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COOKE PETROLEUM LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30th June 2006

COMPANY REGISTRATION NUMBER: 2761361



COOKE PETROLEUM LIMITED

Report of the Directors for the year ended 30th June 2006

The directors submit their report and accounts for the year ended 30th June 2006

Results and dividends

The results for the year are shown on the Profit and Loss Account on page 5

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 arose during the year on the closure and disposal of an operational site as part of a local council road widening scheme

Given the straightforward nature of the business, the company's directors are of the opinion that the analysis using KPI's is not necessary for an understanding of the development, performance or position of the business

Financial risk management objectives and policies

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements

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

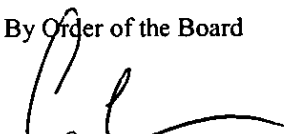
	Ordinary shares of £1 each	
	2006	2005
Mr F Carroll	10,600	10,600
Mr G J Colbeck	-	-

In addition to the above, Mr F Carroll holds 3,000 (2005 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
28th June 2007

COOKE PETROLEUM LIMITED

Statement of Directors' Responsibilities for the year ended 30th June 2006

The directors are required under company law to prepare financial statements for each financial period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the company and of the profit or loss of the company for that period

In preparing those financial statements the directors are required to

- ◆ select suitable accounting policies and 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 financial statements,
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are 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

In so far as the directors are aware

- ◆ there is no relevant audit information of which the company's auditors are unaware, and
- ◆ the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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 2006 which are set out on pages 5 to 15. 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 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 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 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.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street · Liverpool L2 5RH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COOKE PETROLEUM LIMITED (CONTINUED)

Opinion

In our opinion

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 30 June 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts



MITCHELL CHARLESWORTH

Registered Auditor

28th June 2007

COOKE PETROLEUM LIMITED

Profit and Loss Account for the year ended 30th June 2006

	Notes	2006	2005
Turnover	2	14,147,729	13,884,889
Cost of sales		<u>13,280,213</u>	<u>12,957,548</u>
Gross profit		867,516	927,341
Administrative expenses		<u>816,975</u>	<u>897,522</u>
		50,541	29,819
Other operating income		<u>35,301</u>	<u>39,380</u>
Operating profit	3	85,842	69,199
Exceptional item	5	(144,485)	-
Loss on ordinary activities before interest		(58,643)	69,199
Interest payable	6	<u>45,279</u>	<u>62,466</u>
Loss on ordinary activities before taxation		(103,922)	6,733
Taxation - credit	7	<u>255</u>	(591)
Loss on ordinary activities after taxation	16	<u>£(103,667)</u>	<u>£ 6,142</u>

There were no recognised gains or losses other than those noted above

The notes on pages 9 to 15 form part of these accounts

COOKE PETROLEUM LIMITED

Balance Sheet 30th June 2006

	Notes	2006	2005
Fixed assets			
Tangible assets	9	3,220,017	3,593,583
Current assets			
Stocks	10	264,712	271,311
Debtors	11	231,936	307,481
Cash at bank and in hand		<u>76,986</u>	<u>163,521</u>
		573,634	742,313
Creditors			
Amounts falling due within one year	12	<u>3,313,738</u>	<u>3,517,321</u>
Net current liabilities		<u>(2,740,104)</u>	<u>(2,775,008)</u>
Total assets less current liabilities		479,913	818,575
Creditors			
Amounts falling due after more than one year	13	<u>663,738</u>	<u>898,733</u>
		<u>£(183,825)</u>	<u>£(80,158)</u>
Capital and reserves			
Called up share capital	15	172,000	172,000
Revaluation reserve	16	495,370	495,370
Profit and loss account	16	<u>(851,195)</u>	<u>(747,528)</u>
Total shareholders' funds	17	<u>£(183,825)</u>	<u>£(80,158)</u>
Attributable to:			
Equity shareholders		<u>(333,825)</u>	<u>(230,158)</u>
Non-equity shareholders		<u>150,000</u>	<u>150,000</u>
		<u>£(183,825)</u>	<u>£(80,158)</u>

