

Registration Number 898391

Halso Petroleum Limited

Abbreviated Accounts

for the year ended 31 December 2000



HARBEN BARKER
Chartered Accountants
Business Advisers and Registered Auditors



Halso Petroleum Limited

Contents

	Page
Directors' Report	1 - 2
Auditors' Report	3
Abbreviated Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7 - 16

Halso Petroleum Limited

Directors' Report for the year ended 31 December 2000

The directors present their report and the accounts for the year ended 31 December 2000.

Principal Activity and Review of the Business

The principal activity of the company is that of the selling and distribution of fuel oils.

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £435,308.

Results And Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Directors and their Interests

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

	Ordinary shares	
	2000	1999
	or date of	
	appointment	
P A Osborn	-	-
S E Osborn-Archer	-	-
J R Cantrell	-	-

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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

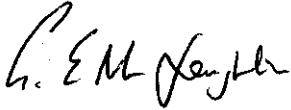
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Harben Barker be reappointed as auditors of the company will be put to the Annual General Meeting.

Halso Petroleum Limited

**Directors' Report
for the year ended 31 December 2000**

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 on 6 June 2001 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'G. E. McLoughlin', written in a cursive style.

**G E McLoughlin
Secretary**

**Auditors' Report to Halso Petroleum Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of Halso Petroleum Limited for the year ended 31 December 2000 prepared under Section 226 of the Companies Act 1985.

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.



Harben Barker

**Chartered Accountants and
Registered Auditors**

**Drayton Court
Drayton Road
Solihull
West Midlands
B90 4NG**

6 June 2001

Halso Petroleum Limited

**Abbreviated Profit and Loss Account
for the year ended 31 December 2000**

		Continuing operations	
		2000	1999
	Notes	£	£
Gross profit		874,867	749,414
Distribution costs		(375,150)	(343,929)
Administrative expenses		(404,559)	(458,209)
Operating profit/(loss)	2	95,158	(52,724)
Interest receivable and similar income	3	386	382
Interest payable and similar charges	4	(17,288)	(19,020)
Profit/(loss) on ordinary activities before taxation		78,256	(71,362)
Tax on profit/(loss) on ordinary activities	6	(12,737)	7,956
Retained profit/(loss) for the year		65,519	(63,406)
Retained profit brought forward		364,789	428,195
Retained profit carried forward		430,308	364,789

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

The notes on pages 7 to 16 form an integral part of these financial statements.

Halso Petroleum Limited

Balance Sheet as at 31 December 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		384,696		346,883
Investments	8		250		250
			<u>384,946</u>		<u>347,133</u>
Current Assets					
Stocks	9	69,618		115,516	
Debtors	10	1,331,844		1,498,318	
Cash at bank and in hand		<u>1,442</u>		<u>2,896</u>	
		1,402,904		1,616,730	
Creditors: amounts falling due within one year	11	<u>(1,271,525)</u>		<u>(1,578,950)</u>	
Net Current Assets			<u>131,379</u>		<u>37,780</u>
Total Assets Less Current Liabilities			516,325		384,913
Creditors: amounts falling due after more than one year	12		(74,478)		(15,124)
Provisions for Liabilities and Charges	13		<u>(6,539)</u>		<u>-</u>
Net Assets			<u>435,308</u>		<u>369,789</u>
Capital and Reserves					
Called up share capital	15		5,000		5,000
Profit and loss account			<u>430,308</u>		<u>364,789</u>
Equity Shareholders' Funds	16		<u>435,308</u>		<u>369,789</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 .

The abbreviated accounts were approved by the Board on 6 June 2001 and signed on its behalf by



P A Osborn
Director

The notes on pages 7 to 16 form an integral part of these financial statements.

