

**COOKE PETROLEUM LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**for the year ended**  
**30th June 2007**

**COMPANY REGISTRATION NUMBER: 2761361**

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# **COOKE PETROLEUM LIMITED**

## **Report of the Directors for the year ended 30th June 2007**

The directors submit their report and accounts for the year ended 30th June 2007

### **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

The directors have agreed to dispose of the company's remaining forecourt operations and are in the process of completing negotiations for sale. It is anticipated that the company will have ceased to trade at the next balance sheet date and a surplus in shareholders' funds has been projected

Given the straightforward nature of the business, the company's directors are of the opinion that 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**

The directors holding office during the year were

Mr F Carroll  
Mr G J Colbeck

### **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

10th March 2008

## **COOKE PETROLEUM LIMITED**

### **Statement of Directors' Responsibilities for the year ended 30th June 2007**

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 2007 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 2007 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

10th March 2008

# COOKE PETROLEUM LIMITED

## Profit and Loss Account for the year ended 30th June 2007

	Notes	Continuing operations 2007	Discontinued operations 2007	Total 2007	Total 2006
<b>Turnover</b>	2	9,262,683	1,622,900	10,885,583	14,147,729
<b>Cost of sales</b>		<u>8,791,702</u>	<u>1,538,656</u>	<u>10,330,358</u>	<u>13,280,213</u>
<b>Gross profit</b>		470,981	84,244	555,225	867,516
<b>Administrative expenses</b>		<u>555,651</u>	<u>101,098</u>	<u>656,749</u>	<u>816,975</u>
		( 84,670)	( 16,854)	( 101,524)	50,541
<b>Other operating income</b>		<u>18,608</u>	<u>5,494</u>	<u>24,102</u>	<u>35,301</u>
<b>Operating loss</b>	3	( 66,062)	( 11,360)	( 77,422)	85,842
<b>Exceptional item</b>	5	<u>-</u>	<u>( 175,226)</u>	<u>( 175,226)</u>	<u>( 144,485)</u>
<b>Loss on ordinary activities before interest</b>		( 66,062)	( 186,586)	( 252,648)	( 58,643)
<b>Interest payable</b>	6			<u>30,184</u>	<u>45,279</u>
<b>Loss on ordinary activities before taxation</b>				( 282,832)	( 103,922)
<b>Taxation</b>	7			<u>( 693)</u>	<u>255</u>
<b>Loss on ordinary activities after taxation</b>	16			<u>£( 283,525)</u>	<u>£( 103,667)</u>

Discontinued operations refer to the results attributable to the Wigan and Rochdale Forecourt Sites which were sold during the year

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

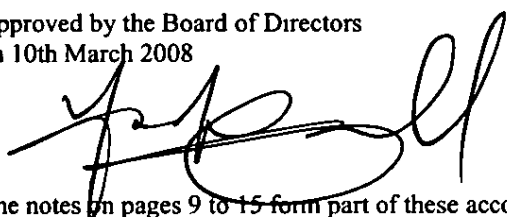
The notes on pages 9 to 15 form part of these accounts

# COOKE PETROLEUM LIMITED

## Balance Sheet 30th June 2007

	Notes	2007	2006
<b>Fixed assets</b>			
Tangible assets	9	2,218,972	3,220,017
<b>Current assets</b>			
Stocks	10	132,789	264,712
Debtors	11	158,023	231,936
Cash at bank and in hand		<u>50,382</u>	<u>76,986</u>
		341,194	573,634
<b>Creditors</b>			
Amounts falling due within one year	12	<u>2,733,772</u>	<u>3,313,738</u>
<b>Net current liabilities</b>		<u>(2,392,578)</u>	<u>(2,740,104)</u>
<b>Total assets less current liabilities</b>		( 173,606)	479,913
<b>Creditors</b>			
Amounts falling due after more than one year	13	<u>293,744</u>	<u>663,738</u>
		£( 467,350)	£( 183,825)
<b>Capital and reserves</b>			
Called up share capital	15	172,000	172,000
Revaluation reserve	16	495,370	495,370
Profit and loss account	16	<u>(1,134,720)</u>	<u>( 851,195)</u>
<b>Total shareholders' funds</b>	17	£( 467,350)	£( 183,825)
<b>Attributable to:</b>			
Equity shareholders		( 617,350)	( 333,825)
Non-equity shareholders		<u>150,000</u>	<u>150,000</u>
		£( 467,350)	£( 183,825)

