

Star Fuels Limited

Abbreviated accounts

for the year ended 30 June 2012

Registration Number NI024821



McFarland Arnold & Co
Chartered Accountants & Registered Auditors

Star Fuels Limited

**Contents
for the year ended 30 June 2012**

	Page
Directors' report	1 - 3
Independent auditors' report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8 - 21

Star Fuels Limited

Directors' report for the year ended 30 June 2012

The directors present their report and the accounts for the year ended 30 June 2012.

The company is registered as a private limited company in Northern Ireland under registration number NI024821.

Principal activity and review of the business

The principal activities of the company are the wholesaling and retailing of coal, both bagged and bulk, and of oil and gas and related fuel products and equipment.

Both the level of business and the year end financial position were satisfactory and the directors expect this level of activity will be sustained for the foreseeable future.

The company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance and position of the company.

Results and dividends

The results for the year are set out on page 5.

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks that include the effects of changes in the debt market prices, credit risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance cost. Given the size of the company, the directors have not delegated the responsibility of monitoring finance risk management to a sub-committee of the board. The policies set out by the board of directors are implemented by the company's finance department. These risks are as follows: -

Price risk - The company is exposed to some commodity risk as a result of its operations. However, costs of managing exposure to commodity price risk exceed the potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed investments.

Credit risk - The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is monitored by the Board.

Interest rate cash flow risk - The company has both interest bearing assets and interest bearing liabilities, both of which bear interest at variable rates. The future cashflows of the company's operations are not sufficiently at risk due to interest rate changes to require funding at fixed rate. The appropriateness of this policy will be revisited should the company's operations change in size or nature.

Star Fuels Limited

Directors' report for the year ended 30 June 2012

..... continued

Directors and their interests

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

	Class of share	2012	2011
Mr M C Loughran	Ordinary shares	25,000	25,000
Mr J Loughran	Ordinary shares	-	-
Mr M O Loughran	Ordinary shares	-	-
Mr D Loughran	Ordinary shares	-	-

In accordance with the Company's Articles of Association the directors do not retire by rotation.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

In so far as the directors are aware:

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

McFarland Arnold & Co are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

Star Fuels Limited

**Directors' report
for the year ended 30 June 2012**

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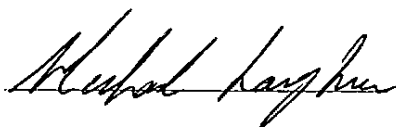
Special Provisions Relating to Medium Companies

This report is prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies.

This report was approved by the Board on 26 November 2012 and signed on its behalf by

Signed:

Mr M C Loughran
Secretary



Name (in block capitals):

MICHAEL LOUGHRAN

Star Fuels Limited

**Independent auditors' report to the directors of Star Fuels Limited
under Section 449 of the Companies Act 2006
for the year ended 30 June 2012**

We have examined the abbreviated accounts set out on pages 5 to 21 together with the financial statements of Star Fuels Limited for the year ended 30 June 2012 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.

Kate McFarland

.....
Mrs Kate McFarland (senior statutory auditor)
For and on behalf of McFarland Arnold & Co
Chartered Accountants and Registered Auditors

Dated: *26 November 2012*

**Chartered Accountants and Registered Auditors
8 Main Street
Newtownstewart
Co Tyrone
BT78 4AA**

Star Fuels Limited

**Abbreviated profit and loss account
for the year ended 30 June 2012**

		Continuing operations	
		2012	2011
	Notes	£	£
Turnover		13,382,095	12,106,267
Gross profit		838,378	886,669
Distribution costs		(131,630)	(158,086)
Administrative expenses		(546,978)	(457,237)
Operating profit	2	159,770	271,346
Other interest receivable and similar income	4	2,054	1,573
Interest payable and similar charges	5	(2,919)	(8,060)
Profit on ordinary activities before taxation		158,905	264,859
Tax on profit on ordinary activities	8	(39,522)	(71,426)
Profit for the year	19	119,383	193,433
Retained profit brought forward		1,826,563	1,653,130
Reserve Movements		(20,000)	(20,000)
Retained profit carried forward		1,925,946	1,826,563

There are no recognised gains or losses other than the profit or loss for the above two financial years and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 21 form an integral part of these abbreviated accounts.

