



# GNE GROUP PLC

Annual Report and Accounts 2007

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# Directors and Advisers

## **Directors**

D C Port FCMA – *Chairman*

D L Woods – *Chief Executive*

I Falconer CA (SA) – *Finance Director*

J G West FCA – *Non-Executive Director*

C H Glass – *Non-Executive Director*

## **Secretary and registered office**

I Falconer CA (SA)

4 Lancaster Court

Coronation Road

Cressex Business Park

High Wycombe

Buckinghamshire HP12 3TD

## **Auditors**

Mazars LLP

Tower Bridge House

St Katharine's Way

London E1W 1DD

## **Nominated Adviser and Broker**

Seymour Pierce Limited

20 Old Bailey

London EC4M 7EN

## **Solicitors**

Berwin Leighton Paisner LLP

Adelaide House

London Bridge

London EC4R 9HA

## **Financial Public Relations**

Abchurch Communications Limited

100 Cannon Street

London EC4N 6EU

## **Registrars**

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire HD8 0LA

## **Company Number**

1816510

## Chairman's Statement

The results for the year to 31 December 2007 are the first since the Group was restructured in December 2006. As such they now only include the trading of the Group's wholly owned subsidiary Petrol Express Limited without the distortions of some of the previously owned minority interests in steel and gas distribution which have now all been disposed of.

Turnover at £166,659,000 is slightly down (1.0%) on last year reflecting the fact that some of the Group's smaller, less profitable sites were either closed down, ready for re-development or sold to reduce debt. Profits after tax, however, increased by £644,000 to £872,000 (up 282%) as margins in both the shops and petrol retailing improved. A resolution is to be put to the forthcoming Annual General Meeting seeking shareholders' approval for the payment of a final dividend of 1.0 pence per Ordinary Share for the financial year ended 31 December 2007. Conditional upon approval by shareholders of the final dividend at the Annual General Meeting this is expected to be paid on 18 July 2008 to shareholders on the register on 20 June 2008.

Towards the end of the year the Group acquired 10 new petrol stations bringing the number of operational sites to 63. The new sites are branded Esso and BP and on average enjoy higher sales volumes per site than some of the Group's existing portfolio.

During the year the Board of Directors ("the Board") said goodbye to Lord Chandos who stood down as a Non-Executive Director after many years of providing solid and valuable advice. The whole Board joins with me in thanking him for his contribution and in wishing him well for the future. His position has been filled by Colin Glass, a high profile retail specialist, who brings new skills and experience to the Board. We look forward to working with Colin over the coming years.

On 18 April 2008, the Group released an announcement stating that the Board had noted that day a rise in the share price of the Group. The Board confirmed that it was in discussions, which may or may not lead to an offer for the Group, and that the Board would continue to evaluate all possible options to deliver value to shareholders. A further announcement will be made in due course, as appropriate.

2008 is expected to see further growth as the full year effect of the new sites impacts on the results. New retail initiatives such as the redevelopment of Mabon and the opening of a number of new off-licences will also help to improve the Group's performance.

The number of petrol stations in the United Kingdom continues to decline therefore those that remain will benefit from increased sales. It is interesting to note that with petrol and diesel prices at an all time high there has been no perceivable impact on volumes.

The future for this sector is encouraging, freehold values of sites are still increasing in spite of an otherwise difficult property market and overall performance of the Group is improving. The Board therefore look forward to 2008 with some confidence.

**David Port**

*Chairman*

22 May 2008

## Chief Executive's Review

2007 has been a year of consolidation and growth for the Company. Turnover at £166,659,000 was down slightly (2006 – £168,289,000), reflecting the sale or closure of a small number of smaller and less profitable sites. Operating profit for the year however increased to £1,468,000 (2006 – £936,000). During the year the Group's property portfolio was fully re-valued showing a gross increase of £718,000. Net assets at £24,031,000 are £1.71 per share (2006 – £22,326,000 were £1.61 per share).

During the year the Group closed two sites. One for re-development and the other as it reached to the end of its lease. A further two sites have also been sold, one, a closed site which has not traded for nine years and the other as a result of a compulsory purchase order to make way for the new Olympic village.

Planning permission for developing larger forecourts and convenience stores on existing sites has been achieved on six sites and alternative use planning has been achieved on three sites.

Towards the end of the financial year 10 new sites were acquired. All 10 sites are trading well and have large well run convenience stores. By acquiring these 10 sites the Group has entered into supply deals with both BP and Esso. The Group is particularly delighted to be working with these new suppliers which, alongside our existing fuel supplier Texaco, gives the Group a good mix of major refiners.

### **Petrol Retail**

Petrol Express Limited continued to perform well in 2007 producing profits before tax of £1,235,000. Which was better than both, previous year and budget. The continued micro management of fuel margins, stocks and shop margins has continued to give the company an unrivalled performance in the industry. The continuing decline in the number of petrol filling stations in the United Kingdom results in additional volumes and sales being transferred to those sites remaining in the industry. Petrol Express Limited will also benefit from this.

### **Fuel Services**

Fuel Up Limited and its subsidiary National & European Fuel Services Limited continued to grow during the financial year. Margins improved in the year and these two subsidiary companies continue to make a positive and welcome contribution to the Group's profits.

### **Property Investments**

During the year, two properties, which were both former petrol filling stations, have been developed for alternative use. Working with our joint venture partner (Birkdale Developments Limited) the first at Stockton-on-Tees was completed with all three retail units either let or in final negotiations to be let. The six apartments were completed and are on the market either for sale or to rent.

A second site in Cheadle is being developed into a 3,000 sq ft convenience store which is subject to a pre-let to a leading supermarket group and will be completed by mid 2008.

A second joint venture partner (Edgewest Group) obtained planning permission for a store development at the Group's Hampton Hill site. This development will proceed in 2008. Edgewest Group have negotiated a pre-let with another leading supermarket group for one unit and negotiations are underway for a quality restaurant group to take up tenancy of the second unit once the development is complete in 2008.

**Conclusion**

The Group's performance in 2007 has been above expectations with both, profitability and overheads moving in the right direction. Staff morale is at an all time high and everyone within the organisation is enthusiastic and very pleased to see the Group acquiring new sites and growing rapidly.

I would like to take this opportunity to thank the management and staff of the Company for all their hard work, enthusiasm and support during 2007 and I look forward to working with them all in 2008.

**Dennis Woods***Chief Executive*

22 May 2008

# Directors' Report

The Directors have pleasure in presenting their report on the affairs of the Group, together with the audited financial statements, for the year ended 31 December 2007

## Principal activities and business review

The principal activity of the Group during the year under review was that of owning and operating of petrol stations and fuel card businesses

Further details of the business and future developments are given in the Chairman's Statement and Chief Executive's Review on pages 3, 4 and 5, respectively

## Change of name

On 18 June 2007, the Company changed its name to GNE Group plc from Global Natural Energy plc

## Results and dividend

The consolidated profit after taxation and minority interest for the year amounted to £872,000 (2006 – £1,188,000 – restated) An interim dividend of 0.5p per share was paid on 9 November 2007 to shareholders on the register at 12 October 2007 Subject to shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 1.0p per share is expected to be paid on 18 July 2008 to shareholders on the register on 20 June 2008

## Issue of shares

On 3 April 2007, options over 100,000 ordinary shares of 25p each ("Ordinary Share") were exercised by a former Director and employee at a price of 40p per Ordinary Share On 11 June 2007, options over 150,000 Ordinary Shares were exercised by a former Director and employee at a price of 40p per Ordinary Share

## Annual General Meeting

Resolutions will be proposed at the Annual General Meeting as set out in the formal notice on pages 55 to 58 The following explanatory notes relate to Resolutions numbered 7 to 11, which will constitute Special Business

- (i) Resolution 7 – The Companies Act 1985 provides that the Directors may not issue new shares of the Company unless authorised to do so by the shareholders The Directors currently have a general authority to allot unissued shares of the Company, but this authority expires on the conclusion of the Annual General Meeting Resolution 7 is to be proposed as an Ordinary Resolution to renew the Directors' authority and to permit the issue of ordinary shares up to an aggregate nominal value of £1,174,522, which represents approximately one third of the present issued share capital This authority shall expire (except in respect of commitments which have been made but not fulfilled) on the conclusion of the Annual General Meeting of the Company to be held in 2009 The granting of this authority will ensure that the board is able to maintain a degree of flexibility for the issue of shares without the need to obtain shareholders' consent on each occasion Other than fulfilling the Company's obligations under its Executive Share Option Scheme, the Directors have no present intention of exercising this authority
- (ii) Resolution 8 – If new shares are to be issued by the Company for cash, the Companies Act requires that the new shares first be offered to existing shareholders in proportion to their holdings, unless shareholders otherwise agree This Special Resolution is to be proposed for the renewal of the Directors' current power to allot relevant securities for cash without first offering

those shares to existing shareholders in proportion to their existing shareholdings and is limited to the issue of shares in connection with rights issues, upon the exercise of share options under the Company's Executive Share Option Scheme and otherwise up to a maximum nominal value of £176,178 (representing approximately 5.0% of the nominal value of the Company's issued share capital). Such power shall expire (except in respect of commitments which have been made but not fulfilled) on the conclusion of the Annual General Meeting of the Company to be held in 2009.

- (iii) Resolution 9 – The Company's Articles of Association permits the purchase of the Company's own shares subject to obtaining shareholders' approval. The Directors consider that there may be circumstances in which it would be desirable for the Company to purchase its own shares in the market. For example, in certain circumstances, the price in the market may represent a substantial discount to the price which the Directors consider to be a fair reflection of the Company's value. Purchases would only be made if their effect would be expected to improve earnings per share and if the Directors consider such purchases to be in the best interests of shareholders generally.

Accordingly, Resolution 9 is to be proposed as a Special Resolution to renew the general authority of the Directors to purchase up to a maximum of 704,713 ordinary shares in the market (representing approximately 5.0% of the Company's issued ordinary share capital) at or between the minimum and maximum prices specified in Resolution 9. Any shares purchased under this authority would be cancelled and the number of shares in issue would be reduced accordingly. If granted, the authority will expire (except in respect of commitments which have been made but not fulfilled) on the conclusion of the Annual General Meeting to be held in 2009, where the Directors anticipate seeking its renewal. This Resolution represents the renewal of a similar Resolution approved at the 2007 Annual General Meeting, since the date of which no ordinary shares have been purchased by the Company.

- (iv) Resolution 10 and 11 – These special resolutions are to amend the Articles of Association of the Company principally as a result of the Companies Act 2006 (the "Act"). The following is an explanation of the changes proposed.

#### *1 Approach*

Provisions in the Company's current articles of association (the "Current Articles") which replicate provisions contained in the Act are in the main to be removed in the new articles of association (the "New Articles"). This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution, for example the requirement to keep accounting records. The main changes made to reflect this approach are detailed below.

#### *2 Convening general meetings*

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings have been removed in the New Articles because the relevant matters are provided for in the Act. In particular, a general meeting, which is not an annual general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

#### *3 Proxies and votes of members*

Under the Act proxies are entitled to speak and may also vote on a show of hands (whereas under the Current Articles a member present only by proxy shall not have a vote on a show of hands). The time limits for the appointment or termination of a proxy appointment have been altered by



## Directors' Report *continued*

the Act so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect all of these new provisions.

### 4 *Corporate representatives*

Under the Act multiple corporate representatives may be appointed. The relevant provisions in the Act have provoked much debate and there is still uncertainty and differing views on the legal interpretation of them. The article providing for the appointment of corporate representatives has therefore been removed in the New Articles.

### 5 *Conflicts of interest*

The Act sets out directors' general duties which largely codify the existing law but with some changes. Under the Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

### 6 *Directors' age limit*

Reference to a director being exempt from disqualification by virtue of him attaining the age of 70 years has been removed from the New Articles, as the exemption is no longer necessary due to the provisions in the Companies Act 1985 having been repealed.

### 7 *Records to be kept*

The provision in the Current Articles requiring the board to keep accounting records has been amended to refer to the Act requirements.

#### 8 *Electronic and web communications*

Provisions of the Act which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

#### 9 *Directors' indemnities and funding of defence proceedings*

The Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

### **Directors**

The Directors of the Company, who served throughout the year, except where otherwise shown, are as follows:

D C Port FCMA – *Chairman and Chief Executive* (to 26 February 2007)

D L Woods – *Executive Director and Chief Executive* (from 26 February 2007)

I Falconer CA (SA) – *Finance Director*

J G West FCA – *Non-Executive Director*

Lord Chandos – *Non-Executive Director* (resigned 6 November 2007)

On 26 February 2008, C H Glass was appointed a Non-Executive Director of the Company.

In accordance with the Company's Articles of Association, the following Director retires and, being eligible, offers himself for re-election:

David Port has a Service Agreement which is terminable on twelve month's notice.

Ian Falconer has a Service Agreement which is terminable on twelve month's notice.

Colin Glass is appointed on a fixed term to expire at the Annual General Meeting to be held in 2011 terminable on three month's notice.

## Directors' Report *continued*

Details of the Executive Directors are as follows

**David Port**, aged 61, Chairman. He has over twenty years experience in the energy sector. He was formerly chief executive of British Fuels Limited, a major distributor of coal, oil and gas throughout the United Kingdom and Northern Ireland. Currently he is non-executive chairman of ATH Resources plc an opencast coal mining business, non-executive director of Voller Group PLC, an energy cell business, non-executive director of WMT Limited a nuclear waste consultancy business and non-executive chairman of Leach Colour Limited a graphical reproduction company.

**Dennis Woods**, aged 55, Chief Executive, with a career of thirty years in the energy industry. He was chairman and chief executive of his family company, British Benzol plc, which was founded in 1972 as Pronto Heating Oil, until he disposed of his interest in that company in February 2003.