Approved by the Board of Directors  
on 10th March 2008



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 2007

### Reconciliation of operating loss to net cash outflow from operating activities

	2007	2006
Operating loss	( 77,422)	85,842
Depreciation charges	37,633	58,834
Decrease in stocks	131,923	6,599
Decrease in debtors	73,913	75,545
Decrease in creditors	(505,733)	(160,844)
<b>Net cash outflow from operating activities</b>	<b>£(339,686)</b>	<b>£ 65,976</b>

### Cash flow statement

Net cash outflow from operating activities	(339,686)	65,976
Net cash inflow from the sale fixed assets	788,185	252,947
Returns on investments and servicing of finance (note 1)	( 30,184)	( 45,279)
Tax paid	( 579)	( 56,830)
Capital expenditure (note 1)	-	( 82,700)
Financing (note 1)	(429,994)	(234,995)
<b>Decrease in cash (note 2)</b>	<b>£( 12,258)</b>	<b>£(100,881)</b>

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

Decrease in cash in the year	( 12,258)	(100,881)
Cash outflow from decrease in debt	<u>429,994</u>	<u>234,995</u>
Movement in net debt in the year	417,736	134,114
Net debt at 30th June 2006	(836,093)	(970,207)
<b>Net debt at 30th June 2007</b>	<b>£(418,357)</b>	<b>£(836,093)</b>



# COOKE PETROLEUM LIMITED

## Notes to the Cash Flow Statement

<b>Note 1 - Gross cash flows</b>	<b>2007</b>	<b>2006</b>
Returns on investments and servicing of finance		
Interest paid	<u>£30,184</u>	<u>£45,279</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>£ -</u>	<u>£82,700</u>
Financing		
Net loan repayments	<u>£429,994</u>	<u>£234,995</u>

## Note 2 – Analysis of changes in net debt

	<b>At 30th June 2006</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>At 30th June 2007</b>
Cash in hand and at bank	76,986	( 26,604)	-	50,382
Overdrafts	<u>( 14,346)</u>	<u>14,346</u>	<u>-</u>	<u>-</u>
	62,640	( 12,258)	-	50,382
Debt due within one year	(234,995)	234,995	(174,995)	(174,995)
Debt due after one year	<u>(663,738)</u>	<u>194,999</u>	<u>174,995</u>	<u>(293,744)</u>
	<u>£(836,093)</u>	<u>£417,736</u>	<u>£ -</u>	<u>£(418,357)</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 resources will be available. 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 loss

The operating loss is stated after crediting

	2007	2006
Net rental income	4,000	4,000
Commission and advertising	<u>20,102</u>	<u>31,301</u>
	24,102	35,301
And after charging	<u>          </u>	<u>          </u>
Directors' remuneration (note 4)	-	-
Auditors' remuneration	4,600	4,500
Equipment hire	-	48
Depreciation	<u>37,633</u>	<u>58,834</u>

# COOKE PETROLEUM LIMITED

## Notes to the Accounts

### 4. Staff costs

	2007	2006
Wages and salaries	319,293	409,222
Social security costs	22,978	28,567
Other pension costs	<u>1,586</u>	<u>2,320</u>
	<u>£343,857</u>	<u>£440,109</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

	2007	2006
Administration	5	8
Sales	<u>30</u>	<u>40</u>
	35	48
	<u>—</u>	<u>—</u>

### 5. Exceptional item

	2007	2006
Loss on disposal of forecourt sites	<u>£175,226</u>	<u>£144,485</u>

The exceptional item during the year ended 30th June 2007 arose following the disposal of the forecourt sites at Rochdale and Wigan

### 6. Interest payable

	2007	2006
On bank loans and overdrafts	<u>£30,184</u>	<u>£45,279</u>

### 7. Tax on loss on ordinary activities

	2007	2006
<b>a. Analysis of charge in year</b>		
Current tax		
UK corporation tax based on the results for the year at 19% (2006 19%)	693	590
Overprovision in prior year	<u>—</u>	<u>( 845)</u>
	<u>£ 693</u>	<u>£( 255)</u>

