	<u>£54,737</u>	<u>£38,593</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>£ 5,552</u>	<u>£13,991</u>
Financing		
Net loan repayments	<u>£441,246</u>	<u>£157,496</u>

Note 2 – Analysis of changes in net debt

	At 30th June 2003	Cash flows	Other changes	At 30th June 2004
Cash in hand and at bank	106,702	(49,229)	-	57,473
Overdrafts	<u>(247,871)</u>	<u>232,981</u>	<u>-</u>	<u>(14,890)</u>
	(141,169)	183,752	-	42,583
Debt due within one year	(684,998)	441,246	(91,243)	(334,995)
Debt due after one year	<u>(1,224,971)</u>	<u>-</u>	<u>91,243</u>	<u>(1,133,728)</u>
	<u>£(2,051,138)</u>	<u>£624,998</u>	<u>£ -</u>	<u>£(1,426,140)</u>

COOKE PETROLEUM LIMITED

Notes to the Accounts

1. Accounting policies

Basis of accounting

The accounts are prepared under the historical cost convention, except for the revaluation of land and buildings (see note 10) and in accordance with applicable accounting standards.

The accounts have been prepared on the going concern basis. The directors consider this to be appropriate and are confident that future profitability will improve. The company also has the support of the related company for the foreseeable future and the directors anticipate that all liabilities will be met as they fall due.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value on all tangible fixed assets other than freehold and leasehold properties by equal instalments over their expected useful lives at the following annual rates:

Plant and fixtures	6% - 10%
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The company adopts a policy of maintaining its freehold and leasehold properties to a high standard and their useful economic lives and residual values based on estimates made at the date of acquisition or subsequent valuation are such that depreciation would not be material. Provision is made in the Profit and Loss Account for any permanent diminution in value that arises.

All site development costs including canopies, tanks, pipes and plant and equipment at the forecourts are included within fixed assets when expended. Thereafter all repairs and renewals expenditure incurred in order to maintain these assets to a high standard and in optimum working condition is charged through the Profit and Loss Account.

The company's policy is to carry all assets at historical cost, except in the case of similar forecourt operation sites included in freehold land and buildings, which have been included on the Balance Sheet at a valuation existing on 30th November 2000 when the company implemented FRS 15 for the first time.

Revaluation reserve

The reserve represents the surplus on revaluation of freehold land and buildings.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

COOKE PETROLEUM LIMITED

Notes to the Accounts

1. Accounting policies [continued]

Deferred taxation [continued]

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

No provision is required for deferred taxation on accelerated capital allowances due to losses carried forward.

No provision has been made for capital gains tax arising if properties were sold at the revalued amounts stated in these accounts.

Pensions

The company makes contributions to employees' individual personal pension plans, and contributions are charged to Profit and Loss Account for the year when they become payable.

2. Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

3. Operating profit

The operating profit is stated after crediting:

	Year ended 30th June 2004	7 months to 30th June 2003
Net rental income	6,444	10,732
Commission	<u>25,550</u>	<u>11,717</u>
	£31,994	£22,449
And after charging:		
Directors' remuneration (note 6)	-	-
Auditors' remuneration	4,250	4,000
Equipment hire	22,537	9,235
Depreciation	<u>64,368</u>	<u>58,379</u>

COOKE PETROLEUM LIMITED

Notes to the Accounts

4. Discontinued operations

	Continuing	2003 Discontinued	Total
Turnover	8,987,069	3,216,976	12,204,045
Cost of sales	8,454,874	2,871,114	11,325,988
Net operating expenses			
Administrative expenses	494,140	340,887	835,027
Other operating income	<u>7,496</u>	<u>14,953</u>	<u>22,449</u>
	486,644	325,934	812,578
Operating profit	<u>£ 45,551</u>	<u>£ 19,928</u>	<u>£ 65,479</u>

5. Exceptional item

	Year ended 30th June 2004	7 months to 30th June 2003
Loss on disposal of forecourt sites	<u>£1,020,687</u>	<u>£ -</u>

During the year forecourt sites at Accrington and Ormskirk were sold.