**Ian Falconer**, aged 50, Finance Director, was formerly with Deloitte & Touche, Chartered Accountants. He qualified as a Chartered Accountant in South Africa in 1986 and joined the Company in 1996, where he was appointed Finance Director in June 1997.

### Non-Executive Directors

**Jimmy West**, aged 61, senior Non-Executive Director, was formerly a managing director of Lazard Brothers and Co Ltd and prior to that was managing director of Globe Investment Trust plc. He is currently non-executive chairman or director of a number of public and private companies.

**Colin Glass**, aged 51, Non-Executive Director. He has thirty years of consumer business experience and has worked with some of the biggest retailers in the United Kingdom including Boots, DSG International plc and Arcadia plc. He then went on to become chief executive of the food group Watson and Philip plc and was also a non-executive director of Oasis Stores plc. Until recently, he was chairman of PhotoBox Limited, the United Kingdom's number one destination for online photo sharing, storing and printing. He is currently also non-executive chairman or director of a number of private companies and a NHS Foundation Trust.

### Directors' Interest

The beneficial interests of the Directors at 31 December 2007 in the shares of the Company were as follows:

	31 December 2007 Ordinary shares of 25p each	1 January 2007 Ordinary shares of 25p each
D C Port	6,000	1,000
D L Woods	79,500	5,000
I Falconer	1,166	1,166
J G West – Note 1	24,866	24,866

Note 1 10,000 of the shares disclosed under J G West are held by his wife.

D L Woods purchased 10,500 shares on 7 January 2008 and purchased a further 10,000 shares on 9 January 2008. There have been no other changes in Directors' interests in the ordinary share capital of the Company since 31 December 2007.

### Share options

The options over ordinary shares outstanding at 31 December 2007 under the Executive Share Option Scheme are disclosed in the Corporate Governance Report on page 19 and in note 23 to the financial statements.

**Transactions with Directors**

Details of contracts with related parties are set out in note 31 to the financial statements

**Directors and officers liability insurance**

During the period, the Company and Group continued to purchase liability insurance for Directors and officers as permitted by the Companies Act 1985

**Environmental matters**

The Group undertakes a review of environmental matters prior to proceeding with an investment. Once the investment is made, the environmental implications are monitored on a regular basis and where necessary improvements are proposed.

**Employees**

The Group's policy is to give full and fair consideration to the recruitment of disabled persons having regard to their particular aptitudes and abilities. Appropriate training will be arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

The Group's personnel policies ensure that all its employees are made aware on a regular basis of the Group's policies, programmes and progress and that they are consulted on a regular basis on decisions taken which are likely to affect their interests. The Group encourages the involvement of employees in the Group's performance through an Executive Share Option Scheme.

**Financial Risk Management**

The Company and the Group's operations expose them to a variety of financial risks that include the effects of changes in market prices of commodities, credit risks, liquidity risk and interest rate risk. The Company and Group have in place a risk management programme that seeks to limit the adverse effect on the financial performance of the Company and Group by monitoring levels of debt finance and the related finance costs. The Group has in place an interest rate cap protecting the Group from excessive interest rates.

Given the size of the Company and Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The Company and Group's finance departments implement the policies set by the Board of Directors.

**Price risk**

The Company and Group are exposed to commodity price risk as a result of their operations. Given the size of the Company and Group, the cost of managing exposure to commodity price risk is considered to exceed the potential benefits. The Directors will revisit the appropriateness of this policy should the Company and Group's operations change in size or nature. The Company and Group have no exposure to equity securities price risk as they hold no material listed or other equity investments, other than subsidiary and associated undertakings.

**Credit risk**

The Company and Group have implemented policies that require appropriate credit checks on potential customers before new accounts are accepted. Where debt finance is utilised, this is subject to pre-approval by the Board of Directors and such approval is limited to financial institutions with a high rating.

## Directors' Report *continued*

A credit insurance policy is in place to minimise the effects of bad debts

The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the Board

### ***Liquidity risk***

The Company and Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company and Group have sufficient available funds for operations and planned expansions

### ***Interest rate cash flow risk***

The Company and Group have both, interest bearing assets and liabilities. Interest bearing assets include only cash balances that earn interest at a fixed rate over LIBOR

The Company and Group hold debt at a fixed rate over LIBOR, however the Company and Group have in place an interest rate cap to ensure the certainty of these future cash outflows. The Directors will revisit the appropriateness of this policy should the Company and Group's operations change in size or nature

### ***Creditor payment policy***

The Group's policy is normally to pay trade creditors according to agreed terms of business. These terms are usually agreed with the trade creditors before they provide the goods or services. The Group's policy is to adhere to the payment terms providing the relevant goods or services have been supplied in accordance with the agreements. The Group's creditor days in 2007 were twenty two days (2006 – nineteen days). The Company had no trade creditors at the year end (2006 – none)

### ***Substantial shareholdings***

On 22 May 2008 the Company was aware of the following interests in 3% or more of the Company's ordinary share capital

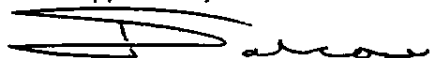
	Number of Ordinary shares	%
Vaimed Enterprises Limited	3,065,000	21.7
M Vairman	2,132,676	15.1
Firebird Global Master Fund Ltd and Firebird Global Master Fund II Ltd	1,597,050	11.7
A B Usmanov	772,207	5.5
Lord Alliance	527,165	3.7
Whitland Employee Trust	466,667	3.3
M Cronk	431,000	3.0

The Whitland Employee Trust is a discretionary trust for the benefit of A A Ugarov, a former Director, and other Russian based individuals, none of whom is employed by or otherwise connected with the Company

**Auditors**

Mazars LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board



**I Falconer CA (SA)**

*Company Secretary*

4 Lancaster Court  
Coronation Road  
Cressex Business Park  
High Wycombe  
Buckinghamshire HP12 3TD

22 May 2008

# Corporate Governance

## **Corporate governance**

There is a commitment to high standards of corporate governance throughout the Group and the board intend so far as practicable given the Company's size, to support the principles set out in Section 1 of the Combined Code ("the Code") that was formally adopted in July 2003 by the Financial Services Authority, as modified by the recommendations of the Quoted Companies Alliance. However, as the Company is no longer fully listed it is not therefore required to comply with the Code. The following represent the principal departures from the provisions of the Code.

No formal training is provided to Directors on the first occasion that they are appointed to the Board. Discussions are held between the new Director and the Company Secretary during which the new Director is provided with written documentation concerning his or her responsibilities as a director of a listed company. On the appointment of any future Directors, if the Company considers it necessary to provide the new Director with formal training, appropriate arrangements will be made. Although not formally required in accordance with the Articles of Association, the Board has resolved that all Directors will be subject to re-election by rotation every three years. All Directors are subject to election by the shareholders at the first Annual General Meeting after their appointment.

## **Board of Directors**

The Company is controlled through the Board of Directors, which during the majority of the year ended 31 December 2007 comprised of three Executive Directors, and two Non-Executive Directors both of whom are considered by the Board to be independent. J G West is the senior Non-Executive Director. The biographies of all the Directors are set out on page 10. The Chairman is primarily responsible for the efficient working of the Board and he ensures that all Directors receive sufficient relevant information on financial, business and corporate issues prior to meetings. The Chief Executive is responsible for the implementation of the strategy and policy set by the Board and the day-to-day management of the business.

The Board has a formal schedule of matters, which are specifically reserved for its decision. The Board is responsible for inter alia, overall Group strategy, acquisitions, disposals and capital expenditure, statutory matters, approval of financial statements, appointments and terminations of Directors, officers and auditors, appointment of committees and setting of terms of reference, review and approval of Group performance against budgets, approving risk management strategy and material contracts, and determining of authority levels within which management is required to operate.

The Board of Directors has agreed that, if necessary, a Director may in the furtherance of his duties seek independent professional advice at the Company's expense. Directors also have access to the advice and services of the Company Secretary. All Directors are subject to election by the shareholders at the first Annual General Meeting after their appointment. Although not formally required in accordance with the Articles of Association, the Board has resolved that all Directors will be subject to re-election by rotation at least every three years. No Executive Directors have a contract of service of more than twelve months' duration.

The Board has established three standing committees – the Audit Committee, Remuneration Committee and Nominations Committee. The Committees operate within separate defined terms of reference.

### **Remuneration Committee**

The Remuneration Committee comprises the senior Non-Executive Director, J G West (Chairman), Lord Chandos as a Non-Executive Director, until his resignation on 6 November 2007 and C H Glass since his appointment as Non-Executive Director on 26 February 2008

The Committee meets at least twice a year to consider and determine the remuneration, whether by way of salary or otherwise, of the Executive Directors. The Chairman attends the meetings of the Committee to discuss the performance of other Executive Directors and makes proposals as necessary, but he is not present when his own remuneration is being considered. The Committee has access to professional advice from inside and outside the Company. The Report of the Board to the shareholders on Directors' Remuneration is set out on pages 16 to 19 and includes details of the Directors' service contracts.

### **Relations with Shareholders**

There is regular dialogue with institutional and individual shareholders. The Company responds promptly to inquiries received orally or in writing from individual shareholders on a variety of topics. The Chairman of the Company, and the Chairman of the Audit, Remuneration and Nominations Committees attend the Annual General Meeting and are available to attend enquiries.

### **Accountability and Audit**

Detailed reviews of the performance and financial position of the Group are included in the Chairman's Statement and Chief Executive's Review on pages 3, 4 and 5, respectively. The Directors' responsibilities for the financial statements are described on page 20.

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and the system can only provide reasonable and not absolute assurance against material misstatement or loss. There is an ongoing process for identifying, evaluating and managing the Group's significant risks in accordance with "Internal Control Guidance for Directors" (the Turnbull Guidance). The Board has considered and reviewed the risks to the Group and the principal features of the Group's system of internal control are as follows:

An established management structure comprising the Board, with its committees, and senior managers.

As might be expected in a Group of this size, which is highly entrepreneurial, a key control procedure is the day-to-day involvement of the Chairman, Chief Executive and Finance Director.

The Board reviews quarterly financial and management information for the Group and each of the operating companies and receives regular reports from the Chief Executive and other Executive Directors. It also undertakes, inter alia, a detailed review of major transactions and approves new investments.

Annual budgets are prepared for each of the operating companies, which are reviewed and approved, and then compared against actuals.

All material new contracts are reviewed and approved before they are signed. The vast majority of the Group's customers pay in cash or by credit card. Credit insurance is used to mitigate the risk of irrecoverability of the major portion of trade debtors. The Group's policies and procedures are regularly reviewed and approved.



## Corporate Governance *continued*

The Group engages the services of a firm of independent stock auditors, who, with no advance notification, routinely visit the petrol stations and undertake physical verification of dry stocks. The Group receives written reports as to their findings and any material discrepancies are investigated by the management. The accounting and back office functions of the Group's main operating subsidiary are contracted out to an independent provider of accounting services. The Board has, after considering these arrangements, the size of the Group and the nature of its operations, concluded that it would not be cost beneficial to have an internal audit function.

### **Audit Committee**

The Audit Committee comprises solely Non-Executive Directors. The senior Non-Executive Director, J G West, is the Committee Chairman, and serves with Lord Chandos, until his resignation as a Non-Executive Director on 6 November 2007 and C H Glass since his appointment as a Non-Executive Director on 26 February 2008. The Committee meets at least once a year. At the invitation of the Committee Chairman, the external auditors, Chairman, Chief Executive, Finance Director and other Executive Directors attend the meeting. The Committee oversees the monitoring of the Group's internal controls, accounting policies and financial reporting and other matters as may be required by the Board. J G West is a fellow of a professional accounting body and has recent and relevant financial experience.

### **Nominations Committee**

The Nominations Committee comprises solely Non-Executive Directors. The senior Non-Executive Director, J G West, is Committee Chairman and serves with Lord Chandos, until his resignation as a Non-Executive Director on 6 November 2007 and C H Glass since his appointment as a Non-Executive Director 26 February 2008. This Committee discusses and agrees any proposed nomination, which is then put forward for approval by the Board.

### **Report of the Remuneration Committee**

This Report does not constitute a Directors' Remuneration Report in accordance with The Directors' Remuneration Report Regulations 2002, which do not apply to the Company as its shares are traded on AIM.

### **Statement of Compliance**

The Company has applied the principles relating to Directors' Remuneration as described below.

### **Consideration of matters relating to Directors' remuneration**

The remuneration policy is set by the Board and is described below. Individual remuneration packages are determined by the Remuneration Committee within the framework of this policy. Directors who were members of the Remuneration Committee during the year ended 31 December 2007 were J G West (Committee Chairman), Lord Chandos, until his resignation as Non-Executive Director on 6 November 2007 and C H Glass since his appointment as Non-Executive Director on 26 February 2008.

The Remuneration Committee has access to independent advice where considered appropriate. No external advice was taken during the year.

The Company's policy is to remunerate the Executive Directors and management fairly in such a manner as to facilitate the recruitment, retention and motivation of suitably qualified personnel. The measurement of their performance and the determination of the annual remuneration package of

Executive Directors is undertaken by the Remuneration Committee. The main elements of the remuneration package are basic salary, bonus payment, benefits, pension contributions and share option incentives. The service agreement for each Executive Director comprises basic remuneration and in certain instances participation in pension arrangements, together with a component for bonus payments and share options. Bonus payments are awarded on a discretionary basis, and are determined by the Remuneration Committee in respect of performance.

The Committee believes that performance related remuneration is an essential motivation to management and staff, and its policy is to ensure that a material proportion of each Executive Director's overall remuneration is performance based.

The remuneration of Non-Executive Directors is determined by the Board, and details are set out below. No Director plays a part in any discussions about his own remuneration.

