

**VECTIS PETROLEUM LIMITED**

*Unaudited*

***DIRECTORS' REPORT AND FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED 31 OCTOBER 2009***



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**VECTIS PETROLEUM LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	J H R Lander A M Lander
<b>COMPANY SECRETARY</b>	R G Godson
<b>COMPANY NUMBER</b>	3452334
<b>REGISTERED OFFICE</b>	
<b>ACCOUNTANTS</b>	Godson & Co Chartered Accountants 6/7 Pollen Street London W1S 1NJ
<b>BANKERS</b>	HSBC 54 High Street Epsom Surrey KT19 8DS

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## VECTIS PETROLEUM LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2009

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The directors present their report and the financial statements for the year ended 31 October 2009

#### 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

#### PRINCIPAL ACTIVITIES

The company's principal activity during the period was the provision of services to and investment and participation in the oil and gas exploration and production sector. An application is currently pending for a UK North Sea permit. The Company had a very satisfactory year of trading with substantial gains being realised on the Company's investments in the oil and gas sector and also a major increase in income from services provided. The current year is unlikely to be so profitable.

#### DIRECTORS

The directors who served during the year were

J H R Lander  
A M Lander

#### PRINCIPAL RISKS AND UNCERTAINTIES

##### Risk 1

The principal risk of the exploration business is the failure to obtain permits and the subsequent possible failure to find oil or gas.

##### Risk 2

The principal risk attached to the Company's investments in oil and gas companies is the failure of the exploration programmes of these companies.

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**VECTIS PETROLEUM LIMITED**

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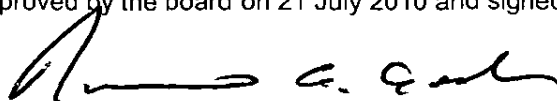
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2009**

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In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 21 July 2010 and signed on its behalf

**R G Godson**  
Secretary

A handwritten signature in black ink, appearing to read 'R G Godson', written over a horizontal line.

**VECTIS PETROLEUM LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>	1	<b>169,110</b>	<b>52,412</b>
Cost of sales		<b>(10,730)</b>	<b>-</b>
<b>GROSS PROFIT</b>		<b>158,380</b>	<b>52,412</b>
Administrative expenses		<b>(39,618)</b>	<b>(26,817)</b>
<b>OPERATING PROFIT</b>	2	<b>118,762</b>	<b>25,595</b>
Income from fixed assets & dividends		<b>9,373</b>	<b>5,780</b>
Profit on disposal of investments		<b>324,564</b>	<b>31,434</b>
Interest receivable	4	<b>2,171</b>	<b>4,505</b>
Amounts written off investments		<b>93,000</b>	<b>(93,000)</b>
Interest payable		<b>-</b>	<b>(8)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>547,870</b>	<b>(25,694)</b>
Tax on profit/(loss) on ordinary activities	5	<b>(98,926)</b>	<b>(6,624)</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	12	<b>448,944</b>	<b>(32,318)</b>

The notes on pages 5 to 9 form part of these financial statements

**VECTIS PETROLEUM LIMITED**  
**REGISTERED NUMBER 3452334**

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2009**

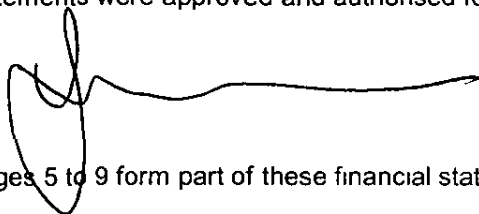
	Note	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
TANGIBLE FIXED ASSETS	6		250		172
<b>CURRENT ASSETS</b>					
Debtors	7	23,553		3,638	
Investments	8	820,713		715,864	
Cash at bank		471,246		56,576	
			<u>1,315,512</u>	<u>776,078</u>	
<b>CREDITORS</b> amounts falling due within one year	9	(120,146)		(29,578)	
<b>NET CURRENT ASSETS</b>			<u>1,195,366</u>		746,500
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,195,616</u>		<u>746,672</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		2		2
Profit and loss account	12		1,195,614		746,670
<b>SHAREHOLDERS' FUNDS</b>			<u>1,195,616</u>		<u>746,672</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 October 2009 and of its profit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 July 2010.

