

Registration number 2590491

Par Petroleum Limited

Abbreviated accounts

for the year ended 30 June 2003

Edward Egglestone & Company
Chartered Accountants
Registered Auditor
3 - 5 Scarborough Street
Hartlepool
TS24 7DA



Par Petroleum Limited

Contents

	Page
Directors' report	1
Auditors' report	2
<i>Abbreviated profit and loss account</i>	3
Abbreviated balance sheet	4
Cash flow statement	5
Notes to the financial statements	6 - 15

Par Petroleum Limited

Directors' report for the year ended 30 June 2003

The directors present their report and the accounts for the year ended 30 June 2003.

Principal activity and review of the business

The principal activity of the company is distribution and sale of oils, petrol, lubricants and other fuels.

Results and dividends

The results for the year are set out on page 3.

The directors recommend payment of a final dividend amounting to £32,000.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/06/03	01/07/02
Mr P Roy-Toole	24,000	24,000
Mrs C Roy-Toole	24,000	24,000

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year.

In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Edward Egglestone & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board and signed on its behalf by

Mrs C Roy Toole
Secretary

Date:

C. Roy Toole
14.04.2004

**Independent auditors' report to Par Petroleum Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 3 to 15 together with the financial statements of Par Petroleum Limited for the year ended 30 June 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

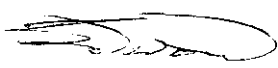

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

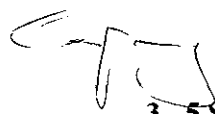
Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 June 2003, and the abbreviated accounts on pages 3 to 15 are properly prepared in accordance with that provision.



Edward Egglestone & Company
Chartered Accountants and
Registered Auditor
Date: 15 April 2004


3 - 5 Scarborough Street
Hartlepool
TS24 7DA

Par Petroleum Limited

**Abbreviated profit and loss account
for the year ended 30 June 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Gross profit		770,874	765,746
Administrative expenses		(756,751)	(728,266)
Operating profit	2	<u>14,123</u>	<u>37,480</u>
Other interest receivable and similar income	3	2,477	6,754
Interest payable and similar charges	4	(1,424)	(1,354)
Profit on ordinary activities before taxation		<u>15,176</u>	<u>42,880</u>
Tax on profit on ordinary activities	7	(2,833)	(28,668)
Profit on ordinary activities after taxation		<u>12,343</u>	<u>14,212</u>
Dividends	8	(32,000)	(32,000)
Loss for the year		<u>(19,657)</u>	<u>(17,788)</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 15 form an integral part of these financial statements.

Par Petroleum Limited

**Abbreviated balance sheet
as at 30 June 2003**

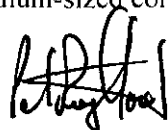
		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		448,082		430,955
Investments	11		1		-
			<u>448,083</u>		<u>430,955</u>
Current assets					
Stocks	12	55,845		59,335	
Debtors	13	718,730		569,491	
Cash at bank and in hand		173,425		490,807	
		<u>948,000</u>		<u>1,119,633</u>	
Creditors: amounts falling due within one year	14	(905,571)		(1,027,366)	
Net current assets			<u>42,429</u>		<u>92,267</u>
Total assets less current liabilities			<u>490,512</u>		<u>523,222</u>
Creditors: amounts falling due after more than one year	15		(5,000)		(10,275)
Provisions for liabilities and charges	16		(21,788)		(22,066)
Net assets			<u>463,724</u>		<u>490,881</u>
Capital and reserves					
Called up share capital	18		48,000		48,000
Profit and loss account	19		415,724		442,881
Equity shareholders' funds	20		<u>463,724</u>		<u>490,881</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Mr P Roy-Toole

Director

Date: 14.04.2004



The notes on pages 6 to 15 form an integral part of these financial statements.