Star Fuels Limited

Abbreviated balance sheet as at 30 June 2012

		2012		2011	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		800		1,200
Tangible assets	10		566,258		537,102
			<u>567,058</u>		<u>538,302</u>
Current assets					
Stocks	11	1,637,770		1,597,500	
Debtors	12	958,146		1,031,136	
Cash at bank and in hand	13	382,233		799,950	
		<u>2,978,149</u>		<u>3,428,586</u>	
Creditors: amounts falling due within one year	14	(1,463,926)		(2,037,369)	
Net current assets			<u>1,514,223</u>		<u>1,391,217</u>
Total assets less current liabilities			2,081,281		1,929,519
Creditors: amounts falling due after more than one year	15		(72,812)		(12,711)
Provisions for liabilities	16		(32,523)		(40,245)
Net assets			<u>1,975,946</u>		<u>1,876,563</u>
Capital and reserves					
Called up share capital	18		25,000		25,000
Other reserves	19		25,000		25,000
Profit and loss account	19		1,925,946		1,826,563
Shareholders' funds	20		<u>1,975,946</u>		<u>1,876,563</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The company is registered as a private limited company in Northern Ireland under registration number NI024821.

The abbreviated accounts were approved by the Board on 26 November 2012 and signed on its behalf by

Signature:



Name (in block capitals):

JOSEPH LOUGHRAN
Director

The notes on pages 8 to 21 form an integral part of these abbreviated accounts.

Star Fuels Limited

Cash flow statement for the year ended 30 June 2012

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		159,770	271,346
Depreciation and amortisation		95,274	88,009
(Increase)/Decrease in stocks		(40,270)	(230,932)
Decrease in debtors		72,990	(258,316)
(Decrease) in creditors		(572,184)	479,022
Net cash outflow from operating activities		<u>(284,420)</u>	<u>349,129</u>
Cash flow statement			
Net cash outflow from operating activities		(284,420)	349,129
Returns on investments and servicing of finance	26	(865)	(6,487)
Taxation	26	(102,746)	(20,000)
Capital expenditure	26	(124,030)	(131,440)
		<u>(512,061)</u>	<u>191,202</u>
Equity dividends paid		(20,000)	(20,000)
		<u>(532,061)</u>	<u>171,202</u>
Financing	26	114,344	(526)
Decrease in cash in the year		<u>(417,717)</u>	<u>170,676</u>
Reconciliation of net cash flow to movement in net debt (Note 27)			
Decrease in cash in the year		(417,717)	170,676
Cash inflow from increase in debts and lease financing		1,016	7,311
		<u>(416,701)</u>	<u>177,987</u>
Change in net debt resulting from cash flows		(416,701)	177,987
New finance leases and hire purchase contracts		(115,360)	(6,785)
Movement in net debt in the year		<u>(532,061)</u>	<u>171,202</u>
Net funds at 1 July 2011		<u>777,250</u>	<u>606,048</u>
Net funds at 30 June 2012		<u>245,189</u>	<u>777,250</u>

Star Fuels Limited

Notes to the abbreviated accounts for the year ended 30 June 2012

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

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

1.3. Goodwill

Goodwill is the difference between the fair value of the consideration given on the acquisition of a business and the aggregate fair value of the separate net assets acquired.

Positive goodwill is recorded as an asset and amortised to the profit and loss account in equal instalments over its estimated economic life of up to a maximum of 20 years on a straight-line basis. Goodwill is reviewed for impairment annually if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill, whether written off directly to reserves, or amortised through the profit and loss account, is taken into consideration, when that part of the business which caused the initial entry is subsequently sold or closed, in determining the profit or loss on the disposal.