Halso Petroleum Limited

Cash Flow Statement **for the year ended 31 December 2000**

	Notes	2000 £	1999 £
Reconciliation of operating profit/(loss) to net cash outflow from operating activities			
Operating profit/(loss)		95,158	(52,724)
Depreciation		66,150	70,731
Decrease in stocks		45,898	20,831
Decrease in debtors		166,474	15,705
(Decrease) in creditors		(413,429)	98,868
Net cash outflow from operating activities		<u>(39,749)</u>	<u>153,411</u>

CASH FLOW STATEMENT

Net cash outflow from operating activities		(39,749)	153,411
Returns on investments and servicing of finance	21	(16,902)	(18,638)
Taxation	21	-	139
Capital expenditure	21	(16,603)	(32,996)
		<u>(73,254)</u>	<u>101,916</u>
Financing	21	(45,055)	(50,851)
Decrease in cash in the year		<u>(118,309)</u>	<u>51,065</u>

Reconciliation of net cash flow to movement in net debt (Note 22)

Decrease in cash in the year		(118,309)	51,065
Cash outflow from increase in debts and lease financing		45,055	50,851
		<u>(73,254)</u>	<u>101,916</u>
Change in net debt resulting from cash flows		(73,254)	101,916
New finance leases and hire purchase contracts		(87,360)	(42,179)
		<u>(160,614)</u>	<u>59,737</u>
Movement in net debt in the year		(160,614)	59,737
Net debt at 1 January 2000		(307,524)	(367,261)
Net debt at 31 December 2000		<u>(468,138)</u>	<u>(307,524)</u>

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

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, after deducting trade discounts and 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:

Freehold land	-	Nil
Freehold buildings	-	Straight Line over fifty years
Plant and machinery	-	20% Straight Line
Fixtures, fittings and equipment	-	16.67% Straight Line
Motor vehicles	-	20% or 25% Straight Line

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.

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

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. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

2. Operating profit/(loss)	2000	1999
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation and other amounts written off tangible assets	74,907	70,636
Loss on disposal of tangible fixed assets	-	95
Operating lease rentals		
- Plant and machinery	4,922	895
- Land and buildings	1,525	1,525
Auditors' remuneration	4,750	3,750
	<u>8,757</u>	<u>-</u>
and after crediting:		
Profit on disposal of tangible fixed assets	<u>8,757</u>	<u>-</u>
3. Interest receivable and similar income	2000	1999
	£	£
Bank interest	3	382
Other interest	383	-
	<u>386</u>	<u>382</u>
4. Interest payable and similar charges	2000	1999
	£	£
On bank loans and overdrafts	8,727	11,667
Hire purchase interest	8,330	7,353
On overdue tax	231	-
	<u>17,288</u>	<u>19,020</u>

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2000	1999
Drivers and mechanics staff	8	10
Office and management staff	4	5
Administration staff	7	6
	<u>19</u>	<u>21</u>

Employment costs

	2000 £	1999 £
Wages and salaries	310,974	363,445
Social security costs	26,594	33,792
	<u>337,568</u>	<u>397,237</u>

5.1. Directors' emoluments

	2000 £	1999 £
Remuneration and other emoluments	<u>91,218</u>	<u>76,018</u>

6. Taxation

	2000 £	1999 £
UK current year taxation		
UK Corporation Tax at 20% (1999 - 21%)	6,198	(7,956)
Transfer to deferred taxation	6,539	-
	<u>12,737</u>	<u>(7,956)</u>

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

7. Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2000	181,928	90,395	121,041	454,411	847,775
Additions	-	850	18,700	116,313	135,863
Disposals	-	-	(79,594)	(149,082)	(228,676)
At 31 December 2000	<u>181,928</u>	<u>91,245</u>	<u>60,147</u>	<u>421,642</u>	<u>754,962</u>
Depreciation					
At 1 January 2000	14,075	83,582	86,106	317,129	500,892
On disposals	-	-	(79,594)	(125,939)	(205,533)
Charge for the year	<u>1,911</u>	<u>2,416</u>	<u>11,327</u>	<u>59,253</u>	<u>74,907</u>
At 31 December 2000	<u>15,986</u>	<u>85,998</u>	<u>17,839</u>	<u>250,443</u>	<u>370,266</u>
Net book values					
At 31 December 2000	<u>165,942</u>	<u>5,247</u>	<u>42,308</u>	<u>171,199</u>	<u>384,696</u>
At 31 December 1999	<u>167,853</u>	<u>6,813</u>	<u>34,935</u>	<u>137,282</u>	<u>346,883</u>

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

Asset description	2000		1999	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Motor vehicles	<u>146,597</u>	<u>32,912</u>	<u>109,388</u>	<u>37,302</u>