Par Petroleum Limited

**Cash flow statement
for the year ended 30 June 2003**

	Notes	2003 £	2002 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		14,123	37,480
Depreciation		65,849	71,591
Decrease in stocks		3,490	(10,788)
(Increase) in debtors		(149,239)	195,687
(Decrease) in creditors		(136,875)	(85,464)
Net cash outflow from operating activities		<u>(202,652)</u>	<u>208,506</u>
Cash flow statement			
Net cash outflow from operating activities		(202,652)	208,506
Returns on investments and servicing of finance	21	1,053	5,400
Taxation	21	(6,198)	(34,487)
Capital expenditure	21	(75,478)	(82,871)
Acquisitions and disposals	21	(1)	-
		<u>(283,276)</u>	<u>96,548</u>
Equity dividends paid		(32,000)	(32,000)
		<u>(315,276)</u>	<u>64,548</u>
Financing	21	(20,125)	(20,499)
Decrease in cash in the year		<u>(335,401)</u>	<u>44,049</u>
Reconciliation of net cash flow to movement in net debt (Note 22)			
Decrease in cash in the year		(335,401)	44,049
Cash outflow from increase in debts and lease financing		20,125	20,499
		<u>(315,276)</u>	<u>64,548</u>
Change in net debt resulting from cash flows		(315,276)	64,548
New finance leases and hire purchase contracts		(15,000)	(34,200)
Movement in net debt in the year		<u>(330,276)</u>	<u>30,348</u>
Net funds at 1 July 2002		433,823	403,475
Net funds at 30 June 2003		<u>103,547</u>	<u>433,823</u>

Par Petroleum Limited

Notes to the abbreviated financial statements for the year ended 30 June 2003

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 50 years
Plant and machinery	-	15% Reducing balance
Fixtures, fittings and equipment	-	10% Reducing balance
Motor vehicles	-	25% Reducing Balance

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.8. Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

1.9. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

2. Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	68,247	60,907
Auditors' remuneration	1,880	5,315
and after crediting:		
Profit on disposal of tangible fixed assets	2,398	(10,684)
3. Interest receivable and similar income	2003	2002
	£	£
Bank interest	2,477	6,754
4. Interest payable and similar charges	2003	2002
	£	£
Interest payable on loans < 1 yr	176	389
Hire purchase interest	1,248	965
	1,424	1,354
5. Employees		
Number of employees	2003	2002
The average monthly numbers of employees	Number	Number
(including the directors) during the year were:	11	11
Employment costs	2003	2002
	£	£
Wages and salaries	318,330	276,015
Other pension costs	60,299	50,317
	378,629	326,332

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

5.1. Directors' emoluments

	2003	2002
	£	£
Remuneration and other emoluments	105,933	79,299
Pension contributions	50,000	50,120
	<u>155,933</u>	<u>129,419</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £60,299 (2002 - £50,317).

Par Petroleum Limited

Notes to the abbreviated financial statements for the year ended 30 June 2003

..... continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax	4,123	6,602
Adjustments in respect of previous periods	(1,012)	-
	<u>3,111</u>	<u>6,602</u>
Total current tax charge	<u>3,111</u>	<u>6,602</u>
Deferred tax		
Timing differences, origination and reversal	(278)	22,066
Total deferred tax	<u>(278)</u>	<u>22,066</u>
Tax on profit on ordinary activities	<u>2,833</u>	<u>28,668</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (12 per cent). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>15,176</u>	<u>42,880</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 12% (30 June 2002 : 20%)	1,601	8,576
Effects of:		
Expenses not deductible for tax purposes	1,384	1,020
Capital allowances for period in excess of depreciation	860	(2,994)
Adjustments to tax charge in respect of previous periods	(1,012)	-
Current tax charge for period	<u>2,883</u>	<u>6,602</u>
Failed validation - Total does not match the Total current tax charge above		

8. Dividends

	2003 £	2002 £
Dividends on equity shares:		
Ordinary shares - final proposed	<u>32,000</u>	<u>32,000</u>

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

9. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
Additions	7,500	7,500
Written off against reserves	(7,500)	(7,500)
At 30 June 2003	<u>-</u>	<u>-</u>

The Company acquired goodwill during the year at a cost of £7,500 and it was decided to write this off in full to reserves.

10. Tangible fixed assets	Land and buildings freehold	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2002	145,858	136,589	67,662	338,486	688,595
Additions	16,891	13,174	1,199	75,263	106,527
Disposals	-	-	(341)	(68,922)	(69,263)
At 30 June 2003	<u>162,749</u>	<u>149,763</u>	<u>68,520</u>	<u>344,827</u>	<u>725,859</u>
Depreciation					
At 1 July 2002	5,341	50,217	31,130	170,954	257,642
On disposals	-	-	(213)	(47,899)	(48,112)
Charge for the year	3,143	14,711	3,709	46,684	68,247
At 30 June 2003	<u>8,484</u>	<u>64,928</u>	<u>34,626</u>	<u>169,739</u>	<u>277,777</u>
Net book values					
At 30 June 2003	<u>154,265</u>	<u>84,835</u>	<u>33,894</u>	<u>175,088</u>	<u>448,082</u>
At 30 June 2002	<u>140,517</u>	<u>86,372</u>	<u>36,532</u>	<u>167,532</u>	<u>430,953</u>