In respect of share options, the Committee believes that a key element of remuneration strategy should be the grant of share options through the Executive Share Option Scheme in order to align more closely the Executive Directors' interests with those of shareholders.

### Service agreements

The Company has service agreements with its Executive Directors of not more than twelve months. The service agreements also provide that the Directors are entitled to participate in the share option arrangements operated by the Company, and in certain instances are entitled to pension contributions (annual Company pension contributions are set out in the table on page 19).

Other benefits in certain instances include private medical insurance and the provision of either a Company car or a monthly car allowance (the rental value of the Company car or monthly car allowance are included in the table below under annual benefits).

Details of the service agreements currently in place for Directors are as follows:

	Annual salary £000	Annual benefits* £000	Annual bonus £000	Date of contract	Unexpired term	Notice period	Provision for compensation
D C Port	97	3	–	24 January 2008	–	12 months	–
D L Woods	233	21	–	24 January 2008	–	12 months	–
I Falconer	128	16	–	24 January 2008	–	12 months	–

\* Annual benefits consist primarily of Company car, car allowance and healthcare. If a Director elects to receive a car allowance in lieu of a Company car it is classified as annual benefits.

Subject to the notice requirements described above, there is no provision in the service agreements for compensation to be payable on early termination of the contract.

### Non-Executive Directors

Non-Executive Directors are appointed for fixed terms, normally for three years. The terms of appointment of the Non-Executive Directors are typically through a selection process to identify candidates who can bring to the Group the desired competence and skills.

## Corporate Governance *continued*

### Non-Executive Directors *continued*

The Board has identified several key competencies to complement the existing skill-set of the Executive Directors, as follows

- Experience of the UK Energy sector,
- Public company and corporate governance experience, and
- Commercial skills to complement those of the Executive Directors

The Company's policy is to ensure that Non-Executive Directors who are able to provide these key competencies are appointed to the Board

	Annual fee £000	Term of appointment	Expires
J G West	35	3 years	2010 AGM
C H Glass	25	3 years	2008 AGM

### Details of individual emoluments and compensation

The emoluments in respect of qualifying services and compensation of each person who served as a Director during the year were as follows

	Salary and fees £000	Bonus £000	Pension contributions £000	Benefits in kind £000	Total year ended 31 December 2007 £000	Total year ended 31 December 2006 £000
D C Port	99	-	-	2	101	65
Lord Owen						
– resigned 18 December 2006	-	-	-	-	-	70
A B Usmanov						
– resigned 31 March 2006	-	-	-	-	-	12
D L Woods	252	-	7	-	259	232
A F Moshiri						
– resigned 18 December 2006	-	-	-	-	-	59
I Falconer	129	-	19	1	149	162
J G West <sup>(1)</sup>	30	-	-	-	30	30
Lord Chandos <sup>(2)</sup>						
– resigned 6 November 2007	21	-	-	-	21	25
	<b>531</b>	<b>-</b>	<b>26</b>	<b>3</b>	<b>560</b>	<b>655</b>

#### Notes

- (1) J G West Director's fees for the year ended 31 December 2007 of £26,000 (2006 – £26,000) have been invoiced by Jimmy West Associates Limited, a company of which he is a director and shareholder and the balance of £4,000 (2006 – £4,000) has been paid as salary under the PAYE system
- (2) Lord Chandos Director's fees for the period up to 6 November 2007, the date he resigned as a Non-Executive Director, of £21,000 (year ended 31 December 2006 – £25,000) has been invoiced by Scopetime Limited a company of which he is a director but not a shareholder

The total emoluments, including pension contributions, of the highest paid Director, D L Woods, were £259,000 (2006 – £232,000)

Benefits receivable consist of private healthcare cover. No expense allowances or compensation for loss of office were paid in the year

## Pensions

The Company provides defined pension contributions to Directors

	Gross salary p a on which pension contributions made £000	% of gross salary	Contributions paid in the year ended 31 December 2007 £000	Contributions paid in the year ended 31 December 2006 £000
D L Woods	50	15	7	7
I Falconer	128	15	19	18
A F Moshiri – resigned 18 December 2006	–	–	–	10

The Company makes contributions to individual money purchase schemes for each of the relevant Directors. There are no unfunded pension promises or similar arrangements for Directors. Non-Executive Directors are not eligible for any pension arrangements.

## Share options

Details of share options of those Directors who served during the year are as follows

	Outstanding 1 1 07	Granted during year	Outstanding 31 12 07	Exercise price	Date of grant	First date of exercise	Final date of exercise
D C Port	–	64,000	64,000	102.5p	16.5.07	16.5.10	15.5.17
D L Woods	108,053	–	108,053	40p	13.9.02	13.9.05	12.9.12
D L Woods	–	64,000	64,000	102.5p	16.5.07	16.5.10	15.5.17
I Falconer	32,992	–	32,992	297p	15.7.98	15.7.01	14.7.08
I Falconer	25,000	–	25,000	150p	16.11.99	16.11.02	15.11.09
I Falconer	15,000	–	15,000	40p	13.9.02	13.9.05	12.9.12
I Falconer	25,000	–	25,000	280p	10.7.03	10.7.06	9.7.13
I Falconer	–	43,000	43,000	102.5p	16.5.07	16.5.10	15.5.17

On 3 April 2007, Lord Owen, who resigned as a Director and an employee on 18 December 2006 exercised options over 100,000 shares at an exercise price of 40p each. On 11 June 2007, A F Moshiri, who resigned as a Director and an employee on 18 December 2006 exercised options over 150,000 shares at an exercise price of 40p each.

The consideration for the grant of each of the above options was £1.00.

No performance criteria have been set for these share options as the Executive Share Option Scheme was established in 1996 before performance conditions became a normal requirement.

The market price of the Company's ordinary shares at 31 December 2007 was 87.5p and the highest and lowest market prices during the year were 107.5p and 76.5p respectively.

By order of the Board



**J G West FCA**

*Remuneration Committee Chairman*

22 May 2008

## Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the financial statements and the annual report 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 Group and parent company financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. In preparing these financial statements the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group for that period.

In preparing those 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,
- state that the financial statements comply with IFRSs as adopted by the European Union and IFRSs issued by IASB, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to Auditor**

- a) so far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- b) they have taken all the steps that they ought to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

# Independent Auditors' Report to the Shareholders of GNE Group plc

We have audited the Financial Statements of GNE Group plc for the year ended 31 December 2007, which comprise Group income statement, Group and Company balance sheets, Group and Company cash flow statements, Group and Company statement of changes in shareholders' equity and related notes, which have been prepared in accordance with 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 Annual report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union are set out in the Statement of Directors' responsibilities

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 Directors' Report is consistent with the Financial Statements. In addition, we report to you if the Company has not kept proper accounting records, if we have not received all the information we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed

We read other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Chairman and Chief Executive's Statements, the Directors' Report and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information

## **Basis of 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 Group and 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

# Independent Auditors' Report to the Shareholders of GNE Group plc *continued*

## **Opinion**

In our opinion

- The Financial Statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of Group's affairs as at 31 December 2007 and of the profit of the Group for the year then ended,
- The parent Company financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent Company's affairs as at 31 December 2007,
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' Report is consistent with the Financial Statements

  
**Mazars LLP**

Chartered Accountants  
Registered Auditors

Tower Bridge House  
St Katharine's Way  
London E1W 1DD

22 May 2008

Note The maintenance and integrity of the GNE Group plc's website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Consolidated Income Statement

Year ended 31 December 2007

	Note	2007 £000	Restated 2006 £000
<b>Revenue</b>			
Continuing operations		<b>163,969</b>	168,289
Acquisition of Bond Hamill Limited		<b>2,690</b>	–
	5,6	<b>166,659</b>	168,289
Cost of sales		<b>(162,831)</b>	(164,382)
<b>Gross profit</b>	5,6	<b>3,828</b>	3,907
Other income		–	52
Administrative expenses			
– before exceptional items		<b>(2,660)</b>	(3,534)
– exceptional items	6,7	<b>300</b>	511
		<b>(2,360)</b>	(2,971)
<b>Operating profit</b>			
Continuing operations		<b>1,379</b>	936
Acquisition of Bond Hamill Limited		<b>89</b>	–
<b>Group operating profit</b>	5,7	<b>1,468</b>	936
Share of associated undertakings' profits		<b>87</b>	326
Share of operating loss in joint ventures		<b>(3)</b>	(6)
Gain on sale of properties		<b>17</b>	79
Finance costs	8	<b>(642)</b>	(953)
Finance income		<b>101</b>	150
<b>Profit before taxation</b>	6	<b>1,028</b>	532
Taxation	9	<b>(156)</b>	(304)
<b>Profit after taxation</b>		<b>872</b>	228
Equity minority interest		–	960
<b>Profit for the year</b>		<b>872</b>	1,188
<b>Earnings per share</b>			
Basic	24	<b>6.3p</b>	10 0p*
Diluted	24	<b>6.2p</b>	9 8p

\*On a like for like basis, excluding the non-recurring equity minority interest, 2006 would have been 1 9 pence per share

The notes on pages 29 to 54 form part of these financial statements



# Consolidated Balance Sheet

As at 31 December 2007

	Note	2007 £000	Restated 2006 £000
<b>Non-current assets</b>			
Goodwill	11	2,012	1,438
Properties, plant and equipment	12	42,485	32,106
Trade investments	13	4	4
Net investment in associated undertakings	13	9	1,239
Joint venture undertakings	15		
– share of assets		1,241	357
– share of liabilities		(1,267)	(380)
Total non-current assets		44,484	34,764
<b>Current assets</b>			
Inventories	16	3,896	2,912
Trade and other receivables	17	3,875	3,678
Cash and cash equivalents		2,605	3,460
Total current assets		10,376	10,050
<b>Current liabilities</b>			
Financial liabilities – borrowings		(204)	(2,633)
Trade and other payables	18	(13,210)	(12,507)
Current tax liabilities		(200)	(251)
Total current liabilities		(13,614)	(15,391)
<b>Net current liabilities</b>		<b>(3,238)</b>	<b>(5,341)</b>
<b>Non-current liabilities</b>			
Financial liabilities – borrowings	19,20	(13,376)	(3,961)
Deferred tax liabilities	21	(3,839)	(3,136)
<b>Total non-current liabilities</b>		<b>(17,215)</b>	<b>(7,097)</b>
<b>Net assets</b>		<b>24,031</b>	<b>22,326</b>
<b>Equity</b>			
Share capital	23	3,523	3,460
Share premium account		13,382	13,345
Revaluation reserve		4,855	4,224
Share option reserve		401	370
Retained earnings		1,870	927
		24,031	22,326

The notes on pages 29 to 54 form part of these financial statements

These financial statements were approved by the Board of Directors on 22 May 2008

Signed on behalf of the Board of Directors D L Woods *Chief Executive*



# Company Balance Sheet

As at 31 December 2007

	Note	2007 £000	2006 £000
<b>Non-current assets</b>			
Investments – trade and associated undertakings	13	4	1,221
Investments – subsidiaries	14	14,337	13,947
Total non-current assets		14,341	15,168
<b>Current assets</b>			
Trade and other receivables	17	2,996	3,008
Cash and cash equivalents		556	263
Total current assets		3,552	3,271
<b>Current liabilities</b>			
Trade and other payables	18	(260)	(464)
<b>Net current assets</b>		<b>3,292</b>	<b>2,807</b>
<b>Net assets</b>		<b>17,633</b>	<b>17,975</b>
<b>Equity</b>			
Share capital	23	3,523	3,460
Share premium account		13,382	13,345
Share option reserve		401	370
Retained earnings		327	800
		17,633	17,975

The notes on pages 29 to 54 form part of these financial statements

These financial statements were approved by the Board of Directors on 22 May 2008

Signed on behalf of the Board of Directors D L Woods *Chief Executive*



# Consolidated Cash Flow Statement

Year ended 31 December 2007

	Note	2007 £000	Restated 2006 £000
Cash inflow from operating activities	25	392	529
Income tax paid		(172)	(145)
<b>Net cash generated from operating activities</b>		<b>220</b>	<b>384</b>
<b>Investing activities</b>			
Finance income		72	150
Proceeds/(expenses) on sale of associated undertaking		997	(25)
Associated undertaking's share buy backs		1,344	–
Purchase of property, plant and equipment		(2,422)	(319)
Proceeds on sale of property, plant and equipment		790	695
Loan repaid by associated undertaking		132	–
Acquisition of subsidiary including assumption of debt, net of cash acquired		(8,374)	–
Dividend received from associated undertaking		–	33
Disposal of subsidiary, net of cash disposed of		–	2,070
Purchase of further shares in subsidiary		–	(2,703)
<b>Net cash used in investing activities</b>		<b>(7,461)</b>	<b>(99)</b>
<b>Financing activities</b>			
Repayment of borrowings		(8,604)	(2,966)
Drawdown of borrowings		15,590	–
Proceeds on issue of shares		100	–
Finance costs		(556)	(579)
Dividend paid		(37)	–
Payment of debt issue costs		(107)	–
<b>Net cash generated/(used) in financing activities</b>		<b>6,386</b>	<b>(3,545)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(855)</b>	<b>(3,260)</b>
Cash and cash equivalents at beginning of year		3,460	6,720
<b>Cash and cash equivalents at end of year</b>		<b>2,605</b>	<b>3,460</b>

There are no material adjustments made to the cash flow presented under previous UK GAAP, except for layout

