

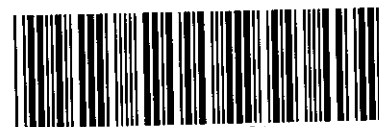
Company number  
04559022

**RUN ENERGY LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31st MARCH 2006**

WEDNESDAY



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## Run Energy Limited

### Directors

D.J. Liew  
S. Bond

### Secretary and Registered Office

D.J. Liew  
Suite 10, 29 Harley Street, London, W1G 9QR

### Accountants

Moore Stephens LLP  
Chartered Accountants  
St. Paul's House, Warwick Lane, London, EC4M 7BP

### Report of the Directors

The directors present their report and the unaudited financial statements for the year ended 31st March 2006.

#### Review of Activities

The principal activities of the company are those related to the provision of consultancy and contract services to the energy industry.

The directors expect the activities of the company will continue to expand and that the company will trade profitably in the current year.

#### Results and Dividends

The loss for the financial year amounted to £28,521 (2005 - Loss of £39,851) and this amount has been debited to reserves. The directors do not recommend the payment of a dividend.

#### Directors and Directors' Interests

The interests, as defined by the Companies Act 1985, of the directors in the £1 ordinary issued share capital of the company at the beginning and end of the year were:

	31st March <u>2006</u>	31st March <u>2005</u>
S. Bond	2	2
D.J. Liew	-	-

**Run Energy Limited****Report of the Directors (Continued)****Statement of 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:

- select suitable accounting policies and then 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 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.

**Small Company Special Provisions**

This report and the attached financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

By Order of the Board



D.J. LIEW - Company Secretary

**Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Run Energy Limited**

In accordance with the engagement letter dated 3rd August 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made solely to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31st March 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

St. Paul's House  
London, EC4M 7BP



MOORE STEPHENS LLP

Chartered Accountants

31 January 2007

## Run Energy Limited

**Profit and Loss Account**  
**For the year ended 31st March 2006**

	<u>Note</u>	<u>2006</u> (12 months)	<u>2005</u> (18 months)
<b>Turnover</b>	1(c)	847,836	375,190
Cost of sales		(399,126)	(29,239)
<b>Gross Profit</b>		448,710	345,951
Administrative expenses		(478,228)	(390,085)
<b>Operating Loss</b>	2	(29,518)	(44,134)
Other interest receivable and similar income		605	645
<b>Loss on Ordinary Activities before Taxation</b>		(28,913)	(43,489)
Taxation on ordinary activities	4	392	3,638
<b>Loss for the Financial Year</b>		£ (28,521)	£ (39,851)

**Summary of Retained Losses**

At 31st March 2005	(70,284)	(30,433)
Retained loss for the financial year	(28,521)	(39,851)
At 31st March 2006	£ (98,805)	£ (70,284)

There are no recognised gains or losses other than those included in the profit and loss account.

All of the above relate to continuing operations.

## Run Energy Limited

## Balance Sheet - 31st March 2006

	Note	2006	2005
<b>Fixed Assets</b>			
Tangible assets	5	41,986	36,192
<b>Current Assets</b>			
Debtors	6	180,524	63,800
Cash at bank and in hand		36,126	34,278
		216,650	98,078
<b>Creditors, amounts falling due within one year</b>	7	(312,615)	(161,540)
<b>Net Current Liabilities</b>		(95,965)	(63,462)
<b>Total Assets Less Current Liabilities</b>		(53,979)	(27,270)
<b>Creditors, amounts falling due after more than one year</b>	8	(44,821)	(43,009)
		£ (98,800)	£ (70,279)
<b>Capital and Reserves</b>			
Share capital	11	5	5
Profit and loss account		(98,805)	(70,284)
<b>Shareholders' Deficit</b>	12	£ (98,800)	£ (70,279)

**Directors' Statement**

In the opinion of the directors, the company is entitled to the exemption in subsection (1) of section 249A of the Companies Act 1985 for the year ended 31st March 2006. No notice has been deposited under subsection (2) of section 249B of the Companies Act 1985.

The directors are responsible for keeping proper accounting records in accordance with section 221 of the Companies Act 1985 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with that Act.

The directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of its financial period and of its profit or loss for that financial period in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirement of the Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 applicable to small companies.

These financial statements were approved by the Board on

30 January 2007

  
D.J. LIEW - Director

## Run Energy Limited

### Financial Statements for the year ended 31st March 2006

#### Notes

#### 1. Principal Accounting Policies

##### (a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

##### (b) Going concern

The balance sheet shows net liabilities of £98,800 (2005 - £70,279) as at 31st March 2006. However, the directors believe that the company is a going concern since, as set out in notes 7 and 8, the principal creditors are parties related to the ultimate controlling parties who have undertaken not to seek repayment of the amount due for at least one year from the balance sheet date.

##### (c) Turnover

Turnover represents fees receivable excluding Value Added Tax.

##### (d) Foreign exchange translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting differences are dealt with in the profit and loss account.

##### (e) Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis as follows:

Computer equipment	-	50% per annum
Office furniture and fittings	-	50% per annum
Office equipment	-	33% per annum
Operational equipment and motor vehicles	-	25% per annum

##### (f) Leased assets

Where assets are financed by finance leases the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of the capital repayments outstanding. Rentals under operating leases are charged to the profit and loss account as incurred.

# Run Energy Limited

## Financial Statements for the year ended 31st March 2006

### Notes (Continued)

#### 1. Principal Accounting Policies (Continued)

##### (g) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### (h) Pension costs

The company contributes towards individual stakeholder pension schemes set up for individual employees. The contributions made by the company are charged to the profit and loss account as incurred.

