Registered no: 04789821

Martindale Fuels Limited

Annual report

for the year ended 30 June 2007



Martindale Fuels Limited

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for the year ended 30 June 2007

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Martindale Fuels Limited

Directors and advisers

Directors

A J L Martindale
C Tait
S Chambers
J Stewart

Secretary

J Stewart

Registered office

Emo House
Lyons Road
Trafford Park
Manchester
M17 1RF

Solicitors

Mace & Jones
14 Oxford Court
Bishopsgate
Manchester
M2 3WQ

Bankers

HSBC Bank Plc
4 Dale Street
Liverpool
L69 2BZ

Registered auditors

PricewaterhouseCoopers LLP
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Directors' report for the year ended 30 June 2007

The directors present their report and the audited financial statements for the year ended 30 June 2007

Principal activities

The principal activity of the company is that of a fuel transport and distribution logistics business

Review of Business and Future Developments

Performance

The company was acquired by GB Oils Limited part of the DCC Group on 4 September 2007 The trade and assets of the business were subsequently hived up into GB Oils Limited The directors consider the results for the period and the year end position satisfactory

Risks

Performance in the sector is affected by general economic conditions The directors carry out regular strategic reviews including assessments of competitor activity, market trends and forecasts and customer behaviour

Key Performance Indicators

The company's key performance indicators are as follows

	2007	2006
	£	£
Operating (loss)/profit	**(153,871)**	225,977
Gross Margin	**870,823**	1,048,310
Operating profit/Gross margin	**(17.7%)**	21 5%

Environment

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible

Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike

Human resources

The company's most important resource is its people, their knowledge and experience is crucial to meeting customer requirements Retention of key staff is critical and the company continues to invest in employment, training and development The company also has in place appropriate incentive and career progression arrangements

Directors' report
for the year ended 30 June 2007 (continued)

Financial risk management

The financial treasury function of DCC plc, will be responsible for ensuring the availability and flexibility of funding arrangements in order to meet the ongoing requirements of the group and company In addition, it is responsible for managing the interest rate risk, liquidity risks and balance sheet foreign exchange translation risks of the group and company

The company has implemented policies that require appropriate credit checks on potential customers before sales are made, and has a policy that there will be no undue amount of exposure to any individual customer

Results and dividends

The loss for the year, after taxation, amounted to £325,001 (2006 profit of £44,318)

Directors

The directors who served during the year are shown on page 1 S Chambers and J Stewart were appointed directors on 4 September 2007

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

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

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 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

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements are aware

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

Directors' report
for the year ended 30 June 2007 (continued)

Auditors

The auditors, PricewaterhouseCoopers LLP, having succeeded PKF (UK) LLP during the period, have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

By order of the Board

A J L Martindale
Director
Date 31 October 2007

Independent auditors' report to the shareholders of Martindale Fuels Limited

We have audited the financial statements of Martindale Fuels Limited for the year ended 30 June 2007, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for preparation of the financial statements in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 report to you whether in our opinion the information given in the directors' report is consistent with the financial statements We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 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

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss and cash flows for the year then ended,
- 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

Pricewaterhousecoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
Date 7/11/07

Martindale Fuels Limited

Profit and loss account
for the year ended 30 June 2007

	Notes	2007 £	2006 (restated) £
Turnover	2	**62,417,898**	70,584,362
Cost of sales		**(61,547,075)**	(69,536,052)
Gross profit		**870,823**	1,048,310
Distribution costs		**(37,000)**	(51,646)
Administrative expenses		**(634,687)**	(770,687)
Operating profit before exceptional items		**199,136**	225,977
Exceptional item	3	**(353,007)**	-
Operating (loss)/profit	3	**(153,871)**	225,977
Interest receivable		**-**	92
Interest payable and similar charges	6	**(160,848)**	(159,338)
(Loss)/profit on ordinary activities before taxation		**(314,719)**	66,731
Taxation	7	**(10,282)**	(22,413)
(Loss)/profit for the financial year	18	**(325,001)**	44,318