6. Staff costs

	Year ended 30th June 2004	7 months to 30th June 2003
Wages and salaries	478,499	394,418
Social security costs	32,840	25,504
Other pension costs	<u>5,380</u>	<u>3,705</u>
	<u>£516,719</u>	<u>£423,627</u>

COOKE PETROLEUM LIMITED

Notes to the Accounts

6. Staff costs [continued]

Directors' emoluments

The directors are also directors of the related company, Cooke Holdings Limited and are remunerated by that company.

The average number of employees during the year including executive directors was:

	Year ended 30th June 2004	7 months to 30th June 2003
Administration	11	15
Sales	<u>42</u>	<u>65</u>
	53	80
	==	==

7. Interest payable

	Year ended 30th June 2004	7 months to 30th June 2004
On bank loans and overdrafts	43,451	31,896
On other loans	<u>11,286</u>	<u>15,167</u>
	£54,737	£47,063
	=====	=====

8. Tax on profit on ordinary activities

	Year ended 30th June 2004	7 months to 30th June 2003
a. Analysis of charge in year		
Current tax:		
UK corporation tax based on the results for the year at 30% (2003: 19%)	57,084	3,412
Overprovision in prior year	<u>(1,956)</u>	<u>-</u>
	£55,128	£3,412
	=====	=====
b. Factors affecting current tax charge		
Loss on ordinary activities before taxation	£(935,130)	£18,416
	=====	=====
Loss on ordinary activities by rate of tax	(280,539)	3,499
Capital allowances in excess of depreciation	319,262	723
Expenses not deductible for tax purposes	107	647
Utilisation of losses brought forward	(37,090)	(1,457)
Chargeable gains	55,344	-
Overprovision in prior year	<u>(1,956)</u>	<u>-</u>
	£ 55,128	£ 3,412
	=====	=====

COOKE PETROLEUM LIMITED

Notes to the Accounts

9. Dividends

The dividend due on the preference shares of £12,000 (2003 £6,000) for the year has been waived.

10. Tangible fixed assets

Cost or valuation	Plant and machinery	Land and Buildings	Total
At 30th June 2003	1,253,833	5,663,172	6,917,005
Additions	5,552	-	5,552
Disposals	(520,619)	(2,420,750)	(2,941,369)
At 30th June 2004	738,766	3,242,422	3,981,188
At cost	738,766	1,742,422	2,481,188
At valuation - 30th November 1998	-	1,500,000	1,500,000
	738,766	3,242,422	3,981,188
Depreciation			
At 30th June 2003	515,676	-	515,676
Charge for year	64,638	-	64,638
Released on disposals	(253,307)	-	(253,307)
At 30th June 2004	327,007	-	327,007
Net book value			
At 30th June 2004	£ 411,759	£3,242,422	£3,654,181
At 30th June 2003	£ 738,157	£5,663,172	£6,401,329

Included in land and buildings are amounts of £297,381 (2003 £297,381) in relation to short leasehold properties and £25,599 (2003 £25,599) in respect of capitalised interest.

The land and buildings at Ormskirk were sold during the year having been revalued, on an open market value, on 30th November 2000 at £1,750,000. The original historic cost was £735,796.

The land and buildings at St. Helens were revalued, on a current open market value, on the 30th November 1998 at £1,500,000. The original historic cost was £1,004,630.

COOKE PETROLEUM LIMITED

Notes to the Accounts

11. Stocks

	2004	2003
Goods for resale	£324,728	£458,573

12. Debtors

	2004	2003
Trade debtors	202,213	341,122
Prepayments	85,770	99,101
Other taxes	26,900	1,567
Other debtors	<u>13,456</u>	<u>40,020</u>
	£328,339	£481,810

13. Creditors - amounts falling due within one year

	2004	2003
Bank loans and overdrafts	249,885	832,869
Other loans	100,000	100,000
Corporation tax	57,084	3,412
Trade creditors	1,037,496	1,934,544
Amounts owed to related company	1,731,291	2,311,534
Other taxes and social security costs	21,767	38,238
Accruals	<u>119,770</u>	<u>98,888</u>
	£3,317,293	£5,319,485