The notes on pages 29 to 54 form part of these financial statements

# Company Cash Flow Statement

Year ended 31 December 2007

	Note	2007 £000	2006 £000
Cash outflow from operating activities and net cash used in operating activities	25	<u>(855)</u>	<u>(823)</u>
<b>Investing activities</b>			
Finance income		2	73
Proceeds/(expenses) on sale of associated undertaking		997	(25)
Associated undertaking's share buy backs		1,344	–
Loan repaid by associated undertaking		132	–
Loans advanced to subsidiary undertaking		(1,390)	–
Disposal of subsidiary		–	2,074
Purchase of further shares in subsidiary		–	(3,203)
<b>Net cash generated/(used) in investing activities</b>		<u>1,085</u>	<u>(1,081)</u>
<b>Financing activities</b>			
Repayment of loan note		–	(551)
Proceeds on issue of shares		100	–
Finance costs		–	(1)
Dividend paid		(37)	–
<b>Net cash generated/(used) in financing activities</b>		<u>63</u>	<u>(552)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>293</u>	<u>(2,456)</u>
Cash and cash equivalents at beginning of year		<u>263</u>	<u>2,719</u>
<b>Cash and cash equivalents at end of year</b>		<u>556</u>	<u>263</u>

The notes on pages 29 to 54 form part of these financial statements

# Statement of Changes in Shareholders' Equity

Year ended 31 December 2007

Group	Share capital £000	Share premium £000	Revaluation reserve £000	Share option reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2006 – restated	2,836	10,969	431	268	314	14,818
Effect of change in basis of revaluing properties	–	–	3,779	–	(575)	3,204
Related deferred tax	–	–	(2,274)	–	–	(2,274)
As restated	2,836	10,969	1,936	268	(261)	15,748
Gain on revaluation of properties	–	–	2,946	–	–	2,946
Related deferred tax	–	–	(658)	–	–	(658)
	–	–	2,288	–	–	2,288
Profit for the year	–	–	–	–	1,188	1,188
Total recognised income and expense	–	–	2,288	–	1,188	3,476
Share-based payments	–	–	–	102	–	102
Issue of ordinary shares for acquisition consideration	624	2,376	–	–	–	3,000
<b>Balance at 1 January 2007 – restated</b>	<b>3,460</b>	<b>13,345</b>	<b>4,224</b>	<b>370</b>	<b>927</b>	<b>22,326</b>
Gain on revaluation of properties	–	–	718	–	–	718
Related deferred tax	–	–	54	–	–	54
	–	–	772	–	–	772
Profit for the year	–	–	–	–	872	872
Transfer revaluation reserve on disposal of properties in the year	–	–	(141)	–	141	–
Total recognised income and expense	–	–	631	–	1,013	1,644
Share-based payments	–	–	–	31	–	31
Payment of dividend (0.5p per ordinary share)	–	–	–	–	(70)	(70)
Issue of ordinary shares under employee share option scheme	63	37	–	–	–	100
<b>Balance at 31 December 2007</b>	<b>3,523</b>	<b>13,382</b>	<b>4,855</b>	<b>401</b>	<b>1,870</b>	<b>24,031</b>
<b>Company</b>		Share capital £000	Share premium £000	Share option reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2006 – restated		2,836	10,969	268	(75)	13,998
Profit for the year and total recognised income and expense		–	–	–	875	875
		2,836	10,969	268	800	14,873
Share-based payments		–	–	102	–	102
Issue of ordinary shares for acquisition consideration		624	2,376	–	–	3,000
<b>Balance at 1 January 2007 – restated</b>		<b>3,460</b>	<b>13,345</b>	<b>370</b>	<b>800</b>	<b>17,975</b>
Loss for the year and total recognised income and expense		–	–	–	(403)	(403)
Share-based payments		–	–	31	–	31
Payment of dividend (0.5p per ordinary share)		–	–	–	(70)	(70)
Issue of ordinary shares under employee share option scheme		63	37	–	–	100
<b>Balance at 31 December 2007</b>		<b>3,523</b>	<b>13,382</b>	<b>401</b>	<b>327</b>	<b>17,633</b>

Revaluation reserve is the aggregate unrealised gain, net of related deferred tax, on revaluing the properties. Share option reserve is the aggregate expense recognised for the fair value of share options granted to employees after the vesting period of the share options.

# Notes to the Financial Statements

Year ended 31 December 2007

## 1 General Information

The Company is a public company registered in England and Wales under the Companies Act 1985. The address of the registered office is 4 Lancaster Court, Coronation Road, Cressex Business Park, High Wycombe, Buckinghamshire HP12 3TD. The nature of the Company's operations is described in the Directors' Report attached hereto.

## 2 Changes in accounting principles

The accounting policies adopted are consistent with those of the previous financial periods except for

### (a) Adoption of IFRS

Previously the Company and its subsidiaries prepared the financial statements in accordance with UK GAAP. The Group elected to publish its first consolidated interim financial statements to 30 June 2007 under IFRS with its transition date to IFRS being 1 January 2006.

### (b) Introduction to IFRS – First time adoption

The rules for first time adoption of IFRS are set out in IFRS 1, First-Time Adoption of International Financial Reporting Standards. In general, selected accounting policies must be applied retrospectively in determining the opening balance sheet under IFRS. However, IFRS 1 allows a number of exemptions to this general principle.

## 3 Accounting policies

### Basis of preparation

IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. The financial statements have been prepared on the basis of the following exemptions:

- Business combinations, prior to 1 January 2006 have not been restated to comply with IFRS 3 "Business Combinations", and
- IFRS 2 "Share-based Payments" has been applied retrospectively to those options that were issued after 7 November 2002 and had not vested by 1 January 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) as adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies preparing their accounts under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by revaluation of financial assets and financial liabilities at fair value through the income statement. No income statement is presented for the Company as permitted by Section 230 of the Companies Act 1985.

The Group and Company have not applied the following IFRSs and IFRICs that are applicable to the Group and Company and that have been issued but are not yet effective:

IAS 23, Borrowing Costs, revised 2007 (effective 1 January 2009)  
IAS 27, Consolidated and Separate Financial Statements, revised 2008 (effective 1 July 2009)  
IAS 28, Investment in Associates, revised 2008 (effective 1 July 2009)  
IAS 31, Interests in Joint Ventures, revised 2008 (effective 1 July 2009)  
IAS 32, Financial Instruments: Presentation, revised 2008 (effective 1 January 2009)  
IFRS 8, Operating Segments (effective 1 January 2009)  
IFRIC 11, IFRS 2 – Group and Treasury Share Transactions (effective 1 March 2007)  
IFRIC 12, Service Concession Agreement (effective 1 January 2008)  
IFRIC 13, Customer Loyalty Programmes (effective 1 July 2008)  
IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)

### Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all operating subsidiaries. No income statement is presented for the Company as permitted by Section 230 of the Companies Act 1985.

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 3 Accounting policies – *continued*

### **Acquisitions**

On the acquisition of a subsidiary, fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill. Where any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

### **Properties, plant and equipment**

All properties, plant and equipment are recorded initially at cost. At subsequent reporting dates all such properties are revalued at fair value. The profit or loss on disposal of revalued properties is included by reference to net book value and any realised revaluation surplus is transferred to the income statement. A revaluation increase on historical cost is recognised in the revaluation reserve. A revaluation decrease below historical cost arising from a clear consumption of economic benefit is recognised in the income statement. A revaluation decrease is only recognised in the revaluation reserve if the revalued amount of the properties is below historical cost and the recoverable amount can be shown to exceed the revalued amount. The Directors review the carrying value of property, plant and equipment with sufficient regularity to ensure the carrying amount does not differ materially from the fair value.

### **Depreciation**

Depreciation is provided on all properties, plant and equipment except freehold land and is calculated at rates to write-off the cost or valuation, less residual value, of each asset evenly over its expected useful life as follows:

Freehold buildings	–	50 years
Short leaseholds	–	over period of lease
Plant and pumps	–	10 years
Tanks	–	30 years
Computer hardware	–	5 years
Computer software	–	3 years
Fixtures and fittings		
– canopies	–	20 years
– other	–	10 years
Office equipment	–	4 to 6 years

Provision for impairment is made if an asset's recoverable amount (the higher of net realisable value and market value) falls below its carrying value.

### **Trade investments**

Listed trade investments are initially recognised at cost and subsequently revalued at market value.

### **Investments in associated undertakings**

In the consolidated accounts, shares in associated undertakings are consolidated using the equity method. In the consolidated income statement the Group's share of profits and losses of associated undertakings are shown below operating profit and the consolidated balance sheet includes the Group's share of net assets of its associated undertakings within non-current asset investments. The financial results for all of the Group's associated undertakings are based on financial statements to the end of the relevant year.

### **Joint ventures**

An entity is treated as a joint venture where the Group holds a long term interest and shares control under a contractual agreement.

In the Group accounts, interests in joint ventures are accounted for using the equity method of accounting. The consolidated income statement includes the Group's share of the results of such undertakings based on unaudited financial statements. In the consolidated balance sheet the Group's share of the identifiable assets and its share of the liabilities attributable to its joint ventures are shown separately.

### **3 Accounting policies – continued**

#### ***Inventories***

Inventories are stated at the lower of cost incurred in bringing products to their present location and condition, and net realisable value

#### ***Leasing***

Assets obtained under hire purchase contracts and finance leases are capitalised as plant and machinery and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligations outstanding in each period.

#### ***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis. Deferred tax is provided on timing differences arising from the revaluation of the properties. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### ***Share based payments***

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of share options, is recognised as an employee benefit expense in the income statement. The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value at the date of grant. Fair value is measured by the use of the binominal model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations.



# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## **3 Accounting policies – continued**

### **Financial Instruments**

In relation to the disclosures made in Note 22

Non-derivative financial instruments include trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables

The Group does not hold or issue derivatives or any other financial instruments for trading purposes

#### *Available for sale financial assets*

The Group's trade investments are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

#### *Trade and other receivables*

Trade and other receivables are stated at their value on initial recognition and subsequently at costs less impairment losses.

#### *Cash and cash equivalents*

Cash and cash equivalents are defined as cash on hand and demand deposits and are measured at cost as they have a short-term maturity.

#### *Trade payables*

Trade payables are non-interest bearing and are stated at nominal value.

#### *Bank borrowings*

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are charged to income on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

### **Revenue recognition**

Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of Value Added Tax. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Sales of goods are recognised when goods are delivered and title has passed. Group revenue is attributable entirely to the retailing of petroleum products and other goods and services through a network of petrol stations and by the issue of fuel cards to customers wholly based in the UK.

### **Operating leases**

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term.

### **Foreign exchange**

Transactions of UK companies denominated in foreign currencies are translated into sterling at the average rate. Monetary assets and liabilities of UK companies denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the income statement. The financial statements of UK companies, which report in foreign currencies are translated into sterling at the closing rates of exchange for the balance sheet and at the average rates for the income statement. The differences arising from the translation of the opening net investment in subsidiaries at the closing rate is taken directly to reserves.

### **Pensions**

The cost of providing the money purchase scheme for two of the Directors and nine employees is charged to the income statement as it arises.

## **4 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial information in conformity with generally accepted accounting standards requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reporting period.

#### 4 Critical accounting judgements and key sources of estimation uncertainty – continued

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were

##### **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and the suitable discount rate in order to calculate the present value. A provision for impairment was made in the period and the carrying value of goodwill at the balance sheet date was £2,012,000 (2006 – £1,438,000)

##### **Share based payments**

In determining the fair value of equity settled share based payments and the related charge to the income statement the Group makes assumptions about future events and market conditions. In particular, judgement must be made as to the likely number of shares that will vest, and the fair value of each award granted. The fair value is determined using a valuation model which is dependent on future estimates, including the Group's future dividend policy, employee turnover, the timing with which options will be exercised and the future volatility in the price of the Group's shares. Such assumptions are based on publicly available information and reflect market expectations and advice taken from qualified personnel. Different assumptions about these factors to those made by the Group could materially affect the reported value of share based payments.

#### 5 Revenue and operating profit

	Continuing operations £000	Acquisition £000	Total 2007 £000	Restated Total 2006 £000
Revenue	163,969	2,690	166,659	168,289
Cost of sales	(160,342)	(2,489)	(162,831)	(164,382)
Gross profit	3,627	201	3,828	3,907
Other operating income	–	–	–	52
Administrative expense	(2,248)	(112)	(2,360)	(3,023)
Operating profit	1,379	89	1,468	936

#### 6 Segmental analysis of results

##### (i) Revenue – by destination

All revenue for both the years ended 31 December 2007 and 2006 was to external customers based in the United Kingdom.

##### (ii) Revenue – by location

All revenue for both the years ended 31 December 2007 and 2006 was undertaken by companies, incorporated and registered in England and Wales.