All amounts above relate to continuing operations of the company

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents

Martindale Fuels Limited

Balance sheet at 30 June 2007

	Notes	2007 £	2006 (restated) £
Fixed assets			
Intangible assets	9	-	353,007
Tangible assets	10	**789,719**	878,593
		789,719	1,231,600
Current assets			
Stock	11	**144,000**	184,000
Debtors	12	**4,075,151**	3,402,017
Cash at bank and in hand		**42,463**	25,769
		4,261,614	3,611,786
Creditors: amounts falling due within one year	13	**(5,047,116)**	(4,397,856)
Net current liabilities		**(785,502)**	(786,070)
Total assets less current liabilities		**4,217**	445,530
Creditors: amounts falling due after more than one year	14	**(142,796)**	(241,044)
Provision for liabilities	16	**(47,951)**	(46,015)
Net (liabilities)/assets		**(186,530)**	158,471
Capital and reserves			
Called up share capital	17	**10,000**	10,000
Profit and loss account	18	**(196,530)**	148,471
Equity shareholders' (liabilities)/funds	19	**(186,530)**	158,471

The financial statements on pages 6 to 17 were approved by the board on 31/10/2007 and were signed on its behalf by

A J L Martindale
Director

C Tait
Director

Cash flow statement
for the year ended 30 June 2007

	Notes	2007 £	2006 £
Net cash (outflow)/inflow from operating activities	20	**(550,001)**	643,155
Returns on investments and servicing of finance			
Interest paid		**(160,848)**	(159,246)
Taxation			
Corporation tax paid		**(13,281)**	(4,045)
Capital expenditure			
Purchase of tangible fixed assets		**(1,500)**	7,530
Equity dividends paid		**(20,000)**	-
Net cash (outflow)/inflow before use of liquid resources and financing		**(745,630)**	487,394
Management of liquid resources			
Increase in short term deposits with banks		-	-
Financing			
Repayment of principal under hire purchase and finance lease agreements		**(115,526)**	(120,551)
(Decrease)/increase in cash in the year	21 – 22	**(861,156)**	366,843

Notes to the financial statements for the year ended 30 June 2007

1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards The principal accounting policies are set out below

Change of accounting policy

The company has adopted FRS 21, 'Events after the balance sheet date' and FRS 25, 'Financial instruments disclosure and presentation' in these financial statements The adoption of the standards represents a change in accounting policy and the comparative figures have been restated accordingly

The effect of the change in accounting policy to adopt FRS 21 was to recognise the final proposed dividend for the year ended 30 June 2006 of £20,000 in the current year

The adoption of the presentation requirements of FRS 25 has led to dividends paid now being shown in the profit and loss reserve rather than on the face of the profit and loss account

Goodwill

Purchased goodwill is eliminated by amortisation through the profit and loss account over its useful economic life FRS 10 "Goodwill and Intangible Assets" requires goodwill to be accounted for as an asset and amortised over its useful economic life

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned The principal annual rates used are as follows

		%
Freehold property	-	2 straight line
Plant, machinery, fixtures, fittings and office equipment	-	7-33% straight line
Motor vehicles	-	7-25% straight line

Impairment of fixed assets and goodwill

The company assesses at each reporting date whether there is an indication that an asset may be impaired If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset Impairment losses are recognised in the profit and loss account

Leasing and hire purchase

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account on a straight line basis over the period of the lease

Stocks

Stocks are stated at the lower of cost and net realisable value Cost is determined on a first in first out basis and includes all direct costs incurred Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profit and its results as stated in the financial statements Deferred tax assets and liabilities recognised have not been discounted

1 Accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year

2 Analysis of turnover

Turnover relates to the company's main activity which is carried out in the United Kingdom

3 Operating profit

	2007	2006
	£	£
This is stated after charging		
Amortisation – intangible fixed assets	-	20,772
Exceptional item – impairment loss arising on intangible fixed assets	**353,007**	-
Depreciation of tangible fixed assets		
– owned by the company	**30,720**	34,095
– held under finance leases	**59,654**	37,900
Auditors' remuneration	**10,000**	7,855

There is no effect on taxation arising from the exceptional item

4 Employee information

	2007	2006
	£	£
Staff costs		
Wages and salaries	**494,991**	523,636
Social security costs	**55,243**	54,812
Other pension costs	**19,835**	17,817
	570,069	596,265

	Number	Number
Average monthly number of persons employed by the company (including executive directors) during the year by activity		
Management and administration	**10**	9
Operatives	**9**	11
	19	20

5 Directors' emoluments

	2007	2006
	£	£
Aggregate emoluments	**62,054**	59,717
Company pension contributions to money purchase schemes	**8,688**	6,468

Retirement benefits are accruing to two directors(2006 two) in respect of money purchase pension schemes