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

8. Fixed Asset Investments

	Listed Investments	Total
	£	£
Cost		
At 1 January 2000		
At 31 December 2000	250	250
Net book values		
At 31 December 2000	250	250
At 31 December 1999	250	250

9. Stocks	2000	1999
	£	£
Raw materials and consumables	69,618	115,516

10. Debtors	2000	1999
	£	£
Trade debtors	1,265,915	1,431,867
Other debtors	31,610	24,581
Prepayments and accrued income	34,319	41,870
	1,331,844	1,498,318

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

11. Creditors: amounts falling due within one year	2000 £	1999 £
Bank overdraft	362,622	245,629
Net obligations under finance leases and hire purchase contracts	32,618	49,667
Trade creditors	843,610	1,243,658
Corporation tax	6,199	139
Other taxes and social security costs	15,738	21,710
Directors' accounts	5,988	-
Other creditors	-	8,316
Accruals and deferred income	4,750	9,831
	<u>1,271,525</u>	<u>1,578,950</u>

Bank overdraft is secured by an unlimited mortgage debenture in standard form dated 18 July 2000.

12. Creditors: amounts falling due after more than one year	2000 £	1999 £
Net obligations under finance leases and hire purchase contracts	<u>74,478</u>	<u>15,124</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	32,618	49,667
Repayable between one and five years	74,478	15,124
	<u>107,096</u>	<u>64,791</u>

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

13 Provisions for liabilities and charges

	Deferred Taxation (Note 14) £	Total £
Movements in the year	6,539	6,539
At 31 December 2000	<u>6,539</u>	<u>6,539</u>

14. Deferred Taxation

Deferred tax is analysed over the following timing differences:

	2000 £	Provided 1999 £
Accelerated capital allowances	<u>6,539</u>	<u>-</u>

Movements on the provision for deferred taxation are:

	2000 £	1999 £
At 1 January 2000	-	-
Transferred from profit and loss account	<u>6,539</u>	<u>-</u>
At 31 December 2000	<u>6,539</u>	<u>-</u>

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

15. Share capital	2000	1999
	£	£
Authorised equity		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid equity		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
16. Reconciliation of movements in shareholders' funds	2000	1999
	£	£
Profit/(loss) for the year	65,519	(63,406)
Opening shareholders' funds	<u>369,789</u>	<u>433,195</u>
	<u>435,308</u>	<u>369,789</u>
17. Financial commitments		
At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:		
	2000	Other 1999
	£	£
Expiry date:		
Between one and five years	<u>5,369</u>	<u>5,369</u>
18. Capital commitments	2000	1999
	£	£
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>119,193</u>	<u>-</u>

Halso Petroleum Limited

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 2000**

..... continued

19. Transactions with directors

The following directors had interest-free loans during the year. The movements on these loans are as follows:

	Amount Owing		Maximum in year
	2000	1999	
	£	£	£
S E Osborn-Archer	-	-	9,253

20. Related party transactions

During the financial year, Halso Petroleum Limited traded with Spacespeedy Limited, a private company registered in England & Wales and controlled by P A Osborn and S E Osborn-Archer. All of the following transactions were carried out at arm's length.

Amounts due from Spacespeedy Limited £97,700

Sales to Spacespeedy Limited £233,267

Halso Petroleum Limited

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

..... continued

21. Gross Cash Flows	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	386	382
Interest paid	(17,288)	(19,020)
	<u>(16,902)</u>	<u>(18,638)</u>
Taxation		
Corporation tax paid	(7,956)	139
Corporation tax repaid	7,956	-
	<u>-</u>	<u>139</u>
Capital expenditure		
Payments to acquire tangible assets	(48,503)	(63,797)
Receipts from sales of tangible assets	31,900	30,801
	<u>(16,603)</u>	<u>(32,996)</u>
Financing		
Capital element of finance leases and hire purchase contracts	<u>(45,055)</u>	<u>(50,851)</u>

22. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	2,896	(1,454)		1,442
Overdrafts	(245,629)	(116,993)		(362,622)
	<u>(242,733)</u>	<u>(118,447)</u>		<u>(361,180)</u>
Finance leases and hire purchase contracts	(64,791)	45,055	(87,360)	(107,096)
Net funds	<u>(307,524)</u>	<u>(73,392)</u>	<u>(87,360)</u>	<u>(468,276)</u>