##### (iii) Revenue – by class of business

	2007 £000	2006 £000
Petrol service stations and fuel cards	166,659	168,224
Metals and related activities	–	40
Gas distribution	–	25
	<b>166,659</b>	<b>168,289</b>

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 6 Segmental analysis of results – *continued*

### (iv) Profit before taxation – by class of business

	2007 £000	Restated 2006 £000
Petrol service stations and fuel cards	1,275	1,017
Metals and related activities		
– group companies	–	(102)
– associated undertakings	–	326
Non trading		
– associated undertakings	116	(81)
Exceptional		
– profit on associated undertakings share buy backs	133	–
– surplus/(deficit) on revaluation of properties	167	(276)
– dissolution of dormant subsidiaries	–	740
– profit on sale of associated undertaking	–	160
– loss on sale of subsidiary	–	(113)
Foreign exchange loss	–	(666)
Parent company expenses	(663)	(473)
	<b>1,028</b>	<b>532</b>

Exceptional items are material items of income or expense which derive from events or transactions which are not in the normal course of business and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence in order for the user to obtain a full understanding of the Group's financial performance

### (v) Profit before taxation – Group/associates

	2007 £000	Restated 2006 £000
United Kingdom		
– group companies	912	287
– associated undertakings	116	245
	<b>1,028</b>	<b>532</b>

### (vi) Net assets – by class of business

	2007 £000	Restated 2006 £000
Petrol service stations and fuel cards – ongoing	21,287	21,087
– acquired in year	2,735	–
	<b>24,022</b>	<b>21,087</b>
Non trading – associated undertakings	9	1,239
	<b>24,031</b>	<b>22,326</b>

### (vii) Net assets – by location

	2007 £000	Restated 2006 £000
United Kingdom		
– group companies – ongoing	21,287	21,087
– acquired in year	2,735	–
	<b>24,022</b>	<b>21,087</b>
– associated undertakings	9	1,239
	<b>24,031</b>	<b>22,326</b>

## 7 Group operating profit

	2007 £000	Restated 2006 £000
Operating profit is stated after (charging)/crediting		
Depreciation and other amounts written off non-current assets		
Owned properties, plant and equipment	(294)	(300)
Impairment of positive goodwill	(24)	(154)
Auditors' remuneration		
Audit fees – current year provision	(69)	(78)
– prior year underprovision	(2)	(8)
Pension contributions	(49)	(60)
Share option charge	(31)	(102)
Rentals under operating leases		
Properties	(346)	(346)
Other operating leases		
Plant, equipment, office equipment, fixtures, fittings and motor cars	(130)	(154)
Rental income	169	155
Foreign exchange loss	–	(666)
	<hr/>	<hr/>
Exceptional items		
Profit on associated undertaking's share buy backs	133	–
Surplus/(deficit) on revaluation of properties	167	(276)
Dissolution of dormant subsidiaries	–	740
Profit on sale of associated undertaking	–	160
Loss on sale of subsidiary	–	(113)
	<hr/>	<hr/>
	300	511

Auditors' remuneration is comprised as follows

	2007 £000	2006 £000
<b>Company</b>		
Fees payable for the audit of the consolidated annual accounts		
– current year's provision	29	40
– prior year under provision	2	8
Fees payable to the Company's auditor and former associates for other services		
– other	15	3
– review of deferred consideration on acquisition of fuel card businesses	–	2
– advice on disposal by associated undertaking	–	3
– tax services (former associates)	–	21
<b>Group</b>		
Fees payable to the Company's auditors for the audit of the Company's subsidiaries	40	38
Fees payable to the Company's auditors for other advice to the Company's subsidiaries	12	–
Fees payable to the Company's auditor's former associates for tax services	–	18
	<hr/>	<hr/>

In addition, one of the Company's subsidiaries paid £19,000 to the Company's auditors for advice provided for the acquisition of a new subsidiary company. The amount is included in the costs incurred in acquiring the company.

Rental income represents income received from sub-letting of properties to third parties.

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 8 Financing costs

	2007 £000	2006 £000
Bank loans and overdrafts	495	573
Hire purchase interest	7	5
Amortisation of loan finance costs	85	75
Mezzanine loan premium	55	210
Share of associated undertakings' interest payable	–	81
Accrued on loan note	–	9
	<b>642</b>	<b>953</b>

## 9 Taxation

### Analysis of tax charge

	2007 £000	Restated 2006 £000
UK corporation tax based on profit for the year	187	202
Adjustment in respect of prior years	(19)	(2)
	<b>168</b>	<b>200</b>
Tax applicable to associated undertakings (Note 13)	2	113
Deferred tax – current year	(2)	(9)
Deferred tax – prior year	(12)	–
	<b>156</b>	<b>304</b>
Profit before tax	<b>1,028</b>	<b>532</b>
Tax on profit at standard rate (30%)	308	160
Provision for net asset deficiency in subsidiaries	–	(313)
Non deductible expenditure	65	197
Non taxable income	(72)	11
Tax effect of short term timing differences not previously recognised	(63)	15
Tax effect of current year short term timing differences not recognised	(43)	126
Rate adjustment	(10)	(3)
Tax effect on associated undertakings results	2	113
Adjustment in respect of prior years	(31)	(2)
	<b>156</b>	<b>304</b>

### Factors affecting current and future tax charges

A reduction in the mainstream UK tax rate to 28% from 1 April 2008, should result in a reduction in the Group's future effective tax rate. A reduction in the mainstream UK tax rate to 28% from 1 April 2008, has been affected for the short term timing differences.

### Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of timing differences relating to revenue tax losses carried forward as there is insufficient evidence that there will be suitable available profits to enable such an asset to be recovered. The amount of the asset not recognised is £1,750,000 (2006 – £2,000,000).

A deferred tax asset has not been recognised in respect of timing differences relating to capital losses carried forward as there is insufficient evidence that there will be suitable available profits to enable such an asset to be recovered. The amount of the asset not recognised is £2,650,000 (2006 – £3,100,000).

**10 Staff costs**

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Directors' remuneration		
Fees as Directors	<b>46</b>	51
Other emoluments	<b>514</b>	604
	<b>560</b>	<b>655</b>

The total emoluments, including pension contributions, of the highest paid Director were £259,000 (2006 – £232,000)

	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
Staff costs, including Directors' remuneration		
Wages and salaries	<b>5,340</b>	5,374
Social security costs	<b>402</b>	415
Other pension costs	<b>49</b>	60
	<b>5,791</b>	<b>5,849</b>

	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>Number</b>
Average number of persons employed by the Group in the year, including Executive Directors		
Management	<b>5</b>	6
Sales and administration	<b>7</b>	8
Service station staff	<b>475</b>	456
	<b>487</b>	<b>470</b>

**11 Goodwill – Group**

	<b>£000</b>
<b>Cost</b>	
At 1 January 2006	2,898
Amount written back in year	(149)
Redemption in year due to negative goodwill on purchase of 49.99% investment in Petrol Express Limited	(508)
At 1 January 2007	<b>2,241</b>
Acquisition of subsidiary (Note 14)	<b>598</b>
At 31 December 2007	<b>2,839</b>
<b>Impairment</b>	
At 1 January 2006	649
Impairment in the year	154
At 1 January 2007	<b>803</b>
Impairment in the year	<b>24</b>
At 31 December 2007	<b>827</b>
<b>Net book value.</b>	
At 31 December 2007	<b>2,012</b>
At 31 December 2006	<b>1,438</b>

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 11 Goodwill – Group – *continued*

The recoverable amount of the cash generating unit is determined on a value-in-use basis. The calculations use post tax cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated using the assumptions stated as follows:

Revenue	Increases £400,000 per annum
Gross profit	Remains at 5%
Overheads and finance costs	Increases at 3% per annum
Tax rate	Remains at 25% per annum
Discount rate	5%

The impairment in the year ended 31 December 2007 relates to goodwill which arose on the acquisition of two petrol filling stations in 1997.

## 12 Properties, plant and equipment

	Properties £000	Plant and machinery £000	Office equipment, fixtures and fittings £000	Total £000
<b>Group</b>				
<b>Cost or valuation</b>				
At 1 January 2006 (restated)	29,380	940	1,001	31,321
Additions	151	15	184	350
Revaluations	2,670	–	–	2,670
Disposals	(634)	(11)	(82)	(727)
Subsidiary dissolved	–	–	(21)	(21)
At 1 January 2007	<b>31,567</b>	<b>944</b>	<b>1,082</b>	<b>33,593</b>
Additions	<b>2,186</b>	<b>85</b>	<b>151</b>	<b>2,422</b>
Revaluations	<b>885</b>	–	–	<b>885</b>
Disposals	<b>(1,030)</b>	<b>(47)</b>	<b>(22)</b>	<b>(1,099)</b>
Acquisition of subsidiary	<b>7,698</b>	<b>702</b>	–	<b>8,400</b>
At 31 December 2007	<b>41,306</b>	<b>1,684</b>	<b>1,211</b>	<b>44,201</b>
<b>Depreciation</b>				
At 1 January 2006	612	147	544	1,303
Charge for year	76	80	144	300
Disposals	(16)	(6)	(73)	(95)
Subsidiary dissolved	–	–	(21)	(21)
At 1 January 2007	<b>672</b>	<b>221</b>	<b>594</b>	<b>1,487</b>
Charge for the year	<b>72</b>	<b>63</b>	<b>159</b>	<b>294</b>
Disposals	<b>(21)</b>	<b>(27)</b>	<b>(17)</b>	<b>(65)</b>
At 31 December 2007	<b>723</b>	<b>257</b>	<b>736</b>	<b>1,716</b>
<b>Net book value</b>				
At 31 December 2007	<b>40,583</b>	<b>1,427</b>	<b>475</b>	<b>42,485</b>
At 31 December 2006 (restated)	30,895	723	488	32,106

Included above are plant and equipment held under finance leases or hire purchase contracts as follows:

	£000
<b>Net book value:</b>	
As at 31 December 2007	<b>39</b>
As at 31 December 2006	44
<b>Depreciation charge for the year</b>	
As at 31 December 2007	<b>5</b>
As at 31 December 2006	5

**12 Properties, plant and equipment – continued**

All of the properties, plant and equipment were revalued at their open market value by independent surveyors, CBRE Chartered Surveyors, at an effective date of 31 December 2007. The valuations, which have been prepared in accordance with The RIC's Appraisal and Valuations, Fifth Edition were arrived at on the basis of "Market Value", which is defined as "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller at an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion"

Included in properties, plant and equipment are properties with a net book value totalling £2,890,000 which are subject to option agreements where the buyer has the right, during the option period, to require the seller to sell the property specified in the agreement

Certain Group properties are the subject of priority charges in respect of trade and loan debt. The balance of the fixed assets provide security to the Bank of Scotland in connection with Group bank loans and overdraft. Additionally, the balance of some of the properties provide security to Texaco Limited in connection with goods supplied by it

The Company held no properties, plant and machinery, office equipment, fixtures and fittings during the year

**13 Investments**

	<b>£000</b>
<b>Group</b>	
<b>Trade investments</b>	
<b>Market value</b>	
At 1 January and 31 December 2007	<u>4</u>
<b>Associated undertakings</b>	
<b>Cost</b>	
At 1 January 2007	<b>1,217</b>
Share buy backs during the year	<b>(1,085)</b>
Loan repaid during the year	<b>(132)</b>
At 31 December 2007	<u>-</u>
<b>Share of profits/(losses) and reserves</b>	
At 1 January 2007	<b>22</b>
Release of provision	<b>98</b>
Loss for the year before interest payable	<b>(11)</b>
Interest receivable	<b>29</b>
Taxation – current year (Note 9)	<b>(2)</b>
Share buy backs during the year	<b>(127)</b>
At 31 December 2007	<u>9</u>
<b>Net book value</b>	
At 31 December 2007	<u>9</u>
At 31 December 2006	<u>1,239</u>



# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 13 Investments – *continued*

### Investments at cost or market value before and after provision for impairment

	2007 £000
<b>Trade investment</b>	
Minster Pharmaceuticals plc	4
<b>Associated undertakings</b>	
Flenwood Limited	9
Global Natural Gas Limited	–
	<u>9</u>

### Trade investment comprises

Minster Pharmaceuticals plc	Pharmaceuticals	Great Britain	2007 0.1%	2006 0.2%
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### The associated undertakings comprise

	Activity	Country of incorporation	Description of shares held	Percentage holding and voting rights
Global Natural Gas Limited	Not trading	Great Britain	Ordinary shares of 1p	40.0%
Flenwood Limited	Not trading	Great Britain	Ordinary shares of 50p	33.2%

These companies are located principally in their country of incorporation

The aggregate share of net assets of the Group's principal associated undertakings are as follows

	2007 £000
Tangible fixed assets	2
Current assets	21
Current liabilities	(112)
Group's share	<u>(89)</u>

Share of (£nil revenues), operating losses, in associated undertakings less finance income, and taxation for the year ended 31 December 2007 comprise

	Share of losses in associated undertaking £000	Finance income £000	Taxation £000	2007 Total £000
Flenwood Limited	(11)	29	(2)	16

Global Natural Gas Limited had no revenue, income, and expense items in the year ended 31 December 2007

### 13 Investments – continued

	£000
<b>Company</b>	
<b>Trade investments</b>	
<b>Market value</b>	
At 1 January and at 31 December 2007	<u>4</u>
<b>Associated undertakings</b>	
<b>Cost</b>	
At 1 January 2007	1,217
Share buy backs during the year	(1,085)
Loan repaid during the year	(132)
At 31 December 2007	<u>–</u>
<b>Total investments</b>	
At 31 December 2007	<u>4</u>
At 31 December 2006	<u>1,221</u>

### 14 Investments – subsidiaries

	Shares in subsidiary undertakings £000	Loans to subsidiary undertakings £000	Total £000
<b>Company</b>			
<b>Cost and net book value</b>			
At 1 January 2007	5,703	8,244	13,947
Loans during the year	–	390	390
At 31 December 2007	<u>5,703</u>	<u>8,634</u>	<u>14,337</u>
At 31 December 2006	<u>5,703</u>	<u>8,244</u>	<u>13,947</u>

#### (i) Held by the Company

	Activity	Country of incorporation	Portion of ordinary shares held and voting rights	Country of operation
Middlesex Energy Limited	Investment holding company	Great Britain	100%	Great Britain

#### (ii) Held by the Group

	Activity	Country of incorporation	Effective ordinary shares held and voting rights	Country of operation
Petrol Express Limited	Holding company	Great Britain	100%	Great Britain
Thames Rico Limited	Dormant	Great Britain	100%	Great Britain
Thames Rico Service Stations Limited	Petrol retailer	Great Britain	100%	Great Britain
Fuel Up Limited	Fuel card operator	Great Britain	100%	Great Britain
National & European Fuel Services Limited	Fuel card operator	Great Britain	100%	Great Britain
Freeheart Limited	Dormant	Great Britain	100%	Great Britain
Bond Hamill Limited	Dormant	Great Britain	100%	Great Britain

On 30 November 2007, the Group acquired 100% of the share capital of Bond Hamill Limited. The acquisition has been accounted for by the acquisition method.

Further details of the acquisition are set out below.

