

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2008

FOR

ELECTRO SILICA PLC

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ELECTRO SILICA PLC
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FOR THE YEAR ENDED 30 APRIL 2008

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ELECTRO SILICA PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2008

DIRECTORS: A Baron
F Fucilla

SECRETARY: A J Eyre

REGISTERED OFFICE: Airport House
Purley Way
Croydon
Surrey
CR0 0XZ

REGISTERED NUMBER: 4426243

ELECTRO SILICA PLC

BALANCE SHEET
30 APRIL 2008

	Notes	30.4.08 \$	\$	30.4.07 \$	\$
FIXED ASSETS					
Intangible assets	2		2,633,192		2,633,192
Investments	3		<u>3</u>		<u>3</u>
			2,633,195		2,633,195
CURRENT ASSETS					
Work in progress		5,374,288		5,374,288	
Debtors		56,250		56,250	
Cash at bank		<u>81</u>		<u>81</u>	
		5,430,619		5,430,619	
CREDITORS					
Amounts falling due within one year		<u>8,129,486</u>		<u>8,129,486</u>	
NET CURRENT LIABILITIES			<u>(2,698,867)</u>		<u>(2,698,867)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(65,672)		(65,672)
CREDITORS					
Amounts falling due after more than one year			<u>200,520</u>		<u>200,520</u>
NET LIABILITIES			<u>(266,192)</u>		<u>(266,192)</u>
CAPITAL AND RESERVES					
Called up share capital	4		75,000		75,000
Profit and loss account			<u>(341,192)</u>		<u>(341,192)</u>
SHAREHOLDERS' FUNDS			<u>(266,192)</u>		<u>(266,192)</u>

The company is entitled to exemption from audit under Section 249AA(1) of the Companies Act 1985 for the year ended 30 April 2008


The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2006/8 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 10 ^{July} ~~September~~ 2008 and were signed on its behalf by:

F Fucilla - Director



The notes form part of these abbreviated accounts

ELECTRO SILICA PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2008

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The nature of the company's business activities has meant that a considerable investment has been required in exploration licences and related surveying expenditure. These transactions were undertaken on the full understanding that there would be a period of relative dormancy, before ongoing development work was fully operational. During this period, the company has been, and will continue to be, reliant on the ongoing financial support of its directors and its principal trade creditors, in order to meet its day to day working capital requirements.

Although it was dormant in the year under review, the company intends to proceed with arrangements for raising additional capital in order to finance any further development costs and ongoing working capital requirements. In the meantime, the directors have given firm undertakings that sufficient funds will be made available to the company, through arrangements with themselves and the company's principal trading agreements, to enable it to continue as a going concern in the foreseeable future.

On the basis of the undertakings provided and the company's ongoing business plans, the directors consider that it is appropriate to prepare the financial statements on the going concern basis. Consequently, they do not include any adjustments that would result from any withdrawal of the financial support referred to above.

Accounting convention

The financial statements have been prepared under the historical cost convention.

The company was dormant throughout the year ended 30 April 2008. However, reference to information relating to the year ended 30 April 2007 has been made where appropriate.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Work in progress

Seismic surveys have been carried out on the above exploration fields (to a cost of \$5,374,288) which have proved sufficiently positive to be held as work in progress until further exploration and development work is undertaken.

Cost includes all surveying and related costs, together with trade interest charges arising on unpaid liabilities attributable to certain trade creditors

Foreign currencies

The company prepares its annual financial statements in US dollars

All assets and liabilities recorded in other currencies, including sterling, are translated into US dollars at the rates of exchange ruling at the balance sheet date, with the exception of share capital which is translated at the historical rate of \$1.50 to £1. All transactions recorded in other currencies, including sterling, are translated into US dollars at the rate of exchange ruling at the date of transaction.

Exchange differences are taken into account in arriving at the operating result.

Exploration licences

The company has acquired 6 hydrocarbon exploration licences at a total cost of \$2,633,192. To date, although seismic surveys have been undertaken, no exploration has been carried out and thus no depreciation has been provided.

Preparation of consolidated financial statements

The financial statements contain information about Electro Silica plc as an individual company and do not contain financial information as the parent of a group. The only subsidiary company is Electro Silica Oil & Gas Ltd, which has been dormant since incorporation.

ELECTRO SILICA PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2008**

2 INTANGIBLE FIXED ASSETS

	Total \$
COST	
At 1 May 2007 and 30 April 2008	<u>2,633,192</u>
NET BOOK VALUE	
At 30 April 2008	<u>2,633,192</u>
At 30 April 2007	<u>2,633,192</u>

3 FIXED ASSET INVESTMENTS

	Shares in group undertakings \$
COST	
At 1 May 2007 and 30 April 2008	<u>3</u>
NET BOOK VALUE	
At 30 April 2007	<u>3</u>
At 30 April 2008	<u>3</u>

The company's investments at the balance sheet date in the share capital of companies include the following.

Electro Silica Oil & Gas Ltd
Nature of business: Dormant

	% holding		
Class of shares:	100.00		
Ordinary		30.4.06	30.4.05
		\$	\$
Aggregate capital and reserves		<u>3</u>	<u>3</u>

4 CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class	Nominal value:	30.4.06	30.4.05
20,000,000	Ordinary	50p	£ <u>10,000,000</u>	£ <u>10,000,000</u>
Allotted and issued:				
Number:	Class:	Nominal value:	30.4.06	30.4.05
100,000	Share capital I	50p	\$ <u>75,000</u>	\$ <u>75,000</u>