#### 2. Operating Loss

	<u>2006</u> £	<u>2005</u> £
Operating loss is stated after charging:		
Depreciation	16,841	9,372
Operating lease payments	111,688	10,723
Exchange differences	5,766	-
	<u>133,295</u>	<u>20,095</u>

#### 3. Directors and Employees

	<u>2006</u> £	<u>2005</u> £
Wages and salaries	83,007	134,396
Social security costs	9,737	15,989
Pension contributions	-	(9,900)
	<u>£ 92,744</u>	<u>£ 140,485</u>

The average number of persons employed was 2, both of whom were employed in an administrative capacity.

Directors' emoluments for the year amounted to £12,750 (2005: £62,050). Pension contributions paid for the directors amounted to £850 (2005: 850).

#### 4. Taxation on Ordinary Activities

	<u>2006</u> £	<u>2005</u> £
Current taxation:		
Corporation tax credit for the year	-	(1,962)
Over-provision in prior period	(392)	(1,676)
	<u>£ (392)</u>	<u>£ (3,638)</u>



## Run Energy Limited

## Financial Statements for the year ended 31st March 2006

## Notes (Continued)

## 4. Taxation on Ordinary Activities (Continued)

The effective rate of tax is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2006</u> £	<u>2005</u> £
Loss on ordinary activities before tax	£ (28,913)	£ (43,489)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(8,674)	(13,047)
Effects of:		
Depreciation in excess of capital allowances	4,988	2,812
Disallowed expenses	705	124
Timing difference on provisions	(327)	(2,216)
Losses carried forward/back	3,308	9,230
Small company relief	-	1,135
Current taxation credit for the year	£ -	£ (1,962)

## 5. Tangible Fixed Assets

	Operational Equipment and Motor Vehicles	Computer Equipment	Office Furniture and Fittings	Total
Cost				
As at 31st March 2005	34,686	4,916	7,476	47,078
Additions	20,687	-	1,948	22,635
As at 31st March 2006	£ 55,373	£ 4,916	£ 9,424	£ 69,713
Depreciation				
As at 31st March 2005	4,100	3,550	3,236	10,886
Charge for the year	12,003	1,102	3,736	16,841
As at 31st March 2006	£ 16,103	£ 4,652	£ 6,972	£ 27,727
Net book value				
As at 31st March 2006	£ 39,270	£ 264	£ 2,452	£ 41,986
As at 31st March 2005	£ 30,586	£ 1,366	£ 4,240	£ 36,192

Included in fixed assets are motor vehicles held under finance leases with net book values of £13,840 (2005: £19,771) and depreciation charges in the year of £5,931 (2005: £3,955).

## Run Energy Limited

## Financial Statements for the year ended 31st March 2006

## Notes (Continued)

## 6. Debtors due within one year

	<u>2006</u>	<u>2005</u>
Trade debtors	152,276	50,265
Other debtors	4,955	3,480
Prepayments	5,154	1,360
Amounts owed by related parties	15,737	5,057
Corporation tax recoverable	2,402	3,638
	<hr/>	<hr/>
	£ 180,524	£ 63,800
	<hr/>	<hr/>

## 7. Creditors, amounts falling due within one year

	<u>2006</u>	<u>2005</u>
Trade creditors	28,276	20,297
Amounts owed to related parties	221,764	107,713
Other taxes and social security	40,494	15,259
Accruals	10,115	11,206
Other creditors	2,493	1,951
Obligations under finance leases (note 9)	9,473	5,114
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	£ 312,615	£ 161,540
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## 8. Creditors, amounts falling due after more than one year

	<u>2006</u>	<u>2005</u>
Loan from a related party	35,000	35,000
Non-current lease liability (note 9)	9,821	8,009
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	£ 44,821	£ 43,009
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The loan from a related party represents advances from a company controlled by the ultimate controlling parties, which is unsecured and interest free. The loan has no fixed date of repayment but the lender has confirmed that it will not seek repayment for at least one year from the balance sheet date.

## 9. Obligations Under Finance Leases

The company had annual commitments under finance leases which expire:

	<u>2006</u>	<u>2005</u>
Within one year	9,473	5,114
Two to five years	9,821	8,009
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	£ 19,294	£ 13,123
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# Run Energy Limited

## Financial Statements for the year ended 31st March 2006

### Notes (Continued)

#### 10. Deferred Taxation

The unprovided deferred tax asset is analysed as follows:

	<u>2006</u>	<u>2005</u>
Capital allowances falling short/(in excess) of depreciation	7,766	2,778
Timing differences in respect of provisions	3,034	3,488
Trading losses	12,078	9,230
	<u>£ 22,878</u>	<u>£ 15,496</u>

#### 11. Share Capital

Authorised 100 ordinary shares of £1 each	£ 100	£ 100
Allotted, called up and fully paid 5 ordinary shares of £1 each	£ 5	£ 5

#### 12. Shareholders' Deficit

	<u>2006</u>	<u>2005</u>
Balance as at 31st March 2005	(70,279)	(30,428)
Loss for the period	(28,521)	(39,851)
Balance as at 31st March 2006	<u>£ (98,800)</u>	<u>£ (70,279)</u>

#### 13. Obligations Under Operating Leases

The company's obligations under operating leases relate solely to accommodation provided for visiting contractors, all of which are cancellable with one month's notice.

#### 14. Ultimate Controlling Parties

The ultimate controlling parties of the company are Mr. and Mrs. W. Pahor.

#### 15. Related Party Transactions

Balances with related parties are shown in notes 6, 7 and 8.

The company received income and incurred expenses of £32,214 (2005: £63,511) and £276,109 (2005: £97,111), respectively, with companies under common control of the directors and shareholders during the year.