1.4. Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

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

Land and buildings	-	Straight line over 30 years
Plant and machinery	-	15% reducing balance/15% straight line on additions after 1 July 2010
Fixtures, fittings and equipment	-	20% reducing balance/20% straight line on additions after 1 July 2010
Motor vehicles	-	25% reducing balance/20% straight line on additions after 1 July 2010

The carrying value of tangible fixed assets are reviewed annually for impairment, if events or changes in circumstances indicate that the carrying value may not be recoverable.

Star Fuels Limited

Notes to the abbreviated accounts for the year ended 30 June 2012

..... continued

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the company's depreciation policy. 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.

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

1.6. Stock

Stock is valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs, in the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. Provision is made where necessary for obsolete, slow moving and defective stocks.

1.7. Pensions

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

Star Fuels Limited

Notes to the abbreviated accounts for the year ended 30 June 2012

..... continued

1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the average exchange rate prevailing on the date of the transactions. All differences are taken to the Profit and Loss account.

2. Operating profit

	2012	2011
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	400	1,000
Depreciation and other amounts written off tangible assets	94,874	84,869
Loss on disposal of tangible fixed assets	-	2,140
Net foreign exchange loss	20,668	-
Auditors' remuneration (Note 3)	6,500	6,500
	<u> </u>	<u> </u>
and after crediting:		
Net foreign exchange gain	-	7,454
	<u> </u>	<u> </u>

3. Auditors' remuneration

	2012	2011
	£	£
Auditors' remuneration - audit of the financial statements	6,500	6,500
	<u> </u>	<u> </u>

Star Fuels Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2012**

..... continued

4. Interest receivable and similar income	2012	2011
	£	£
Bank interest	<u>2,054</u>	<u>1,573</u>
5. Interest payable and similar charges	2012	2011
	£	£
Other interest	82	5,390
Hire purchase interest	<u>2,837</u>	<u>2,670</u>
	<u>2,919</u>	<u>8,060</u>
6. Employees		
Number of employees	2012	2011
The average monthly numbers of employees (including the directors) during the year were:		
Administration	12	13
Processing	13	18
Selling and distribution	<u>3</u>	<u>3</u>
	<u>28</u>	<u>34</u>
Employment costs	2012	2011
	£	£
Wages and salaries	653,210	628,045
Social security costs	59,609	57,839
Employer's pension scheme costs	<u>18,496</u>	<u>16,768</u>
	<u>731,315</u>	<u>702,652</u>

Star Fuels Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2012**

..... continued

6.1. Directors' remuneration	2012	2011
	£	£
Remuneration and other emoluments	84,000	87,838
Pension contributions	1,920	1,889
	<u>85,920</u>	<u>89,727</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a defined contribution pension scheme	1	1

7. Pension costs

The company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounts to £18,496 (2011 - £16,768).

Star Fuels Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2012**

..... continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2012	2011
	£	£
Current tax		
UK corporation tax	47,244	78,586
Total current tax charge	<u>47,244</u>	<u>78,586</u>
Deferred tax		
Timing differences, origination and reversal	(7,722)	(7,160)
Total deferred tax	<u>(7,722)</u>	<u>(7,160)</u>
Tax on profit on ordinary activities	<u>39,522</u>	<u>71,426</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (25.49 per cent). The differences are explained below:

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>158,905</u>	<u>264,859</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.49% (2011 : 27.50%)	40,505	72,836
Effects of:		
Expenses not deductible for tax purposes	1,445	1,337
Capital allowances for period in excess of depreciation	7,722	7,160
Depreciation on items in excess of capital allowances	385	416
Change in rate of tax	(2,813)	(3,163)
Current tax charge for period	<u>47,244</u>	<u>78,586</u>

Star Fuels Limited

Notes to the abbreviated accounts for the year ended 30 June 2012

..... continued

9. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 July 2011		
At 30 June 2012	371,474	371,474
Amortisation		
At 1 July 2011	370,274	370,274
Charge for year	400	400
At 30 June 2012	370,674	370,674
Net book values		
At 30 June 2012	800	800
At 30 June 2011	1,200	1,200