14. Creditors - amounts falling due after more than one year

	2004	2003
Bank loans	1,133,728	1,124,971
Other loans	<u>-</u>	<u>100,000</u>
	£1,133,728	£1,224,971

Maturity of debt

In one year or less	334,995	684,998
Between one and two years	234,995	309,995
Between two and five years	654,986	629,985
Over five years	<u>243,747</u>	<u>284,991</u>
	£1,468,723	£1,909,969

COOKE PETROLEUM LIMITED

Notes to the Accounts

15. Creditors - amounts falling due after more than one year [continued]

Bank loans

Bank loans are secured on specific forecourt and retail premises, repayable up to June 2014 and are either charged interest at fixed rates up to 6%, or at 1% above Barclays Bank plc base rate.

Other loans

This comprises a loan from a related company pension scheme repayable within one year and is charged interest at 3% above Barclays Bank plc base rate.

16. Deferred tax

The company has not provided for deferred taxation of £73,000 accruing on the potential gain of revalued assets.

17. Share capital

	2004	2003
Authorised		
Equity shares		
200,000 ordinary shares of £1 each	200,000	200,000
Non-equity shares		
150,000 preference shares of £1 each	<u>150,000</u>	<u>150,000</u>
	<u>£350,000</u>	<u>£350,000</u>
Allotted, called up and fully paid		
Equity shares		
22,000 ordinary shares of £1 each	22,000	22,000
Non-equity shares		
150,000 preference shares of £1 each	<u>150,000</u>	<u>150,000</u>
	<u>£172,000</u>	<u>£172,000</u>

The holders of the preference shares are entitled to a fixed cumulative preference dividend of 8% per annum, payable half yearly on 31st May and 30th November. The holders of these shares have, by formal deed, irrevocably waived all entitlement to dividend in respect of the year ended 30th June 2004.

On return of assets on liquidation or capital reduction, or otherwise, the holders of the preference shares are entitled to a sum equal to the amount of capital paid on each share together with any arrears, deficiency or accrual of the dividends payable up to the date of return of the capital in priority to any payment in respect of the ordinary shares.

COOKE PETROLEUM LIMITED

Notes to the Accounts

17. Share capital [continued]

The company, by giving written notice, shall be entitled to require the holders of the preference shares to redeem all or part of their shareholding on the date and number specified in each such notice.

The preference shareholders are not entitled to receive notice of, attend, or vote at general meetings, unless at the date of the notice convening the meeting the dividend is twelve months in arrears, or the business of the meeting includes the consideration of a resolution directly and adversely affecting any of the special rights attached to the preference shares.

18. Reserves

	Profit and loss account	Revaluation reserve
At 1st July 2003	(777,616)	1,509,574
Transfer of realised profits	1,014,204	(1,014,204)
Loss for the year	(990,258)	-
At 30th June 2004	£(753,670)	£ 495,370

19. Reconciliation of movement in shareholders' funds

	2004	2003
Loss for the year	(990,258)	15,004
Opening shareholders' funds	<u>903,958</u>	<u>888,954</u>
Closing shareholders' funds	<u>£(86,300)</u>	<u>£903,958</u>

20. Capital commitments

There were no capital commitments at 30th June 2004 (2003 £Nil).

21. Related party disclosures

The company is related to Cooke Holdings Limited by virtue of mutual shareholders and directors.

The company made purchases totalling £853,473 and sales totalling £1,544,980 with group companies of Cooke Holdings Limited. The creditor outstanding at the year end, inclusive of total advances was £1,714,157 in respect of Samuel Cooke & Co. Limited, and £17,134 in respect of Cooke Holdings Limited.

Mr. F. Carroll, a director, is also a trustee of a related company pension scheme. At 30th June 2004 there was a loan from the pension scheme outstanding of £100,000 on which interest of £11,286 was charged during the year.