6 Interest payable and similar charges

	2007	2006
	£	£
Bank overdraft interest payable	51	105
Invoice factoring costs	135,961	141,663
On finance leases and hire purchase contracts	24,836	17,570
	160,848	159,338

7 Taxation

	2007	2006
	£	£
Current tax		
UK corporation tax at 19%	9,290	725
Adjustment in respect of previous periods	(944)	219
Total current tax	8,346	944
Deferred tax:		
Origination and reversal of timing differences	1,936	21,469
Tax on profit on ordinary activities	10,282	22,413

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%) The differences are explained below

	2007	2006
	£	£
Loss/profit on ordinary activities before tax	(314,719)	66,731
Profit on ordinary activities multiplied by standard rate in the UK 19% (2006 19%)	(59,797)	12,679
Effects of		
Expenses not deductible for tax purposes	68,505	725
Utilisation of tax losses	-	(12,725)
Other short term timing differences	461	46
Tax at marginal rates	121	-
Adjustments to tax charge in respect of prior periods	(944)	219
Current tax charge for the year	8,346	944

8 Dividends

	2007	2006 (restated)
	£	£
Final paid	20,000	-

9 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2006 and **30 June 2007**	**415,420**
Aggregate amortisation	
At 1 July 2006	62,413
Impairment during the year	353,007
At 30 June 2007	**415,420**
Net book value	
At 30 June 2007	-
At 30 June 2006	353,007

10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Furniture, fittings, tools and equipment £	Total £
Cost				
At 1 July 2006	309,000	719,088	32,768	1,060,856
Additions	-	1,500	-	1,500
At 30 June 2007	**309,000**	**720,588**	**32,768**	**1,062,356**
Depreciation				
At 1 July 2006	9,260	150,507	22,496	182,263
Charge for year	3,180	78,998	8,196	90,374
At 30 June 2007	**12,440**	**229,505**	**30,692**	**272,637**
Net book value				
At 30 June 2007	**296,560**	**491,083**	**2,076**	**789,719**
At 30 June 2006	299,740	568,581	10,272	878,593

The net book value of assets includes £396,643 (2006 £456,297) in respect of assets held under hire purchase and finance lease agreements

11 Stock

	2007	2006
	£	£
Fuels, oils and lubricants	**144,000**	184,000

12 Debtors

	2007	2006
	£	£
Trade debtors	**3,799,225**	3,281,780
Directors current account	**102,908**	-
Other debtors	**14,274**	83,087
Prepayments and accrued income	**33,865**	37,150
Amounts owed by related parties (note 24)	**124,879**	-
	4,075,151	3,402,017

Trade debtors are subject to invoice discounting arrangements Directors current accounts and amounts owed by related parties were repaid on the sale of the company at 4 September 2007

13 Creditors: amounts falling due within one year

	2007	2006 (restated)
	£	£
Obligations under finance leases and hire purchase agreements (note 15)	**98,388**	115,666
Trade creditors	**3,557,957**	3,732,988
Corporation tax	**(3,991)**	944
Social security and other taxes	**24,561**	15,503
Amounts due in respect of invoice discounting	**1,352,025**	474,175
Accruals and deferred income	**18,176**	58,580
	5,047,116	4,397,856

Amounts due in respect of invoice discounting of £1,352,025 (20006 £454,125) are secured on specific book debts of the company

Included in trade creditors are balances totalling £3,507,574 (2006 £3,446,170) secured via a legal charge over the freehold property of the company

14 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Obligations under finance leases and hire purchase agreements (note 15)	**142,796**	241,044

15 Obligations under finance leases and hire purchase

	2007	2006
	£	£
In one year or less	**98,388**	115,666
Between one and two years	**66,646**	115,587
Between two and five years	**76,150**	125,457
	241,184	356,710

16 Provision for liabilities

	2007	2006
	£	£
At 1 July 2006	**46,015**	-
Charge for the year	**1,936**	46,015
At 30 June 2007	**47,951**	46,015

Deferred tax comprises

	2007	2006
	£	£
Accelerated capital allowances	**47,951**	46,015
	47,951	46,015

17 Called up share capital

	2007	2006
	£	£
Authorised		
10,000 ordinary shares of £1 each	**10,000**	10,000
Authorised, allotted, called-up and fully paid		
10,000 ordinary shares of £1 each	**10,000**	10,000