	Leasehold premises £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2011	264,228	1,178,342	78,900	22,210	1,543,680
Additions	-	123,153	877	-	124,030
At 30 June 2012	264,228	1,301,495	79,777	22,210	1,667,710
Depreciation					
At 1 July 2011	141,336	812,125	48,675	4,442	1,006,578
Charge for the year	8,245	75,967	6,220	4,442	94,874
At 30 June 2012	149,581	888,092	54,895	8,884	1,101,452
Net book values					
At 30 June 2012	114,647	413,403	24,882	13,326	566,258
At 30 June 2011	122,892	366,217	30,225	17,768	537,102

Star Fuels Limited

Notes to the abbreviated accounts for the year ended 30 June 2012

..... continued

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

Asset description	2012		2011	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	132,806	26,450	35,610	6,284
Motor vehicles	13,326	4,442	17,768	4,442
	<u>146,132</u>	<u>30,892</u>	<u>53,378</u>	<u>10,726</u>
11. Stocks			2012 £	2011 £
Consumables			36,365	28,839
Finished goods and goods for resale			1,601,405	1,568,661
			<u>1,637,770</u>	<u>1,597,500</u>
12. Debtors			2012 £	2011 £
Trade debtors			761,241	735,972
Other debtors			148,601	252,893
Prepayments and accrued income			48,304	42,271
			<u>958,146</u>	<u>1,031,136</u>

Star Fuels Limited

Notes to the abbreviated accounts for the year ended 30 June 2012

..... continued

13. Cash at bank and in hand

This includes an amount of £341,745 (2011 - £24,670) which is the sterling equivalent of foreign currency accounts.

The cash at bank figure shown in the balance sheet is part of a group facility, secured as follows: -

(a) a floating charge over the assets of Lissan Coal Company Limited, Patmond Energy Limited, Star Fuels Limited, Fuel Preparations (International) Limited and MDM Developments (NI) Limited;

(b) an unlimited intercompany cross guarantee between Lissan Coal Company Limited, Patmond Energy Limited, Star Fuels Limited, Fuel Preparations (International) Limited and MDM Developments (NI) Limited;

(c) a first fixed legal charge over the property of Lissan Coal Company Limited at 1 Lissan Road, Cookstown and Dupont Maydown Works, Derry ('the properties');

(d) a personal guarantee from Mr Michael Loughran in the amount of £2,500,000.

14. Creditors: amounts falling due within one year	2012 £	2011 £
Insurance loan	-	1,016
Net obligations under finance leases and hire purchase contracts	64,232	8,973
Trade creditors	1,273,328	1,873,265
Corporation tax	12,244	67,746
Other taxes and social security costs	13,458	14,467
Accruals and deferred income	100,664	71,902
	<u>1,463,926</u>	<u>2,037,369</u>

Star Fuels Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2012**

..... continued

15. Creditors: amounts falling due after more than one year	2012 £	2011 £
Net obligations under finance leases and hire purchase contracts	<u>72,812</u>	<u>12,711</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	64,232	8,973
Repayable between one and five years	<u>72,812</u>	<u>12,711</u>
	<u>137,044</u>	<u>21,684</u>
16. Provisions for liabilities		
	Deferred taxation (Note 17) £	Total £
At 1 July 2011	40,245	40,245
Movements in the year	<u>7,722</u>	<u>7,722</u>
At 30 June 2012	<u>32,523</u>	<u>32,523</u>

