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FUEL OILS (HOLDINGS) LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999

Company Number: 1708836

H RAINSBURY & CO

Chartered Accountants
15 Duncan Terrace
London N1 8BZ



FUEL OILS (HOLDINGS) LIMITED

DIRECTORS

R T Durell (Chairman)
D J Durell
D J Tyrie

SECRETARY

Mrs C Geering

REGISTERED OFFICE

15 Duncan Terrace
London N1 8BZ

BANKERS

National Westminster Bank Plc
Holborn Circus Branch
1 Hatton Gardens
LONDON EC1P 1DU

AUDITORS

H Rainsbury & Co
Chartered Accountants
15 Duncan Terrace
London N1 8BZ

FUEL OILS (HOLDINGS) LIMITED

DIRECTORS REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 1999.

1 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 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:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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.

2 REVIEW OF THE BUSINESS

The Company's principal activity during the year was oil distribution. The business was carried out from depots in London SW6, Canterbury Kent and Kingsnorth, Hoo Kent. The company continued to trade satisfactorily during the year under review with regard to these operations.

The company also traded as agents for the supply of natural gas during the year.

3 RESULTS AND DIVIDENDS

The profit and loss account is set out on page 4. No dividend is recommended on the ordinary shares for the year. A dividend of 10% is proposed on the 10% Cumulative preference Shares.

4 DIRECTORS

The directors who served during the year, together with their interests, including family interests, in the shares of the company are as follows:

	"A" Shares		"B" Shares		10% Cumulative Preference	
	1999	1998	1999	1998	1999	1998
D J Durell	966	966	5,000	5,000	23,123	23,123
R T Durell	966	966	5,000	5,000	23,123	23,123
D J Tyrie	Nil	Nil	Nil	Nil	Nil	Nil
M Longbourne - resigned	Nil	Nil	Nil	Nil	Nil	Nil

FUEL OILS (HOLDINGS) LIMITED
DIRECTORS REPORT.....Continued

5 FIXED ASSETS

Changes in Fixed Assets during the year are reflected in the notes to the accounts.

6 FREEHOLD PROPERTY

(a) No formal revaluation of the freehold properties have been carried out. The directors do however consider the market value is substantially in excess of book value.

(b) Freehold Investment properties have been revalued by the directors during the year.

7 POLITICAL AND CHARITABLE DONATIONS

There were no political donations during the year. Charitable donations during the year were £Nil (1998 - £Nil)

8 AUDITORS

A resolution to re-appoint as auditors, Messrs H Rainsbury & Co, Chartered Accountants, will be put to the members at the Annual General Meeting.

9 HEALTH AND SAFETY AT WORK ETC ACT 1974

A director of the company has been given special responsibility for health and safety matters and for ensuring that the provisions of the above Act are applied with.

10 SMALL COMPANY EXEMPTION

In preparing this report the directors have taken advantage of the special exemptions available for small companies within Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



R T DURELL
DIRECTOR

Date: 12 April 2000

REPORT OF THE AUDITORS
TO THE MEMBERS OF
FUEL OILS (HOLDINGS) LIMITED

We have audited the financial statements on pages 5 to 13

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

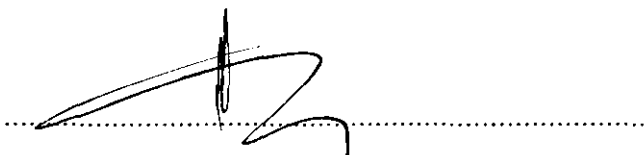
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

Qualified Opinion

As explained in Note 1 no provision has been made for depreciation on the company's three freehold depots as required by Statement of Standard Accounting Practice No.12. We would, however, concur with the directors opinion that the market value of these properties is considerably in excess of book value.

Except for the failure to provide for depreciation on freehold properties in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



H RAINSBURY & CO

Registered Auditor
Chartered Accountants
15 Duncan Terrace
London N1 8BZ

Date: 12 April 2000

FUEL OILS (HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1999

	Note	£	1999 £	£	1998 £
TURNOVER	2		13,625,934		15,874,210
Change in Stocks			(106,048)		179,796
			13,519,886		16,054,006
Purchases			10,981,234		12,998,063
			2,538,652		3,055,943
<u>Other External Charges:</u>					
Staff Costs	4	1,194,824		1,182,765	
Depreciation	1	149,702		134,934	
Amortisation of Goodwill	1	-		4,000	
Other Operating Charges		865,886	2,210,412	1,111,884	2,433,583
<u>Operating Profit (Loss)</u>	5		328,240		622,360
Investment Income	6		86,416		92,039
<u>Profit on Ordinary Activities</u>			414,656		714,399
Interest Payable			-		432
<u>Profit on Ordinary Activities</u>					
<u>before Taxation</u>			414,656		713,967
Taxation Payable (Recoverable)	8		142,371		156,245
<u>Profit (Loss) on Ordinary</u>					
<u>Activities after Taxation</u>			272,285		557,722
Dividends	10		7,700		7,700
<u>Retained Profit (Loss) for the</u>					
<u>Financial Year</u>	9		£264,585		£550,022