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 14 Investments – subsidiaries – *continued*

	£000
<b>Net assets stated at cost and fair values at date of acquisition</b>	
Properties, plant and equipment	8,400
Inventories	504
Trade and other receivables	1,067
Cash and cash equivalents	159
Trade and other payables	(6,625)
Deferred tax liabilities	(770)
Net assets	<u>2,735</u>
Goodwill arising on acquisition (Note 11)	598
	<u><b>3,333</b></u>
<b>Satisfied by</b>	
Cash to the vendors	2,897
Costs associated with the acquisition	436
	<u><b>3,333</b></u>

In addition, the Group assumed responsibility for £5,322,000 of Bond Hamill Limited's bank debt and entered into a bank guarantee of £750,000 to Bond Hamill Limited's fuel supplier £281,000 of the costs associated with the acquisition were paid after the year end

The summarised income statement for Bond Hamill Limited for the period 1 April 2007 (date the financial year began) to 30 November 2007 is as follows

	£000
Revenue	<u>20,357</u>
Operating profit	70
Finance costs	(360)
Loss before and after taxation and loss for period	<u><b>(290)</b></u>

In the period ended 30 November 2007 in addition to the loss of £290,000 above there was a surplus on revaluation of properties, plant and equipment of £498,000 and no further recognised gains or losses

The loss attributable to the members of Bond Hamill Limited for the year ended 31 March 2007 was £1,000

On 30 November 2007 all the business operations, assets and liabilities of Bond Hamill Limited were transferred to Thames Rico Service Stations Limited and Bond Hamill Limited has not traded and has been dormant from that date. The goodwill arising on acquisition relates to the synergies between Petrol Express Limited and Bond Hamill Limited

## 15 Investments – joint ventures

	2007 £000
<b>Group</b>	
<b>Cost</b>	
At 1 January	(23)
Additions – share of assets	884
Additions – share of liabilities	(887)
At 31 December	<u><b>(26)</b></u>

**15 Investments – joint ventures – continued**

The Group's share of the net assets and income and expenses of the joint ventures for the year ended 31 December 2007 are

	Current assets £000	Current liabilities £000	Revenues £000	Loss £000
TRS Developments Limited	404	(405)	–	–
TRS Developments (Stockton) Limited	511	(534)	45	–
TRS Developments (Cheadle) Limited	326	(328)	–	(3)
	<b>1,241</b>	<b>(1,267)</b>	<b>45</b>	<b>(3)</b>

The joint ventures had £nil non-current assets and non-current liabilities at 31 December 2007

	Activity	Country of Incorporation	Effective ordinary shares held and voting rights	Country of operation
TRS Developments Limited	Property development	Great Britain	50%	Great Britain
TRS Developments (Stockton) Limited*	Property development	Great Britain	50%	Great Britain
TRS Developments (Sparkbrook) Limited*	Property development	Great Britain	50%	Great Britain
TRS Developments (South Shields) Limited*	Property development	Great Britain	50%	Great Britain
TRS Developments (Cheadle) Limited*	Property development	Great Britain	50%	Great Britain
TRS Developments (Wigan) Limited*	Property development	Great Britain	50%	Great Britain
TRS Developments (Glasgow) Limited*	Property development	Great Britain	50%	Great Britain
*100% held by TRS Developments Limited				
Company	Activity	Country of Incorporation	Shares held	Country of operation
Rico Partners LLP	Property development	Great Britain	50%	Great Britain

**16 Inventories – Group**

	2007 £000	2006 £000
Goods for resale	<b>3,896</b>	2,912

The cost of inventories recognised as an expense and included in cost of sales amounted to £151,640,000 (2006 – £153,367,000)

**17. Trade and other receivables**

	Group 2007 £000	Company 2007 £000	Group 2006 £000	Company 2006 £000
<b>Amounts falling due within one year:</b>				
Trade debtors	2,552	–	1,908	–
Amounts owed by subsidiaries	–	1,390	–	390
Consortium relief recoverable	–	231	–	231
Other debtors	770	16	1,303	1,036
Prepayments and accrued income	553	8	467	–
	<b>3,875</b>	<b>1,645</b>	3,678	1,657
<b>Amounts falling due after more than one year</b>				
Amounts owed by subsidiary	–	1,351	–	1,351
	<b>3,875</b>	<b>2,996</b>	3,678	3,008

There is no significant exposure to credit risk because 100% of sales are on a cash, credit card or debit card basis. Where sales are on a credit basis they are credit insured.

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 18 Trade and other payables

	Group 2007 £000	Company 2007 £000	Group 2006 £000	Company 2006 £000
Trade creditors	9,814	–	8,395	–
Other tax and social security	558	–	609	–
Other creditors	311	117	907	339
Accruals and deferred income	2,527	143	2,596	125
	<b>13,210</b>	<b>260</b>	<b>12,507</b>	<b>464</b>

Included in the Group's trade creditors at 31 December 2007 is £4,075,000 (2006 – £6,080,000) which is secured by Deeds of Priority relating to five (2006 – five) of the Group's freehold and long leasehold properties

The amounts due in respect of other Group loans are secured by a first legal charge on one of the Group's freehold properties. The bank loans and overdraft are secured by a fixed and floating charge on Group properties and other assets

## 19 Non-current liabilities – Financial liabilities – borrowings – Group

	2007 £000	2006 £000
Bank loans	12,476	2,857
Other loan	900	1,100
Net obligations under hire purchase contract	–	4
	<b>13,376</b>	<b>3,961</b>

Net obligations under hire purchase contract are repayable as follows – Group

	2007 £000	2006 £000
Repayable within one year	4	24
Repayable between one and five years	–	6
	<b>4</b>	<b>30</b>
Finance charge allocated to future periods	–	(9)
	<b>4</b>	<b>21</b>
Included in liabilities due within one year	(4)	(17)
	<b>–</b>	<b>4</b>

## 20 Financial liabilities – borrowings – Group

	2007 £000	2006 £000
Wholly repayable within five years		
By instalments – at 1% over LIBOR	1,100	1,300
By instalments – at 1.5% over LIBOR	4,080	–
By instalments – at 2.125% over LIBOR	–	2,765
Not by instalments – at 4.625% over LIBOR	–	2,600
Net obligations under hire purchase contracts	4	21
	<b>5,184</b>	<b>6,686</b>
After five years		
By instalments – at 1.5% over LIBOR	8,510	–
	<b>13,694</b>	<b>6,686</b>
Un-amortised issue costs	(114)	(92)
	<b>13,580</b>	<b>6,594</b>
Amount due within one year	(204)	(2,633)
	<b>13,376</b>	<b>3,961</b>

**20. Financial liabilities – borrowings – Group – continued**

The bank loan and overdraft all relate to the Petrol Express Limited group and are secured by a fixed and floating charge on its properties and its other assets. The amounts due in respect of the Group's other loan is secured by a first legal charge on four (2006 – four) of its freehold properties

	2007 £000	2006 £000
Amounts falling due		
In one year or less	204	2,633
Between one and two years	1,280	3,153
Between two and five years	3,600	900
After five years	8,610	–
	<b>13,694</b>	6,686
Un-amortised issue costs	(114)	(92)
	<b>13,580</b>	6,594

**21. Deferred tax liabilities – Group**

Movement on deferred taxation balance in the year

	£000
At 1 January 2006 (restated)	2,487
Credit to income statement	(9)
Movement in year	658
	<b>3,136</b>
At 1 January 2007 (restated)	(14)
Credit to income statement (Note 9)	(53)
Movement in the year	770
Acquisition of subsidiary	
At 31 December 2007	<b>3,839</b>

Analysis of deferred tax balance

	2007 £000	Restated 2006 £000
On revaluation of properties	3,636	2,932
Capital allowances in excess of depreciation	203	204
No deferred tax is provided in the Company	<b>3,839</b>	3,136

**22. Financial instruments**

The Group's investment and trading activities are funded by shareholders' funds, bank and other loans. The Group does not trade in financial instruments.

The Group's treasury policies and debt financing operations are

- (i) Funds generated by trading activities, that are surplus to immediate financing requirements, are held on either current accounts or short term deposit accounts, until required to settle liabilities.
- (ii) The Group has one principal form of debt instrument being long term bank and other loans, secured on the freehold/leasehold properties, used to finance the acquisition of the petrol stations.

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 22 Financial instruments – *continued*

### (a) Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below

The fair value of the Group's financial assets and financial liabilities are as follows

#### Assets as per balance sheet – loans and receivables

	2007 Group £000	2007 Company £000	2006 Group £000	2006 Company £000
Trade investments	4	4	4	4
Trade and other receivables	3,875	2,996	2,912	3,008
Cash and cash equivalents	2,605	556	3,460	263
	<u>6,484</u>	<u>3,556</u>	<u>6,376</u>	<u>3,275</u>

The ageing of trade receivables at the year end was

	2007 £000	2006 £000
Not past due	2,548	1,610
Past due 0 – 30 days	14	301
Past due 31 – 120 days	(10)	(3)
	<u>2,552</u>	<u>1,908</u>

#### Liabilities as per balance sheet – other financial liabilities

	2007 Group £000	2007 Company £000	2006 Group £000	2006 Company £000
Trade and other payments	13,210	260	12,507	464
Borrowings	13,580	–	6,594	–
	<u>26,790</u>	<u>260</u>	<u>19,101</u>	<u>464</u>

### (b) Interest rate risk

At 31 December 2007 the currency and interest rate profile of the financial assets and liabilities of the Group was as follows

	2007 Floating rate £000	2007 Zero rate £000	2006 Floating rate £000	2006 Zero rate £000
Financial assets				
Sterling	2,605	–	3,417	–
US dollar	–	–	43	–
	<u>2,605</u>	<u>–</u>	<u>3,460</u>	<u>–</u>
Financial liabilities				
Sterling	13,580	–	6,594	–

Interest rates on floating rate bank deposits and liabilities are based on the relevant national inter bank offered rates. The Group has no fixed interest rate assets or liabilities.

A rise in interest rates of 1% will decrease profit before tax by approximately £100,000 per annum.

## 22 Financial instruments – continued

### (c) Fair values of financial assets and liabilities

	2007 Net carrying amount £000	2007 Estimated fair value £000	2006 Net carrying amount £000	2006 Estimated fair value £000
Trade investments	4	4	4	4
Trade and other receivables	3,875	2,996	2,912	3,008
Cash and short-term deposits	2,605	2,605	3,460	3,460
Borrowings				
Short-term borrowings and current portion of long-term borrowings	(204)	(204)	(2,633)	(2,633)
Long-term borrowings	(13,376)	(13,376)	(3,961)	(3,961)

The fair value of short-term portion of long-term borrowings and long-term borrowings have been calculated by discounting the expected future cash flows at prevailing rates

### (d) Maturity of financial liabilities

The maturity profile of the Group's financial liabilities is as follows

	2007 £000	2006 £000
In one year or less, or on demand	183	2,553
In more than one year but not more than two	1,259	3,141
In more than two years, but not more than five years	3,573	900
After five years	8,565	–
	<b>13,580</b>	<b>6,594</b>

### (e) Other price risk

A 10% fall/rise in the valuation of properties, plant and equipment would decrease/increase net assets by approximately 18%

## 23 Share capital

	2007 £000	2007 Number	2006 £000	2006 Number
<b>Authorised</b>				
Ordinary shares of 25p each	5,000	20,000,000	3,750	15,000,000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 25p each	3,523	14,094,266	3,460	13,844,266

On 3 April 2007, options over 100,000 ordinary shares were exercised by a former Director and employee at a price of 40p per ordinary share. On 11 June 2007, options over 150,000 ordinary shares were exercised by a former Director and employee at a price of 40p per ordinary share.

The following options to subscribe for ordinary shares have been granted under the Executive Share Option Scheme, to six current employees (2006 – four current and two former employees)

Year of grant	Exercise period	Exercise price per share	2007 Number	2006 Number
1998	15 July 2001 to 14 July 2008	297p	32,992	32,992
1999	16 November 2002 to 15 November 2009	150p	25,000	200,000
2000	21 September 2003 to 20 September 2010	300p	–	60,000
2002	13 September 2005 to 12 September 2012	40p	138,053	388,053
2003	1 July 2006 to 30 June 2013	260p	–	150,000
2003	10 July 2006 to 9 July 2013	280p	25,000	25,000
2007	16 May 2010 to 15 May 2017	102.5p	260,000	–
			<b>481,045</b>	<b>856,045</b>



# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 23 Share capital – *continued*

The unexercised share options over ordinary shares held by the Director, who served during the year, under the Executive Share Option Scheme are disclosed in the Corporate Governance Report on page 19. Those held by the employees (including two former Directors) were as follows:

Outstanding 1 1 07	Granted during year	Exercised during year	Lapsed during year	Outstanding 31 12 07	Exercise price	Date of grant	First date of exercise	Final date of exercise
175,000	–	–	(175,000)	–	150p	16.11.99	16.11.02	15.11.09
60,000	–	–	(60,000)	–	300p	21.9.00	21.9.03	20.9.10
265,000	–	(250,000)	–	15,000	40p	13.9.02	13.9.05	12.9.12
150,000	–	–	(150,000)	–	260p	1.7.03	1.7.06	30.6.13
–	89,000	–	–	89,000	102.5p	16.5.07	16.5.10	15.5.17
<b>650,000</b>	<b>89,000</b>	<b>(250,000)</b>	<b>(385,000)</b>	<b>104,000</b>				

The fair value of services received in return for share options granted is based on the fair value of the share options granted using the Binominal model with the following inputs:

	2007	2006
Share price and exercise price	<b>101p</b>	260p and 280p
Option life	<b>7 years</b>	3 to 10 years
Expected volatility	<b>60%</b>	80%
Risk free rate of return	<b>5.25%</b>	4.01%–4.06%
Dividend yield	<b>Dividends to grow at risk free rate</b>	3%

The expected volatility is based on volatility over the last 10 years. The expected lives are the periods within which the options can be exercised. The risk free rate of return is the rate of interest obtainable from 5-10 year UK gilt-edged bonds.