18 Profit and loss account

	Profit and loss account (restated)
	£
At 1 July 2006 as previously reported	128,471
Prior year adjustment	20,000
At 1 July 2006 as restated	148,471
Loss for the financial year	(325,001)
Dividends paid	(20,000)
At 30 June 2007	**(196,230)**

18 Profit and loss account (continued)

Prior year adjustment and impact of new standards

The prior year adjustment relates to the implementation of FRS 21

The adoption of FRS 21 has resulted in an increase in shareholders fund of £20,000 at 1 July 2006 due to the write back of the dividend accrued at 30 June 2006

FRS 25 has resulted in the repositioning of dividends from the profit and loss account to the profit and loss reserves

19 Reconciliation of movement in shareholders' funds

	2007	2006 (restated)
	£	£
Loss for the financial year	**(325,001)**	44,318
Dividends paid	**(20,000)**	-
Net movement during the year	**(345,001)**	44,318
Opening shareholders' funds as previously reported	**138,471**	114,153
Prior year adjustment (note 18)	**20,000**	-
Opening shareholders' funds as restated	**158,471**	114,153
Closing shareholders' funds	**(186,530)**	158,471

20 Net cash flow from operating activities

	2007	2006
	£	£
Operating (loss)/profit	**(153,871)**	225,977
Amortisation of intangible fixed assets	**353,007**	20,772
Depreciation of tangible fixed assets	**90,374**	71,995
Profit on disposal of tangible fixed assets	**-**	(5,461)
Decrease/(increase) in stocks	**40,000**	(8,903)
(Increase)/decrease in debtors	**(673,134)**	94,337
(Decrease)/increase in creditors	**(206,377)**	244,438
Net cash (outflow)/inflow from operations	**(550,001)**	643,155

21 Analysis of net funds

	1 June 2006 £	Cash flow £	Non-cash changes £	31 July 2007 £
Cash at bank and in hand	25,769	16,694	-	**42,463**
Invoice discounting facility	(474,175)	(877,850)	-	**(1,352,025)**
	(448,406)	(861,156)	-	**(1,309,562)**
Finance lease and hire purchase obligations	(356,710)	115,526	-	**(241,184)**
	(805,116)	(745,630)	-	**(1,550,746)**

22 Reconciliation of net cash flow to movement in net funds

	2007 £	2006 £
(Decrease)/increase in cash in financial year	**(861,156)**	366,843
Cash outflows from decrease in debt	**115,526**	120,551
Change in net funds resulting from cash flows	**(745,630)**	487,394
Non-cash changes		
New hire purchase obligations	-	(319,271)
Movement in net funds in the year	**(745,630)**	168,123
Net funds at 1 November 2006	**(805,116)**	(973,239)
Net funds at 31 October 2007	**(1,550,746)**	805,116

23 Pension commitments

The company operates a defined contributions pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund and amounted to £19,835 (2006 £17,237) Contributions totaling £Nil (2006 £Nil) were payable to the fund at the balance sheet date and are included in creditors

24 Related party transactions

Martindale FM Limited and Storbox Limited are regarded as related parties as defined by Financial Reporting Standard 8 'Related party Disclosures' due to Andrew Martindale's shareholding in both

The following transactions were conducted with related parties during the year

	Year ended 30 June 2007	Year ended 30 June 2006
	£	£
Martindale FM Limited		
Management charges	**(15,000)**	(60,000)
Amounts paid on related party's behalf	**144,738**	68,975
Storbox Limited		
Amounts paid on related party's behalf	**10,000**	-

Balances outstanding with the related parties at 30 June 2007 were as follows

	Owed to related party		Owed by related party	
	2007	2006	**2007**	2006
	£	£	**£**	£
Martindale FM Limited	-	14,859	**114,879**	-
Storbox Limited	-	-	**10,000**	-
	-	14,859	**124,879**	-

These balances were repaid on the sale of the company at 4 September 2007

25 Ultimate controlling party

The immediate parent undertaking is GB Oils Limited, whose ultimate parent is DCC Energy Limited a company incorporated in the United Kingdom

The ultimate parent undertaking and controlling party is DCC plc, a company incorporated in and operating in the Republic of Ireland Copies of the DCC plc consolidated financial statements may be obtained from the Companies' Registrar in Dublin

DCC plc and DCC Energy Limited are the parent undertakings of respectively the largest and smallest groups in which Martindale Fuels Limited is included DCC plc is the parent undertaking of the only group to consolidate these financial statements