STATEMENT OF RETAINED PROFITS
FOR THE YEAR ENDED 30 SEPTEMBER 1999

Retained Profit/(Loss) for the year		
The Company	264,585	550,022
The Associated Company	-	-
	264,585	550,022
Retained Profits Brought Forward	2,751,147	2,201,125
Retained Profits Carried Forward	£3,015,732	£2,751,147

There were no recognised gains or losses other than as disclosed above.

The notes on pages 6 to 13 form part of these accounts.

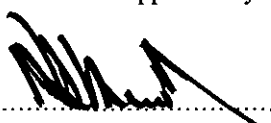
FUEL OILS (HOLDINGS) LIMITED
BALANCE SHEET AS AT 30 SEPTEMBER 1999

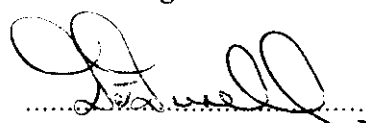
	Note	1999 £	1998 £
FIXED ASSETS			
Tangible Fixed Assets	11	2,047,372	1,772,015
Investments:			
Interest in Subsidiary Companies	12	1,014	1,014
Interest in Associated Company	12	1	1
Related Company	12	450	-
Listed Investments	13	47,908	26,702
CURRENT ASSETS			
Stock	14	325,684	431,732
Debtors	15	1,803,622	1,494,297
Cash		73,958	135,503
Amount due from Subsidiaries		<u>6,593</u>	<u>596</u>
		<u>£2,209,857</u>	<u>£2,061,532</u>
CREDITORS: Amounts falling due within one year:			
Bank Overdraft and Loan	16	-	-
Other Creditors	17	724,669	755,171
Due to Associated Company		<u>20,797</u>	<u>20,797</u>
		<u>£745,466</u>	<u>£775,968</u>
NET CURRENT ASSETS		<u>1,464,391</u>	<u>1,285,564</u>
		3,561,136	3,085,296
Less Creditors: Amounts in more than one year			
	18	<u>4,791</u>	<u>22,898</u>
		<u>£3,556,345</u>	<u>£3,062,398</u>
CAPITAL AND RESERVES			
Called Up Share Capital	20	90,000	90,000
Revaluation Reserve	21	471,775	242,413
Profit and Loss Account		<u>2,994,570</u>	<u>2,729,985</u>
Shareholders Funds	24	<u>£3,556,345</u>	<u>£3,062,398</u>

The notes on pages 6 to 13 form an integral part of these accounts.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for small Entities.

The accounts were approved by the Board of Directors on 12 April 2000 and are signed on its behalf by


..... Director
R T Durell


..... Director
D J Durell

FUEL OILS (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 SEPTEMBER 1999

1 ACCOUNTING POLICIES

(a) The accounts are prepared under the historical cost convention of accounting and in accordance with the Financial Reporting Standard for Small Companies.

(b) Amortisation is provided for on purchased goodwill in order to write the cost off over five years.

(c) Depreciation is provided on all tangible fixed assets with the exception of Freehold Property at the following rates on the reducing balance basis:

Motor Vehicles - 25%

Plant - 15%

Fixtures - 12.50%

Computers - 20%

No depreciation is provided for on Freehold Properties owned by the company as these are considered by the directors to be valued at considerably in excess of book value.

Freehold Investment Properties have been revalued by the directors during the year..

(d) Stocks are stated at the lower of cost and net realisable value.

(e) The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

(f) The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(g) Group accounts have not been prepared as for the year ended 30 September 1999. The company is entitled to the exemption conferred by section 248 of the Companies Act 1985.

2 TURNOVER

Turnover represents the invoiced amount of goods sold and agency commissions earned during the year net of value added tax. Exports during the year totalled £Nil

The analysis of turnover is as follows:

	1999	1998
	£	£
Oil Distribution	13,259,106	15,041,514
Agency Commissions - Gas	366,828	832,696
	<u>£13,625,934</u>	<u>£15,874,210</u>

3 OTHER OPERATING INCOME

	1999	1998
	£	£
(Loss) on Property Trading	£-	£-
	<u>£-</u>	<u>£-</u>

FUEL OILS (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 SEPTEMBER 1999..... Continued

4 STAFF COSTS AND EMPLOYEES	1999	1998
	£	£
Wages and Salaries	1,052,593	1,027,636
Social Security Costs	80,085	103,244
Other Pension Costs	62,146	51,885
	<u>£1,194,824</u>	<u>£1,182,765</u>