Approved by the Board of Directors
on 28th June 2007

F CARROLL – Director



The notes on pages 9 to 15 form part of these accounts

COOKE PETROLEUM LIMITED

Cash Flow Statement for the year ended 30th June 2006

Reconciliation of operating profit to net cash inflow from operating activities

	2006	2005
Operating profit	85,842	69,199
Depreciation charges	58,834	60,598
Decrease in stocks	6,599	53,417
Decrease in debtors	75,545	20,858
Decrease in creditors	(160,844)	314,327
Net cash inflow from operating activities	£ 65,976	£ 518,399

Cash flow statement

Net cash inflow from operating activities	65,976	518,399
Net cash inflow from the sale fixed assets	252,947	-
Returns on investments and servicing of finance (note 1)	(45,279)	(62,466)
Tax paid	(56,830)	-
Capital expenditure (note 1)	(82,700)	-
Financing (note 1)	(234,995)	(334,995)
Decrease in cash (note 2)	£(100,881)	£ 120,938

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

Decrease in cash in the year	(100,881)	120,938
Cash outflow from decrease in debt	234,995	334,995
Movement in net debt in the year	134,114	455,933
Net debt at 30th June 2005	(970,207)	(1,426,140)
Net debt at 30th June 2006	£(836,093)	£(970,207)

COOKE PETROLEUM LIMITED

Notes to the Cash Flow Statement

Note 1 - Gross cash flows	2006	2005
Returns on investments and servicing of finance		
Interest paid	<u>£45,279</u>	<u>£ 62,466</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>£82,700</u>	<u>£ -</u>
Financing		
Net loan repayments	<u>£234,995</u>	<u>£334,995</u>

Note 2 – Analysis of changes in net debt

	At 30th June 2005	Cash flows	Other changes	At 30th June 2006
Cash in hand and at bank	163,521	(86,535)	-	76,986
Overdrafts	<u>-</u>	<u>(14,346)</u>	<u>-</u>	<u>(14,346)</u>
	163,521	(100,881)		62,640
Debt due within one year	(234,995)	234,995	(234,995)	(234,995)
Debt due after one year	<u>(898,733)</u>	<u>-</u>	<u>234,995</u>	<u>(663,738)</u>
	£(970,207)	£134,114	£ -	£(836,093)
	<u></u>	<u></u>	<u></u>	<u></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 9) and in accordance with applicable accounting standards. There is no difference between the results stated on the historical cost basis and those stated on the revalued land and buildings.

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

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

	2006	2005
Net rental income	4,000	4,000
Commission and advertising	<u>31,301</u>	<u>35,380</u>
	<u>35,301</u>	<u>£39,380</u>
And after charging		
Directors' remuneration (note 4)	-	-
Auditors' remuneration	4,500	4,400
Equipment hire	48	11,028
Depreciation	<u>58,834</u>	<u>60,598</u>

COOKE PETROLEUM LIMITED

Notes to the Accounts

4. Staff costs

	2006	2005
Wages and salaries	409,222	436,496
Social security costs	28,567	32,238
Other pension costs	<u>2,320</u>	<u>6,302</u>
	<u>£440,109</u>	<u>£475,036</u>

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

	2006	2005
Administration	8	8
Sales	<u>40</u>	<u>41</u>
	<u>48</u>	<u>49</u>

5. Exceptional item

	2006	2005
Loss on disposal of forecourt site	<u>£144,485</u>	<u>£ -</u>

The exceptional item during the year ended 30th June 2006 arose following the disposal of the forecourt site at Darwen

6. Interest payable

	2006	2005
On bank loans and overdrafts	45,279	53,400
On other loans	<u>-</u>	<u>9,066</u>
	<u>£45,279</u>	<u>£62,466</u>

7. Tax on loss on ordinary activities

	2006	2005
a. Analysis of (credit)/charge in year		
Current tax		
UK corporation tax based on the results for the year at 19% (2005 19%)	590	591
Overprovision in prior year	<u>(845)</u>	<u>-</u>
	<u>£(255)</u>	<u>£ 591</u>