# COOKE PETROLEUM LIMITED

## Notes to the Accounts

### 7. Tax on loss on ordinary activities [continued]

	2007	2006
<b>b. Factors affecting current tax charge</b>		
Loss on ordinary activities before taxation	£(282,832)	£(103,922)
Loss on ordinary activities by rate of tax	(53,738)	( 19,745)
Depreciation in excess of capital allowances	17,381	37,705
Capital loss not relievable	69,737	-
Utilisation of losses brought forward	(32,696)	( 17,247)
Overprovision in prior year	-	( 845)
Adjustment to reflect effective rate of tax	9	( 94)
	<u>£ 693</u>	<u>£( 255)</u>

### 8 Dividends

The dividend due on the preference shares of £12,000 (2006 £12,000) for the year has been waived

### 9. Tangible fixed assets

	Plant and machinery	Freehold land and buildings	Total
<b>Cost or valuation</b>			
At 30th June 2006	611,962	2,983,391	3,595,353
Disposals	(237,752)	( 894,958)	(1,132,710)
At 30th June 2007	<u>374,210</u>	<u>2,088,433</u>	<u>2,462,643</u>
At cost	374,210	588,433	962,643
At valuation - 30th November 1998	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
	<u>£374,210</u>	<u>£2,088,433</u>	<u>£2,462,643</u>
<b>Depreciation</b>			
At 30th June 2006	375,336	-	375,336
Charge for year	37,633	-	37,633
Released on disposals	(169,298)	-	(169,298)
At 30th June 2007	<u>£243,671</u>	<u>£ -</u>	<u>£243,671</u>
<b>Net book value</b>			
At 30th June 2007	<u>£130,539</u>	<u>£2,088,433</u>	<u>£2,218,972</u>
At 30th June 2006	<u>£236,626</u>	<u>£2,983,391</u>	<u>£3,220,017</u>

# COOKE PETROLEUM LIMITED

## Notes to the Accounts

### 9. Tangible fixed assets [continued]

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

	2007	2006
Goods for resale	£132,789	£264,712

### 11. Debtors

	2007	2006
Trade debtors	106,591	137,617
Prepayments	38,060	73,110
Other debtors	13,372	21,209
	£158,023	£231,936

### 12. Creditors - amounts falling due within one year

	2007	2006
Bank loans and overdrafts	174,995	249,341
Corporation tax	693	590
Trade creditors	846,308	1,131,412
Amounts owed to related company	1,634,212	1,855,093
Other taxes and social security costs	40,391	36,678
Accruals	37,173	40,624
	£2,733,772	£3,313,738

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

	2007	2006
Bank loans	£293,744	£663,738
<b>Maturity of debt</b>		
In one year or less	174,995	234,995
Between one and two years	174,995	234,995
Between two and five years	118,749	428,743
Over five years	-	-
	£468,739	£ 898,733

# 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 2013 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 £33,000 arising on the potential gain of revalued assets

### 15. Share capital

	2007	2006
<b>Authorised</b>		
<b>Equity shares</b>		
200,000 ordinary shares of £1 each	200,000	200,000
<b>Non-equity shares</b>		
150,000 preference shares of £1 each	<u>150,000</u>	<u>150,000</u>
	<u>£350,000</u>	<u>£350,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity shares</b>		
22,000 ordinary shares of £1 each	22,000	22,000
<b>Non-equity shares</b>		
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 2007

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 2006	( 851,195)	495,370
Loss for the year	( 283,525)	-
At 30th June 2007	£(1,134,720)	£495,370

### 17. Reconciliation of movement in shareholders' funds

	2007	2006
Loss for the year	(283,525)	(103,667)
Opening shareholders' funds	(183,825)	( 80,158)
Closing shareholders' funds	£(467,350)	£(183,825)

### 18. Capital commitments

There were no capital commitments at 30th June 2007 (2006 £ Nil)

### 19. Related party disclosures

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

The company made purchases totalling £13,630 (2006 £71,821) and sales totalling £2,447,565 (2006 £2,245,734) with group companies of Cooke Holdings Limited. The creditor outstanding at the year end, inclusive of total advances was £1,634,212 (2006 £1,888,230) in respect of Samuel Cooke & Co Limited, a member of the Cooke Holdings Limited group