The average weekly number of employees during the year was made up as follows:

	1999	1998
	No.	No.
Office and Management	30	29
Drivers and Depot Maintenance	<u>19</u>	<u>15</u>
	49	44

Directors Remuneration	£	£
Emoluments	234,469	257,014
Pension Contributions	52,000	47,400
Benefits	<u>22,692</u>	<u>20,657</u>
	<u>£309,161</u>	<u>£325,071</u>

Emoluments (excluding pension contributions) of the Chairman	<u>£92,000</u>	<u>£92,000</u>
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Emoluments (excluding pension contributions) of the highest paid Director	<u>£92,000</u>	<u>£92,000</u>
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Other Directors received emoluments (excluding pensions and pension contributions) in the following ranges:

	1999	1998
£10,001 - £15,000	-	-
£35,001 - £40,000	1	2
£70,001 - £75,000	-	-
£90,001 - £95,000	<u>1</u>	<u>1</u>
	2	3

5 OPERATING PROFIT	1999	1998
This is stated after charging:	£	£
Auditors Remuneration	10,000	10,000
Directors Emoluments	234,465	257,014
Equipment Hire	<u>9,033</u>	<u>-</u>

FUEL OILS (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 SEPTEMBER 1999..... Continued

6 INVESTMENT INCOME	1999	1998
	£	£
Untaxed Interest	26,428	41,059
Franked Investment Income	221	509
Profit (Loss) on Sale of		
Listed Investments	15,528	-
Rental Income	42,915	49,000
Income Taxed at Source	1,324	1,471
	<u>£86,416</u>	<u>£92,039</u>

7 ASSOCIATED COMPANY

There were no dividends received from the associated company during the period.

8 TAXATION:	1999	1998
	£	£
Profits for the year at 21%		
(1998 – 25.23%)	100,725	152,214
Franked Investment Income	31	102
Scrip Dividends	138	-
Deferred Taxation	-	-
Underprovision in Previous year	41,213	3,929
Interest on Overdue Tax	264	-
	<u>£142,371</u>	<u>£156,245</u>

9 PROFITS (LOSSES)	1999	1998
ATTRIBUTABLE TO MEMBERS		
OF THE COMPANY	£	£
Dealt with in the accounts of the Company	264,585	550,022
Retained in the accounts of the		
Associated Company	-	-
	<u>£264,585</u>	<u>£550,022</u>

10 DIVIDENDS	1999	1998
Preference - Proposed	<u>£7,700</u>	<u>£7,700</u>

FUEL OILS (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 SEPTEMBER 1999..... Continued

11 TANGIBLE FIXED ASSETS	Freehold Investment Property	Freehold Property	Plant	Motor Vehicles	Total
Cost/Valuation					
1 October 1998	620,638	706,436	294,705	1,004,593	2,626,372
Additions	-	-	83,470	122,069	205,539
Disposals	-	-	-	(49,120)	(49,120)
Revaluation	<u>229,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,362</u>
	<u>£850,000</u>	<u>£706,436</u>	<u>£378,175</u>	<u>£1,077,542</u>	<u>£3,012,153</u>
Depreciation:					
1 October 1998	-	-	205,582	648,775	854,357
Charge for year	-	-	30,548	118,955	149,702
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,278)</u>	<u>(39,278)</u>
	<u>£-</u>	<u>£-</u>	<u>£236,329</u>	<u>£728,452</u>	<u>£964,781</u>
Book Value					
30 September 1999	<u>£850,000</u>	<u>£706,436</u>	<u>£141,846</u>	<u>£349,090</u>	<u>£2,047,372</u>
Book Value					
1 October 1998	<u>£620,638</u>	<u>£706,436</u>	<u>£89,123</u>	<u>£355,818</u>	<u>£1,772,015</u>

12 INVESTMENTS In Subsidiaries:	1999	1998
Cost: 1 October 1998	1,014	1,014
Cost in the period	-	-
Amount written off (note 9)	<u>-</u>	<u>-</u>
Cost: 30 September 1999	<u>£1,014</u>	<u>£1,014</u>

In Associated Company:

Cost 1 October 1998	1	1
Addition	<u>-</u>	<u>-</u>
Cost 30 September 1999	<u>£1</u>	<u>£1</u>

Name of Company	Country of Registration	Holding	Proportion Held	Nature of Business
Subsidiary Companies:				
Access Energy Limited	England	Ord. Shares	100%	Dormant
Access Gas Limited	England	Ord. Shares	100%	Dormant
Eco-Lubricants Ltd	England	Ord. Shares	100%	Dormant
Fuel Oils (Kent) Ltd	England	Ord. Shares	100%	Dormant
Fuel Oils (London) Ltd	England	Ord. Shares	100%	Dormant
Premier Lubricants Ltd	England	Ord. Shares	100%	Dormant
Riding Gate Place Developments Ltd	England	Ord. Shares	100%	Dormant
Associated Company:				
Tigon Petroleum Ltd	England	Ord. Shares	50%	Dormant

FUEL OILS (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 SEPTEMBER 1999..... Continued

12 INVESTMENTS In Subsidiaries: (Continued)

The accounts of the associated company are made up to the 30 June in each year. The total retained profits of the associated company as at 30 June 1999 amounted to £42,525 (1998-£42,325). The associated company ceased to trade in August 1985.