A reconciliation of share option movements over the year to 31 December is shown below:

	2007	2006
	Options	Options
	Weighted average exercise price (in pence)	Weighted average exercise price (in pence)
Outstanding at 1 January	<b>856,045</b>	1,576,315
Granted during year	<b>260,000</b>	–
Exercised in year	<b>(250,000)</b>	–
Lapsed in year	<b>(385,000)</b>	(720,270)
Outstanding at 31 December	<b>481,045</b>	856,045
Exercisable at 31 December	<b>221,045</b>	856,045

## 24 Basic earnings per ordinary share and diluted earnings per ordinary share

The calculation of basic earnings per share is based on profit after taxation £872,000 (2006 – £1,188,000 – restated and after minority interest) and on 13,928,101 ordinary shares (2006 – 11,864,814), being the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on profit after taxation £872,000 (2006 – £1,188,000 – restated and after minority interest) and on 14,006,585 ordinary shares (2006 – 12,086,967), being the weighted average number of ordinary shares in issue and dilutive share options outstanding during the year.

## 25 Notes to the cash flow statement

### Group

#### (a) Reconciliation of operating profit to cash inflow from operating activities

	2007 £000	Restated 2006 £000
Operating profit	1,468	936
(Surplus)/deficit on revaluation of properties	(167)	276
Dissolution of dormant subsidiaries	-	(740)
Profit on sale of associated undertaking	-	(160)
Loss on sale of subsidiary undertaking	-	113
Profit on associated undertakings share buy backs	(133)	-
Depreciation and impairment charges	318	454
Increase in inventories	(984)	(91)
Increase in trade and other receivables	(597)	(338)
Increase/(decrease) in trade and other payables	456	(620)
Share option compensation	31	102
Currency translation differences	-	597
Cash inflow from operating activities	392	529

#### (b) Analysis of net debt

	At 1 January 2007 £000	Cash flow £000	Other non-cash movements* £000	At 31 December 2007 £000
Cash at bank and in hand	3,460	(855)	-	2,605
Debt due after one year	(3,961)	(8,127)	(1,288)	(13,376)
Debt due within one year	(2,633)	1,120	1,309	(204)
	(3,134)	(7,862)	21	(10,975)

\* Other non-cash movements in year ended 31 December 2007 is reclassification of £1,309,000 of debt due within one year to that due after one year as a result of the revised banking facility entered in the year and £21,000 net increase in the year in unamortised loan issue costs

	At 1 January 2006 £000	Cash flow £000	Other non-cash movements* £000	Exchange movements £000	At 31 December 2006 £000
Cash at bank and in hand	6,720	(3,255)	-	(5)	3,460
Debt due after one year	(6,116)	500	1,655	-	(3,961)
Debt due within one year	(3,517)	2,466	(1,582)	-	(2,633)
	(2,913)	(289)	73	(5)	(3,134)

\* Other non-cash movements in year ended 31 December 2006 is reclassification of £1,731,000 of debt due after one to that due within one year, £149,000 reduction in loan note issued and redeemed in the year, and £76,000 movement in the year in unamortised loan issue costs

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 25 Notes to the cash flow statement- *continued*

### Company

#### Reconciliation of operating (loss)/profit to cash outflow from operating activities

	2007	2006
	£000	£000
Operating (loss)/profit	(405)	811
Dissolution of dormant subsidiaries	-	(722)
Profit on sale of associated undertaking	-	(922)
Loss on sale of subsidiary undertaking	-	212
Profit on associated undertakings share buy backs	(260)	-
Decrease/(increase) in trade and other receivables	14	(20)
Decrease in trade and other payables	(235)	(240)
Share option compensation	31	102
Currency translation differences	-	494
Non-cash inter group dividend received	-	(486)
Old credit balance written back to income statement	-	(52)
Cash outflow from operating activities	<u>(855)</u>	<u>(823)</u>

## 26 Explanation of transition to IFRS

This is the first year that the Group has presented its financial statements under IFRS. The following disclosures are required in the year of transition. The last statements under UK GAAP were for the year ended 31 December 2006 and the date of transition to IFRS was therefore 1 January 2006.

### Exercise

#### Reconciliation of equity at 1 January 2007

	UK GAAP £000	Effect of transition to IFRSs £000	IFRSs £000
Goodwill	1,438	–	1,438
Properties, plant and equipment	25,665	6,441	32,106
Trade investment	4	–	4
Net investment in associated undertakings	1,239	–	1,239
Joint venture undertakings			
– share of assets	357	–	357
– share of liabilities	(380)	–	(380)
<b>Total non-current assets</b>	<b>28,323</b>	<b>6,441</b>	<b>34,764</b>
Inventories	2,912	–	2,912
Trade and other receivables	3,678	–	3,678
Cash and cash equivalents	3,460	–	3,460
<b>Total current assets</b>	<b>10,050</b>	<b>–</b>	<b>10,050</b>
Financial liabilities – borrowings	(2,633)	–	(2,633)
Trade and other payables	(12,507)	–	(12,507)
Current tax liabilities	(251)	–	(251)
<b>Total current liabilities</b>	<b>(15,391)</b>	<b>–</b>	<b>(15,391)</b>
<b>Net current liabilities</b>	<b>(5,341)</b>	<b>–</b>	<b>(5,341)</b>
Financial liabilities – borrowings	(3,961)	–	(3,961)
Deferred tax liabilities	(204)	(2,932)	(3,136)
<b>Total non-current liabilities</b>	<b>(4,165)</b>	<b>(2,932)</b>	<b>(7,097)</b>
<b>Net assets</b>	<b>18,817</b>	<b>3,509</b>	<b>22,326</b>
<b>Equity</b>			
Share capital	3,460	–	3,460
Share premium account	13,345	–	13,345
Revaluation reserve	1,160	3,064	4,224
Share option reserve	370	–	370
Retained earnings	482	445	927
	<b>18,817</b>	<b>3,509</b>	<b>22,326</b>

The effects of transition to IFRS are as follows:

- Increase of £6,441,000 in revaluation of properties, plant and equipment on the open market value basis in accordance with IFRS, whereas UK GAAP's basis is existing use.
- Increase of £2,932,000 in deferred tax liabilities as IFRS requires deferred tax calculated on the revalued amounts of the properties, plant and equipment to be accounted for on the balance sheet. Under UK GAAP it is disclosed as a contingent liability in the tax notes.
- Increase in retained earnings of £445,000 is the aggregate of deficit on revaluation of properties, plant and equipment under UK GAAP to below original costs. Under IFRS the properties, plant and equipment have been revalued above historical cost.
- Increase in revaluation reserve of £3,064,000 is the aggregate change as a result of (i) to (iii) above.

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 26 Explanation of transition to IFRS – *continued*

### Reconciliation of equity at 1 January 2006

	UK GAAP £000	Effect of transition to IFRSs £000	IFRSs £000
Goodwill	2,249	–	2,249
Properties, plant and equipment	26,814	3,204	30,018
Trade investment	4	–	4
Net investment in associated undertakings	4,040	–	4,040
<b>Total non-current assets</b>	<b>33,107</b>	<b>3,204</b>	<b>36,311</b>
Inventories	2,821	–	2,821
Trade and other receivables	2,342	–	2,342
Cash and cash equivalents	6,720	–	6,720
<b>Total current assets</b>	<b>11,883</b>	<b>–</b>	<b>11,883</b>
Financial liabilities – borrowings	(2,817)	–	(2,817)
Trade and other payables	(13,661)	–	(13,661)
Current tax liabilities	(194)	–	(194)
<b>Total current liabilities</b>	<b>(16,672)</b>	<b>–</b>	<b>(16,672)</b>
<b>Net current liabilities</b>	<b>(4,789)</b>	<b>–</b>	<b>(4,789)</b>
Financial liabilities – borrowings	(6,116)	–	(6,116)
Deferred tax liabilities	(213)	(2,274)	(2,487)
<b>Total non-current liabilities</b>	<b>(6,329)</b>	<b>(2,274)</b>	<b>(8,603)</b>
<b>Net assets</b>	<b>21,989</b>	<b>930</b>	<b>22,919</b>
<b>Equity</b>			
Share capital	2,836	–	2,836
Share premium account	10,969	–	10,969
Revaluation reserve	431	1,505	1,936
Share option reserve	268	–	268
Retained earnings	314	(575)	(261)
	14,818	930	15,748
Minority interest	7,171	–	7,171
	21,989	930	22,919

The effects of transition to IFRS are as follows

- (i) Increase of £3,204,000 in revaluation of properties, plant and equipment on the open market value basis in accordance with IFRS, whereas UK GAAP's basis is existing use
- (ii) Increase of £2,274,000 in deferred tax liabilities as IFRS requires deferred tax calculated on the revalued amounts of the properties, plant and equipment to be accounted for on the balance sheet Under UK GAAP it is disclosed as a contingent liability in the tax notes
- (iii) Decrease in retained earnings of £575,000 is the aggregate of deficit on revaluation of properties, plant and equipment under IFRS to below original costs Under UK GAAP the properties, plant and equipment have been revalued above historical cost
- (iv) Increase in revaluation reserve of £1,505,000 is the aggregate change as a result of (i) to (iii) above

**26 Explanation of transition to IFRS – continued**

	UK GAAP £000	Effect of transition to IFRSs £000	IFRSs £000
<b>Reconciliation of income statement for 2007</b>			
Revenue	166,659	–	166,659
Cost of sales	(162,831)	–	(162,831)
Gross profit	3,828	–	3,828
Admin expenses	(2,429)	69	(2,360)
Operating profit	1,399	69	1,468
Share of associated undertakings profit	87	–	87
Share of operating loss in joint venture	(3)	–	(3)
Gain on sale of properties	17	–	17
Finance costs	(642)	–	(642)
Finance income	101	–	101
Profit before taxation	959	69	1,028
Taxation	(156)	–	(156)
Profit for the year	803	69	872

The £69,000 effect of transition to IFRS relates to goodwill which is no longer amortised as previously required by UK GAAP but subject to an impairment review instead

	UK GAAP £000	Effect of transition to IFRSs £000	IFRSs £000
<b>Reconciliation of income statement for 2006</b>			
Revaluation of properties	168	1,020	1,188
	168	1,020	1,188

**27 Commitments**

The Group and Company had no capital commitments at 31 December 2007 and 2006

**28 Contingent liabilities and guarantees**

On 28 February 2007, the Company provided a corporate guarantee to Petrol Express Limited's bankers guaranteeing unconditionally and irrevocably the payment or discharge of all of Petrol Express Limited's liabilities to the bank

On 8 October 2007, the Group provided a bank guarantee of £240,000 to one of Petrol Express Limited's fuel suppliers

On 30 November 2007, the Group provided a bank guarantee of £750,000 to one of Petrol Express Limited's fuel suppliers

On 12 May 2008, the Company provided a corporate guarantee to Rico Partners LLP's bankers guaranteeing £100,000 of its liabilities

# Notes to the Financial Statements *continued*

Year ended 31 December 2007

## 29 Operating lease commitments

At 31 December 2007, the Group's future minimum lease payments under non-cancellable operating leases are as follows

	Land and buildings 2007 £000	Other 2007 £000	Land and buildings 2006 £000	Other 2006 £000
Leases which expire				
Within one year	286	164	303	179
Within two to five years	868	303	889	455
Over five years	4,815	–	5,017	13
	<u>5,969</u>	<u>467</u>	<u>6,209</u>	<u>647</u>

## 30 Pension scheme

Contributions to the Group's Directors' pensions are set out in the Corporate Governance Report on page 19. The Group contributes between 2.5% and 15% of the gross salary per annum to money purchase schemes for eleven of its employees. The schemes are defined contribution schemes and the charge to the income statement for the employer's contribution in the year ended 31 December 2007 is £49,000 (2006 – £60,000). There are £1,000 within debtors (2006 – £5,000) relating to the employer's contributions at 31 December 2007.

## 31 Related party transactions

During the year the following related party transactions took place

At 31 December 2007, the Company owed £nil (2006 – £532,000) to Vaimed Enterprises Limited ("Vaimed"), being funds received on settlement of a legal matter. These funds were due on demand and had no coupon. Vaimed owns 21.7% of the Company's shares and owns 50% of Global Natural Gas Limited.

At 31 December 2007, the Company was owed £7,635,000 (2006 – £7,635,000) by Middlesex Energy Limited (a 100% owned subsidiary) being funds advanced to acquire its 50.01% investment in Petrol Express Limited. These funds are payable on demand and have no coupon.

At 31 December 2007, the Company was owed £3,913,000 (2006 – £2,523,000) by Petrol Express Limited (a 100% indirectly held subsidiary) being funds advanced to acquire the fuel card businesses, group relief made available and working capital. These funds are payable on demand and have no coupon. During the year ended 31 December 2007, the Company was recharged £227,000 (2006 – £55,000) by Petrol Express Limited for administrative expenses, including Directors' remuneration, travel and surveyors' fees etc, which it paid on behalf of the Company. In both, the years ended 31 December 2007 and 2006, Petrol Express Limited has provided the Company with office facilities at no charge. On 28 February 2007, the Company provided corporate guarantee to Petrol Express Limited's bankers guaranteeing unconditionally and irrevocably the payment or discharge of all of Petrol Express Limited's liabilities to the bank.

At 31 December 2007, the Company was owed £59,000 (2006 – £59,000) by Fuel Up Limited (a 100% indirectly held subsidiary) for group relief made available. These funds are payable on demand and have no coupon.