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2003		2002	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	45,874	9,223	27,788	6,412

11. Fixed asset investments	Subsidiary undertakings		Total £
	shares £		
Cost			
Additions	1		1
At 30 June 2003	1		1
Net book values			
At 30 June 2003	1		1

11.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Copley Fuel Oils Limited	United Kingdom	Dormant Company	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Copley Fuel Oils Limited	1	-

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

12. Stocks	2003	2002
	£	£
Raw materials and consumables	55,845	59,335
	<u> </u>	<u> </u>
13. Debtors	2003	2002
	£	£
Trade debtors	699,680	500,608
Other debtors	-	54,022
Prepayments and accrued income	19,050	14,861
	<u>718,730</u>	<u>569,491</u>
	<u> </u>	<u> </u>
14. Creditors: amounts falling due within one year	2003	2002
	£	£
Bank overdraft	47,103	29,085
Bank loan	-	7,351
Net obligations under finance leases and hire purchase contracts	17,774	10,274
Trade creditors	795,718	931,926
Corporation tax	4,123	7,210
Other taxes and social security costs	6,318	6,220
Accruals and deferred income	2,535	3,300
Proposed dividend	32,000	32,000
	<u>905,571</u>	<u>1,027,366</u>
	<u> </u>	<u> </u>
15. Creditors: amounts falling due after more than one year	2003	2002
	£	£
Net obligations under finance leases and hire purchase contracts	5,000	10,275
	<u> </u>	<u> </u>

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

16. Provisions for liabilities and charges

	Deferred taxation (Note 17) ££	Total
At 1 July 2002	22,066	22,066
Movements in the year	278	278
At 30 June 2003	<u>21,788</u>	<u>21,788</u>

17. Provision for deferred taxation

	2003 £	2002 £
Accelerated capital allowances	<u>21,788</u>	<u>22,066</u>
Provision at 1 July 2002	22,066	
Deferred tax charge in profit and loss account	(278)	
Provision at 30 June 2003	<u>21,788</u>	

18. Share capital

	2003 £	2002 £
Authorised		
50,000 Ordinary shares of 1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
48,000 Ordinary shares of 1 each	<u>48,000</u>	<u>48,000</u>

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

19. Equity Reserves	Profit and loss account	
	££	Total
At 1 July 2002	442,881	442,881
Goodwill written-off	(7,500)	(7,500)
Loss for the year	(19,657)	(19,657)
At 30 June 2003	<u>415,724</u>	<u>415,724</u>

20. Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the year	12,343	14,212
Dividends	(32,000)	(32,000)
	<u>(19,657)</u>	<u>(17,788)</u>
Goodwill written off	(7,500)	-
Net addition to shareholders' funds	<u>(27,157)</u>	<u>(17,788)</u>
Opening shareholders' funds	490,881	508,669
Closing shareholders' funds	<u>463,724</u>	<u>490,881</u>

Par Petroleum Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2003**

..... continued

21. Gross cash flows

	2003	2002
	£	£
Returns on investments and servicing of finance		
Interest received	2,477	6,754
Interest paid	(1,424)	(1,354)
	<u>1,053</u>	<u>5,400</u>
Taxation		
Corporation tax paid	(6,198)	(34,487)
Capital expenditure		
Payments to acquire intangible assets	(7,500)	-
Payments to acquire tangible assets	(91,527)	(100,807)
Receipts from sales of tangible assets	23,549	17,936
	<u>(75,478)</u>	<u>(82,871)</u>
Acquisitions and disposals		
Payments on acquisition of group interests	(1)	-
Financing		
Repayment of short term bank loan	(7,351)	(6,848)
Capital element of finance leases and hire purchase contracts	(12,774)	(13,651)
	<u>(20,125)</u>	<u>(20,499)</u>

22. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	490,807	(317,382)		173,425
Overdrafts	(29,085)	(18,018)		(47,103)
	<u>461,722</u>	<u>(335,400)</u>		<u>126,322</u>
Debt due within one year	(7,351)	7,351	-	-
Finance leases and hire purchase contracts	(20,548)	12,774	(15,000)	(22,774)
	<u>(27,899)</u>	<u>20,125</u>	<u>(15,000)</u>	<u>(22,774)</u>
Net funds	<u>433,823</u>	<u>(315,275)</u>	<u>(15,000)</u>	<u>103,548</u>