In Related Company:

Name of Company	Country of Registration	Holding	Proportion Held	Nature of Business
Access Sales & Marketing Ltd	England	Ord. Shares	45%	Commission Agents

13 LISTED INVESTMENTS

Represent listed investments on a recognised Stock Exchange

	1999	1998
Cost 1 October 1998	26,702	15,562
Additions	<u>38,946</u>	<u>11,140</u>
	65,648	26,702
Disposals at Cost	<u>17,738</u>	-
Cost 30 September 1999	<u>£47,908</u>	<u>£26,702</u>
Market Value	<u>£56,303</u>	<u>£49,718</u>

14 STOCK AND WORK IN PROGRESS

	1999	1998
Raw Materials:-		
Oil Stocks	<u>£325,693</u>	<u>£431,732</u>

15 DEBTORS

	1999	1998
	£	£
Trade Debtors	1,636,612	1,392,916
Prepayments	73,139	63,520
VAT Recoverable	67,047	19,745
Other Debtors	2,388	4,147
ACT Recoverable	1,925	1,925
Amount due from former Subsidiary	12,044	12,044
Amount due from Related Companies	6,702	-
Directors Loan	<u>3,765</u>	-
	<u>£1,803,622</u>	<u>£1,494,297</u>

The amount due from Knight Builders (Canterbury) Limited in Liquidation is secured by a first charge on a freehold property owned by the family of a former director of that company.

FUEL OILS (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 SEPTEMBER 1999..... Continued

16 BANK BORROWINGS

The loan and overdraft facilities provided by National Westminster Bank are secured as follows:-

1) A first legal mortgage over the company's freehold property at Swedish Wharf, Townmead Road, London SW6., together with a legal mortgage over the book debts of the company.

17 OTHER CREDITORS: Due within one year	1999	1998
	£	£
Trade Creditors	515,707	463,692
Current Corporation Tax	100,725	152,214
Other Taxes and Social Security Costs	54,935	63,232
Proposed Dividend	7,700	7,700
Accruals	8,605	31,223
Directors Loans	17,085	8,669
Due to Subsidiaries	939	935
Motor Vehicle Leasing	18,973	27,506
	<u>£752,893</u>	<u>£755,171</u>

18 CREDITORS: Amounts due after more than one year:	1999	1998
	£	£
Motor Vehicle Leasing	£4,791	£22,898
	<u>£4,791</u>	<u>£22,898</u>

19 DEFERRED TAXATION

Deferred Taxation provided in the accounts, and the potential amounts, including the amounts for which provision has been made are as follows:

	1999		1998	
	Provision	Potential	Provision	Potential
	£	£	£	£
Capital Allowances in advance of Depreciation	-	22,500	-	35,700
	<u>£-</u>	<u>£22,500</u>	<u>£-</u>	<u>£35,700</u>

20 SHARE CAPITAL

	Authorised		Authorised Issued and Fully Paid	
	1999	1998	1999	1998
	No.	No.	£	£
"A" Ordinary Shares of £1 each	3,000	3,000	3,000	3,000
"B" Ordinary Shares of £1 each	10,000	10,000	10,000	10,000
10% Cumulative Preference Shares of £1 each	77,000	77,000	77,000	77,000
	<u>90,000</u>	<u>90,000</u>	<u>£90,000</u>	<u>£90,000</u>

FUEL OILS (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 SEPTEMBER 1999..... Continued

21 REVALUATION RESERVE	1999	1998
	£	£
Balance 1 October 1998	242,413	242,413
Revaluation of Freehold Investment Property	229,362	-
	<u>£471,775</u>	<u>£242,413</u>

22 PENSION SCHEME

The company operates a defined contribution 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 amounted to £62,146 (1998 - £51,885).

23 OPERATING LEASES

The company had no operating leases at the accounting date.

**24 RECONCILIATION OF MOVEMENTS IN
SHARE HOLDERS FUNDS**

	1999	1998
	£	£
Profit (Loss) for the period	272,285	557,722
Dividends	(7,700)	(7,700)
Property Revaluation	229,362	-
	<u>493,947</u>	<u>550,022</u>
Opening Shareholders funds	3,062,398	2,512,376
	<u>£3,556,345</u>	<u>£3,062,398</u>