Key management personnel compensation is disclosed in the Corporate Governance section on page 18 for salaries and page 19 for pensions and share options.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twenty fourth Annual General Meeting of GNE Group plc will be held at the offices of Seymour Pierce Limited, 20 Old Bailey, London EC4M 7EN at 11 00 a m on 26 June 2008 for the purposes of considering and, if thought fit, passing the following Resolutions of which Resolutions numbered one to seven will be proposed as Ordinary Resolutions and Resolutions numbered eight to eleven will be proposed as Special Resolutions

## Ordinary business

- 1 To receive and adopt the Directors' Report and the Financial Statements for the year ended 31 December 2007
- 2 To declare a final dividend of 10 pence per ordinary share payable to the shareholders on the register at the close of business on 20 June 2008
- 3 To re-elect D C Port as a Director of the Company
- 4 To re-elect I Falconer as a Director of the Company
- 5 To elect C H Glass (a Non-Executive Director and a member of the Audit, Remuneration and Nomination Committees) as a Director of the Company
- 6 To reappoint Mazars LLP as auditors and to authorise the Directors to agree their remuneration

## Special business

- 7 That the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") to allot relevant securities within the meaning of that Section up to an aggregate nominal amount of £1,174,522 provided that this authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2009, except that the Company may before the expiry of such authority make an offer or arrangement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of any such offer or agreement as if such authority had not expired
- 8 That the Directors be and they are hereby empowered pursuant to Section 95 of the Act, to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred upon them by the preceding Resolution as if section 89 (1) of the Act did not apply to any such allotment provided that such power shall be limited
  - (i) to the allotment of equity securities where such securities have been offered whether in connection with a rights issue or any other pre-emptive offer of equity securities in favour of holders of equity securities in proportion (as nearly as may be) to their equity holdings of equity securities subject only to such exclusions as the Directors may consider appropriate to deal with fractional entitlements or legal or practical difficulties under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory or otherwise, and
  - (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities
    - (a) arising from the exercise of options outstanding at the date of this resolution, and/or
    - (b) up to an aggregate nominal amount of £176,178,

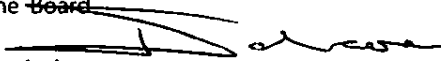
and such power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2009, unless renewed or extended prior to or at such meeting, except that the Company may, before the expiry of any power contained in this Resolution, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired



## Notice of Annual General Meeting *continued*

- 9 That the Company is hereby granted general and unconditional authority pursuant to Section 166 of the Act to make one or more market purchases (as defined in Section 163 (3) of the said Act) of any of its ordinary shares on such terms and in such manner as the Board of Directors of the Company may from time to time determine, provided that
- (i) unless previously revoked, varied or renewed, such authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2009, provided that the Company may before the expiry of this authority enter into any contract for the purchase of its own ordinary shares which would or might be executed wholly or partly after the expiry of such authority and in any such case the Company may make purchases of its own shares under such contract after the expiry of this authority as if such authority had not expired,
  - (ii) the maximum aggregate number of such ordinary shares which may be purchased under this authority is 704,713,
  - (iii) the minimum price which may be paid for an ordinary share shall be 25p and the maximum price which may be paid for an ordinary share shall be an amount equal to 105% of the average of the middle market closing prices for an ordinary share in the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the ordinary share is purchased (in each case exclusive of expenses payable by the Company), and
  - (iv) this authority shall only be capable of variation, revocation or renewal by the Company in General Meeting by Special Resolution
- 10 That with immediate effect, the articles of association of the Company contained in the document produced to the meeting (and signed by the Chairman for the purposes of identification) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company
- 11 That subject to resolution 10 set out in the notice of the annual general meeting of the Company convened for 26 June 2008 being passed and with effect on and from 1 October 2008 or such later date as section 175 of the Companies Act 2006 shall be brought into force,
- (i) article 21 of the articles of association adopted pursuant to resolution 10 be deleted in its entirety and articles 21 and 22 as set out in the document produced to the meeting (and signed by the Chairman for the purposes of identification) be substituted therefor and the remaining articles be re-numbered and
  - (ii) article 26 9 of the articles of association adopted pursuant to resolution 10 be deleted in its entirety and article 27 9 as set out in the document produced to the meeting (and signed by the Chairman for the purposes of identification) be substituted therefor

By order of the ~~Board~~

  
**I Falconer CA (SA)**  
Company Secretary

22 May 2008

4 Lancaster Court  
Coronation Road  
Cressex Business Park  
High Wycombe  
Buckinghamshire HP12 3TD

#### Notes

- (i) As a shareholder of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at an Annual General Meeting of the Company. A proxy need not be a member of the Company.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any joint holders. For the purposes, seniority shall be determined by the order of the names appearing in the register of members in respect of the joint holding.
- (iii) In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
- (iv) To be valid, such Proxy Card and Power of Attorney or other authority (if any) under which it is signed, or a notationally certified copy of such Power of Attorney must be deposited with the Registrars of the Company, Capita Registrars, The Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU in accordance with the instructions printed thereon, so as to be received no later than forty-eight hours before the time of the Meeting, or any adjournment thereof.
- (v) The completion and return of a Proxy Card will not affect the right of a member to attend, speak and vote in person at the Meeting convened by this notice.
- (vi) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- (vii) To direct your proxy how to vote on the resolution mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting resolution indication is given, your proxy will vote or abstain at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter, which is put before the Meeting.
- (viii) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, members will be entitled to attend and vote at the Meeting if they are registered on the Company's register of members forty eight hours before the time appointed for the Meeting or any adjournment thereof.
- (ix) Copies of the Executive Directors' service contracts and Register of Directors' Interests in the share capital of the Company are available for inspection at the registered office of the Company during normal business hours (Saturdays, Sundays and public holidays excepted) and at the place of the Meeting from 10.45 a.m. on 26 June 2008 until the close of the Annual General Meeting.
- (x) A copy of the articles of association marked to show the changes being proposed by resolution 10 together with a copy of the revised articles of association marked to show the changes proposed by resolution 11 will be available for inspection at the Company's registered office and at the place of the meeting for at least 15 minutes prior to the annual general meeting until its conclusion.

## ShareGift

The Company supports ShareGift the share donation charity (registered charity number 1052686). Shareholders who have a small number of shares which might be uneconomic to sell are able to donate them to ShareGift. Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of UK charities. Donating shares to charity gives rise to neither a gain nor a loss for UK Capital Gains Tax purposes and UK taxpayers may also be able to claim income tax relief on such gifts of shares. Even if the share certificate has been lost or destroyed, the gift can be completed by obtaining a duplicate share certificate from the Company's Share Registrars, Capita Registrars. The service is generally free, however, there may be an indemnity charge for lost or destroyed share certificate where the value of the shares exceed £100.

Further details about ShareGift can be obtained from its website at [www.sharegift.org](http://www.sharegift.org) or 17 Carlton House Terrace, London SW1Y 5AH (telephone +44 (0)20 7930 3737).

# Operating Locations and Addresses

See Petrol Express Limited's website [www.petrolexpress.co.uk](http://www.petrolexpress.co.uk) for maps to the individual sites

<b>Abercynon Service Station</b> A470, Abercynon, Mountain Ash CF45 4YX	<b>Bargoed Service Station</b> Station Road, Bargoed, Mid Glamorgan CF8 9AL	<b>Battersea Park Service Station</b> 15 25 Parkgate Road, London SW11 4NP	<b>Bebington Service Station</b> 26 Old Chester Road, Bebington, Wirrel CH63 7LQ
<b>Beechley Service Station</b> Kingsmill Road, Hightown, Wrexham LL13 8NH	<b>Bickerstaffe Service Station</b> Four Lane Ends, Bickerstaffe, Ormskirk, Lancashire L39 0HF	<b>Binley Woods Service Station</b> Eastern By-Pass, Coventry, Warwickshire CV3 2ZZ	<b>Blackfield Service Station</b> Hampton Lane, Blackfield, Southampton, Hampshire SO45 1WE
<b>Bloxham Service Station</b> South Newington Road, Bloxham, Nr Banbury, Oxfordshire OX15 4QF	<b>Bridge Service Station</b> Birmingham Road, Hopwood, Worcester B48 7AR	<b>Brandhall Service Station</b> 453 Wolverhampton Road, Oldbury, West Midlands B68 8DD	<b>Bearwood Service Station</b> Sandon Road, Bearwood, West Midlands B66 4AB
<b>Cardinal Service Station</b> Newport Road, Cardiff, South Glamorgan CF23 9AD	<b>Castleford Service Station</b> Park Road, Glass Houghton, Castleford, West Yorkshire WF10 4RW	<b>Derry Service Station</b> Londonderry Lane, Oldbury, West Midlands B67 7EN	<b>Elton Service Station</b> Elton Corner, Newnham on Severn, Gloucester GL14 1JQ
<b>Fosseway Service Station</b> Lower Slaughter, Bourton on the Water, Gloucester GL54 2EY	<b>Hamworthy Service Station</b> Blandford Road, Poole, Dorset BH16 5BN	<b>Havant Road Service Station</b> 87 Havant Road, Emsworth, Hampshire PO10 7LE	<b>Haverfordwest Service Station</b> Fishguard Road, Haverfordwest, Pembrokeshire SA62 4BT
<b>Henleaze Service Station</b> Northumbria Drive, Henleaze, Bristol BS99 4HN	<b>Tag Lane Service Station</b> Tag Lane, Preston, Lancashire PR2 7AB	<b>Laleston Service Station</b> Laleston, Nr Bridgend, Mid Glamorgan CF32 0LY	<b>Mabon Service Station</b> Mabon Nelson, Mid Glamorgan CF46 6PE
<b>Mumbles Service Station</b> Mumbles Road, Swansea SA3 5AS	<b>Overend Service Station</b> Corngreaves Road, Cradley, West Midlands B64 7EA	<b>Panteg Service Station</b> Panteg Road, Felinfoel, Llanelli, Dyfed SA15 3TF	<b>Parkside Service Station</b> Icknield Port Road, Edgbaston, Birmingham, West Midlands B16 0BJ
<b>Penn Service Station</b> Warstones Road, Penn, Wolverhampton, West Midlands WV4 4LB	<b>Porth Service Station</b> North Road, Porth, Rhondda, Mid Glamorgan CF39 9SH	<b>Premier Service Station</b> Newport Road, Cardiff CF23 9AE	<b>Prestatyn Service Station</b> Marine Road, Prestatyn, Chwyd LL19 7HA
<b>Primrose Hill Service Station</b> Primrose Hill, Kings Langley, Hertfordshire WD4 7LU	<b>Pwllmeyric Service Station</b> Pwllmeyric, Chepstow, Gwent NP6 6LF	<b>Radford Service Station</b> Jubilee Crescent, Radford, Coventry CV6 3EX	<b>Ridgeway Service Station</b> King George Road, South Shields, Tyne and Wear NE34 8AQ
<b>Rose Green Service Station</b> Hewarts Lane, Bognor Regis, Sussex PO21 3DS	<b>Rowberrow Service Station</b> Bridgewater Road, Winscombe, Somerset BS25 1QJ	<b>Rugby Service Station</b> Leicester Road, Rugby CV21 1DJ	<b>Stanwell Service Station</b> Bedfont Road, Stanwell, Middlesex TW19 7LU
<b>Sunderland Service Station</b> Pallion New Road, Sunderland, Tyne and Wear SR4 6UA	<b>Stourbridge Service Station</b> Hagley Road, Old Swinford, Stourbridge, West Midlands DY8 2JJ	<b>Tawe Service Station</b> Neath Road, Landore, Swansea SA1 2JG	<b>Tipton Service Station</b> Bloomfield Road, Tipton, West Midlands DY4 9EB
<b>Teddington Hands Service Station</b> A435 A438 Roundabout, Teddington Hands, The Bridge, Tewkesbury, Gloucester GL20 8NE	<b>Tollhouse Service Station</b> Alcester Road, Stratford upon Avon, Warwickshire CV37 0JJ	<b>Tondu Service Station</b> Maesteg Road, Tondu, Nr Bridgend, Mid Glamorgan CF32 9DS	<b>Ton Pentre Service Station</b> Ystrad Road, Pentre, Rhondda, Mid Glamorgan CF41 7PN
<b>Walters Ash Service Station</b> Main Road, Walters Ash, Buckinghamshire HP14 4XG	<b>Walsgrave Service Station</b> Hinckley Road, Walsgrave, Coventry CV2 2QN	<b>Wandle Service Station</b> Bishopsford Road, Morden, Surrey SM4 6AP	<b>West Moors Service Station</b> Ringwood Road, West Moors, Dorset BH22 0AB
<b>Whelley Road Service Station</b> Whelley Road, Wigan, Lancashire WN1 3PG	<b>Wick Service Station</b> London Road, Wick, Bristol BS30 5SJ	<b>Wolstanton Service Station</b> High Street, Wolstanton, Staffordshire ST5 0EY	<b>Petrol Express BP Accrington</b> Hyndburn Road, Accrington, Lancashire BB5 1PY
<b>Petrol Express BP Bilston</b> Willenhall Road, Bilston, West Midlands WV14 6NP	<b>Petrol Express BP Cleadon</b> Shields Road, Cleadon, Sunderland, Tyne and Wear SR6 7PQ	<b>Petrol Express BP Doncaster</b> Balby Road, Doncaster DN4 0JL	<b>Petrol Express BP Littleborough</b> Church Street, Littleborough, Rochdale, Lancashire OL15 8JA
<b>Petrol Express BP Netherton</b> Halesowen Road, Netherton, Dudley, West Midlands DY2 9PS	<b>Petrol Express BP Stockton</b> Norton Road, Stockton-on Tees, Cleveland TS20 2PN	<b>Petrol Express BP Walton</b> Victoria Road, Walton-Le-Dale, Preston, Lancashire PR5 4BA	



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