COOKE PETROLEUM LIMITED

Notes to the Accounts

7. Tax on loss on ordinary activities [continued]

	2006	2005
b. Factors affecting current tax charge		
Loss on ordinary activities before taxation	£(103,922)	£ 6,733
Loss on ordinary activities by rate of tax	(19,745)	1,279
Depreciation in excess of capital allowances	37,705	7,113
Expenses not deductible for tax purposes	(29)	1,012
Utilisation of losses brought forward	(17,247)	(8,720)
Overprovision in prior year	(845)	-
Adjustment to reflect effective rate of tax	(94)	(93)
	£(255)	£ 591

8. Dividends

The dividend due on the preference shares of £12,000 (2005 £12,000) for the year has been waived

9. Tangible fixed assets

Cost or valuation	Plant and machinery	Land and buildings	Total
At 30th June 2005	738,766	3,242,422	3,981,188
Additions	-	82,700	82,700
Disposals	(126,804)	(341,731)	(468,535)
At 30th June 2006	611,962	2,983,391	3,595,353
At cost	611,962	1,483,391	2,095,353
At valuation - 30th November 1998	-	1,500,000	1,500,000
	£611,962	£2,983,391	£3,595,353
Depreciation			
At 30th June 2005	387,605	-	387,605
Charge for year	58,834	-	58,834
Released on disposals	(71,103)	-	(71,103)
At 30th June 2006	£375,336	£ -	£ 375,336
Net book value			
At 30th June 2006	£236,626	£2,983,391	£3,220,017
At 30th June 2005	£351,161	£3,242,422	£3,593,583

COOKE PETROLEUM LIMITED

Notes to the Accounts

9. Tangible fixed assets [continued]

Included in land and buildings are amounts of £ Nil (2005 £297,381) in relation to short leasehold properties and £25,599 (2005 £25,599) in respect of capitalised interest

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

10. Stocks

	2006	2005
Goods for resale	264,712	£271,311
	<u> </u>	<u> </u>

11. Debtors

	2006	2005
Trade debtors	137,617	211,565
Prepayments	73,110	72,346
Other debtors	21,209	15,401
Amounts owed to related company	<u> </u>	<u>8,169</u>
	£231,936	£307,481
	<u> </u>	<u> </u>

12. Creditors - amounts falling due within one year

	2006	2005
Bank loans and overdrafts	249,341	234,995
Corporation tax	590	57,675
Trade creditors	1,131,412	1,181,665
Amounts owed to related company	1,855,093	1,964,457
Other taxes and social security costs	36,678	17,687
Accruals	<u>40,624</u>	<u>60,842</u>
	£3,313,738	£ 3,517,321
	<u> </u>	<u> </u>

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

	2006	2005
Bank loans	663,738	898,733
	<u> </u>	<u> </u>
Maturity of debt		
In one year or less	234,995	234,995
Between one and two years	234,995	234,995
Between two and five years	428,743	663,738
Over five years	<u> </u>	<u> </u>
	£ 898,733	£1,133,728
	<u> </u>	<u> </u>

COOKE PETROLEUM LIMITED

Notes to the Accounts

13. 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

14. Deferred tax

The company has not provided for deferred taxation of £55,000 arising on the potential gain of revalued assets

15. Share capital

	2006	2005
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>
	£350,000	£350,000
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>
	£172,000	£172,000

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 2006

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

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

COOKE PETROLEUM LIMITED

Notes to the Accounts

16. Reserves

	Profit and loss account	Revaluation reserve
At 1st July 2005	(747,528)	495,370
Loss for the year	<u>(103,667)</u>	<u>-</u>
At 30th June 2006	<u>£(851,195)</u>	<u>£495,370</u>

17. Reconciliation of movement in shareholders' funds

	2006	2005
Loss for the year	(103,667)	6,142
Opening shareholders' funds	<u>(80,158)</u>	<u>(86,300)</u>
Closing shareholders' funds	<u>£(183,825)</u>	<u>£(80,158)</u>

18. Capital commitments

There were capital commitments of £Nil at 30th June 2006 (2005 £85,000)

19. Related party disclosures

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

The company made purchases totalling £71,821 and sales totalling £2,245,734 with group companies of Cooke Holdings Limited. The creditor outstanding at the year end, inclusive of total advances was £1,888,230 in respect of Samuel Cooke & Co Limited