**J H R Lander**  
Director



The notes on pages 5 to 9 form part of these financial statements.

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## VECTIS PETROLEUM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2009

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#### 1 ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### 1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office equipment	-	50%	reducing balance
Other fixed assets	-	n/a%	unit of production

##### 1.4 INVESTMENTS

Listed current asset investments are valued at the lower of cost or market value. Unlisted current asset investments are valued at cost unless the directors consider that they are worth significantly less

##### 1.5 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.6 PENSIONS

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

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**VECTIS PETROLEUM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2009**

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**2 OPERATING PROFIT**

The operating profit is stated after charging

	2009 £	2008 £
Depreciation of tangible fixed assets - owned by the company	270	192
Pension costs	3,600	3,600
	<u>          </u>	<u>          </u>

**3 DIRECTORS' REMUNERATION**

	2009 £	2008 £
Aggregate emoluments	30,058	19,200
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to 1 director (2008 - 1) in respect of money purchase pension schemes

**4 INTEREST RECEIVABLE**

	2009 £	2008 £
Other interest receivable	2,171	4,505
	<u>          </u>	<u>          </u>

**5 TAXATION**

	2009 £	2008 £
<b>ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR</b>		
UK corporation tax charge on profit/loss for the year	95,000	13,500
Adjustments in respect of prior periods	(1,007)	(6,876)
Tax on franked investment income	4,933	-
	<u>          </u>	<u>          </u>
<b>TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES</b>	<u>98,926</u>	<u>6,624</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax charge for the year was reduced (2008 - increased) by the non-taxability (2008 - deductibility) of the release of the provision (2008 - provision) for unrealised losses of £93,000 on the listed current asset investments



**VECTIS PETROLEUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2009**

**6 TANGIBLE FIXED ASSETS**

	Furniture, fittings and equipment £	Oil & gas costs £	Total £
<b>COST</b>			
At 1 November 2008	1,354	-	1,354
Additions	348	10,730	11,078
Written off	-	(10,730)	(10,730)
At 31 October 2009	<u>1,702</u>	<u>-</u>	<u>1,702</u>
<b>DEPRECIATION</b>			
At 1 November 2008	1,182	-	1,182
Charge for the year	270	-	270
At 31 October 2009	<u>1,452</u>	<u>-</u>	<u>1,452</u>
<b>NET BOOK VALUE</b>			
At 31 October 2009	<u>250</u>	<u>-</u>	<u>250</u>
At 31 October 2008	<u>172</u>	<u>-</u>	<u>172</u>

**7 DEBTORS**

	2009 £	2008 £
Trade debtors	28,430	8,494
Other debtors	(4,877)	(4,856)
	<u>23,553</u>	<u>3,638</u>

**8 CURRENT ASSET INVESTMENTS**

	2009 £	2008 £
Listed investments	530,646	504,447
Unlisted investments	290,067	211,417
	<u>820,713</u>	<u>715,864</u>

**LISTED INVESTMENTS**

The market value of the listed investments at 31 October 2009 was £661,176(2008 -504,312)

**VECTIS PETROLEUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2009**

**9 CREDITORS  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>205</b>	<b>205</b>
Corporation tax	<b>95,000</b>	<b>13,500</b>
Social security and other taxes	<b>4,866</b>	<b>2,512</b>
Other creditors	<b>20,075</b>	<b>13,361</b>
	<u><b>120,146</b></u>	<u><b>29,578</b></u>

**10 DEFERRED TAXATION**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
At beginning and end of year	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
	<u>-</u>	<u>-</u>

No provision for deferred tax has been made as the excess of the value in the accounts of the fixed assets over their tax written down value is not material

**11. SHARE CAPITAL**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 Ordinary shares of £1 each	<u><b>2</b></u>	<u><b>2</b></u>

**12. RESERVES**

	<b>Profit and loss account £</b>
At 1 November 2008	<b>746,670</b>
Profit for the year	<b>448,944</b>
At 31 October 2009	<u><b>1,195,614</b></u>

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**VECTIS PETROLEUM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2009**

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**13 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 £3,600 (2008 - £3,600)

**14 CONTROLLING PARTY**

The Ultimate Controlling Party is J H R Lander