Star Fuels Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2012**

..... continued

17.	Provision for deferred taxation	2012 £	2011 £	
	Accelerated capital allowances	32,523	40,245	
	Provision for deferred tax	<u>32,523</u>	<u>40,245</u>	
	Provision at 1 July 2011	40,245		
	Deferred tax credit in profit and loss account	<u>(7,722)</u>		
	Provision at 30 June 2012	<u>32,523</u>		
18.	Share capital	2012 £	2011 £	
	Authorised			
	100,000 Ordinary shares of 1 each	<u>100,000</u>	<u>100,000</u>	
	Allotted, called up and fully paid			
	25,000 Ordinary shares of 1 each	<u>25,000</u>	<u>25,000</u>	
	Equity Shares			
	25,000 Ordinary shares of 1 each	<u>25,000</u>	<u>25,000</u>	
19.	Equity Reserves	Profit and loss account £	Capital redemption reserve £	Total £
	At 1 July 2011	1,826,563	25,000	1,851,563
	Profit for the year	119,383		119,383
	Equity Dividends	<u>(20,000)</u>		<u>(20,000)</u>
	At 30 June 2012	<u>1,925,946</u>	<u>25,000</u>	<u>1,950,946</u>

The capital redemption reserve relates to the purchase of own shares by the company out of realised profits.

Star Fuels Limited

Notes to the abbreviated accounts for the year ended 30 June 2012

..... continued

20. Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit for the year	119,383	193,433
Dividends	(20,000)	(20,000)
	<u>99,383</u>	<u>173,433</u>
Opening shareholders' funds	1,876,563	1,703,130
Closing shareholders' funds	<u>1,975,946</u>	<u>1,876,563</u>

21. Contingent liabilities

Proposed dividends - the directors recommend a final dividend of £0.80 per share, amounting to £20,000, payable on 31 December 2012.

22. Financial commitments

At 30 June 2012 the company had annual commitments under property operating leases as follows:

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
In over five years	<u>10,000</u>	<u>10,000</u>

23. Ultimate controlling party

Mr M C Loughran is considered to be the ultimate controlling party.

Star Fuels Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2012**

..... continued

24. Related party transactions

Financial Reporting Standard No 8, Related Party Disclosures, requires disclosure of material transactions between the company and its related parties, as defined therein. These are summarised below:

Lissan Coal Company Limited -

Sales to related party - £1,353,196

Purchases from related party - £11,452,474

Amounts owed by related party - £69,756

Amounts owed to related party - £1,198,660

At 30 June 2012, Mr M C Loughran was the majority shareholder in Lissan Coal Company Limited.

On occasions during the year the company obtained the use of vehicles, machinery and storage facilities from its related party companies and provided similar services to these companies. No charges were made for these services.

The company also rents two premises from Mr M C Loughran, on which rent and service charges of £39,966 was paid in the year.

25. Transactions with directors

There are no transactions with directors which require disclosure.

Transaction with other companies owned by the directors are disclosed in Note 24.

There is an unconditional guarantee and indemnity from Mr M C Loughran guaranteeing all monies and liabilities owing or incurred from time to time by any of the companies mentioned in Note 24, subject to a maximum of £2,500,000.

Star Fuels Limited

**Notes to the abbreviated accounts
for the year ended 30 June 2012**

..... continued

26. Gross cash flows

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	2,054	1,573
Interest paid	(2,919)	(8,060)
	<u>(865)</u>	<u>(6,487)</u>
Taxation		
Corporation tax paid	(102,746)	(20,000)
Capital expenditure		
Payments to acquire tangible assets	(124,030)	(136,040)
Receipts from sales of tangible assets	-	4,600
	<u>(124,030)</u>	<u>(131,440)</u>
Financing		
Other new short term loans	-	1,740
Repayment of other short term loans	(1,016)	(9,051)
Capital element of finance leases and hire purchase contracts	115,360	6,785
	<u>114,344</u>	<u>(526)</u>

27. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	799,950	(417,717)	382,233
Debt due within one year	(1,016)	1,016	-
Finance leases and hire purchase contracts	(21,684)	(115,360)	(137,044)
	<u>(22,700)</u>	<u>(114,344)</u>	<u>(137,044)</u>
Net funds	<u>777,250</u>	<u>(532,061)</u>	<u>245,189</u>