

Company number 04559022

RUN ENERGY LIMITED

UNAUDITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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COMPANIES HOUSE

Run Energy Limited**Directors**

S Bond (Resigned on 30 June 2009)
N M Johnson
R J Clarke (Appointed on 7 July 2009)

Secretary and Registered Office

N M Johnson
Suite 10, 29 Harley Street, London, W1G 9QR

Registered Number

04559022

Accountants

Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street, London, EC1A 4AB

Report of the Directors

The directors present their report and the unaudited financial statements for the year ended 31 March 2010

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 results for the year reflect the company's continuing focus on operational efficiency, cost reduction and achievement of margin targets. Activities and customers not making the required margin contribution were discontinued in the previous year. Marketing and business development expenses were substantially lower than in prior years.

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

Results and Dividends

The profit for the financial year amounted to £207,517 (2009 loss of £388,094) and this amount has been transferred to reserves. The directors do not recommend the payment of a dividend.

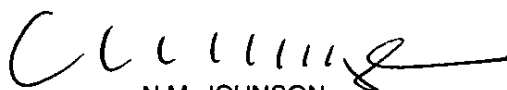
Directors

The directors who served during the year are shown above.

Small Company Exemption

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

This report was approved by the board on 22 October 2010 and signed on its behalf by


N M JOHNSON
Director

Run Energy Limited

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 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 judgements and accounting 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.

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

In accordance with the engagement letter dated 14 October 2010, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which are set out on pages 4 to 11 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 that 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 31 March 2010 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. 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 information.

Moore Stephens LLP

Moore Stephens LLP
Chartered Accountants

150 Aldersgate Street
London
EC1A 4AB

10 November 2010

Run Energy Limited

**Profit and Loss Account
For the year ended 31 March 2010**

	<u>Note</u>	<u>2010</u>	<u>2009</u>
Turnover	1(c)	2,114,668	1,682,468
Cost of sales		<u>(1,787,894)</u>	<u>(1,639,194)</u>
Gross Profit		326,774	43,274
Administrative expenses		<u>(119,290)</u>	<u>(432,248)</u>
Operating Profit/(Loss)	2	207,484	(338,974)
Other interest receivable and similar income		<u>42</u>	<u>880</u>
Profit/(Loss) on Ordinary Activities before Taxation		207,526	(388,094)
Taxation on ordinary activities	4	<u>(9)</u>	<u>-</u>
Profit/(Loss) for the Financial Year		£ <u>207,517</u>	£ <u>(388,094)</u>
 Summary of Retained Losses			
At 31 March 2009		(662,848)	(274,754)
Retained profit/(loss) for the financial year		<u>207,517</u>	<u>(388,094)</u>
At 31 March 2010		£ <u>(455,331)</u>	£ <u>(662,848)</u>

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

The notes on pages 6 to 11 form part of these financial statements

Run Energy Limited

Balance Sheet as at 31 March 2010

Company number: 04559022

	Note	2010	2009
Fixed Assets			
Tangible assets	5	57,625	19,887
Current Assets			
Debtors	6	198,076	264,015
Cash at bank and in hand		392,332	90,863
		590,408	354,878
Creditors, amounts falling due within one year	7	(510,264)	(474,513)
Net Current Assets/(Liabilities)		80,144	(119,635)
Total Assets Less Current Assets/(Liabilities)		137,769	(99,748)
Creditors, amounts falling due after more than one year	8	(593,000)	(563,000)
Net Liabilities		£ (455,231)	£ (662,748)
Capital and Reserves			
Share capital	11	100	100
Profit and loss account		(455,331)	(662,848)
Shareholders' Deficit	12	£ (455,231)	£ (662,748)


Directors' Statement

The director considered 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 period in question in accordance with section 476 of the Act

The director acknowledges his responsibility 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 March 2010 and of its profit for the period then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to the financial statements as 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 Companies (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 October 2010 by


N M JOHNSON
Director

The notes on pages 6 to 11 form part of these financial statements

Run Energy Limited

Financial Statements for the year ended 31 March 2010

Notes

1 Principal Accounting Policies

(a) Basis of accounting

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)

(b) Going concern

The balance sheet shows net liabilities of £455,231 as at 31 March 2010 (2009 £662,748). 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 amounts due by the company for at least one year from the date of approval of the financial statements. The directors consider that the company has adequate resources to remain in operation for the foreseeable future and therefore consider the going concern basis to be appropriate in preparing these financial statements. However, inherently due to the uncertainty regarding this matter

(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 31 March 2010

Notes (Continued)

1 Principal Accounting Policies (Continued)

(g) 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

(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 Profit/(Loss)

	<u>2010</u> £	<u>2009</u> £
Operating profit/(loss) is stated after charging		
Depreciation	27,753	23,307
Operating lease payments	-	91,483
Exchange differences	12,153	21,189
	<u> </u>	<u> </u>

3 Directors and Employees

	<u>2010</u> £	<u>2009</u> £
Wages and salaries	277,066	373,740
Social security costs	30,072	41,771
Pension contributions	7,261	11,870
	<u> </u>	<u> </u>
	314,399	427,381
	<u> </u>	<u> </u>

The average number of persons employed during the year was eight (2009: twelve), two (2009: two) of whom were employed in an administrative capacity and the other six (2009: ten) in direct production

Directors' emoluments for the year amounted to £Nil (2009: £Nil). Pension contributions paid for the directors amounted to £Nil (2009: £Nil)

4. Taxation on Ordinary Activities

	<u>2010</u> £	<u>2009</u> £
Corporation tax charge for the year	9	-
	<u> </u>	<u> </u>

Run Energy Limited

Financial Statements for the year ended 31 March 2010

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 (21%)
The differences are explained below

	<u>2010</u> £	<u>2009</u> £
Profit/(loss) on ordinary activities before tax	207,526	(388,094)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2009 28%)	43,581	(108,666)
Effects of		
Depreciation less than capital allowances	(10,344)	(882)
Disallowed expenses	1,404	924
Timing difference on provisions	1,474	2,011
Taxable losses (utilised)/carried forward	(36,106)	106,613
Current taxation charge for the year	9	-

5 Tangible Fixed Assets

	Operational Equipment and Motor Vehicles £	Computer Equipment £	Office Furniture and Fittings £	Total £
Cost				
As at 31 March 2009	78,869	16,300	14,184	109,353
Additions	63,097	2,432	-	65,529
Disposals	(30,901)	(14,705)	(13,177)	(58,783)
As at 31 March 2010	111,065	4,027	1,007	116,099
Depreciation				
As at 31 March 2009	63,887	11,822	13,757	89,466
Charge for the year	23,081	4,426	246	27,753
Disposals	(30,900)	(14,668)	(13,177)	(58,745)
As at 31 March 2010	56,068	1,580	826	58,474
Net book value				
As at 31 March 2010	54,997	2,447	181	57,625
As at 31 March 2009	14,982	4,478	427	19,887

Included in fixed assets are motor vehicles held under finance leases with net book values of £Nil (2009 £Nil) and depreciation charges in the year of £Nil (2009 £1,332)

Run Energy Limited

Financial Statements for the year ended 31 March 2010

Notes (Continued)

6 Debtors due within one year

	<u>2010</u> £	<u>2009</u> £
Trade debtors	186,112	174,106
Other debtors	10,294	8,923
Amounts owed by related parties (Note 14)	1,670	80,986
	<u>198,076</u>	<u>264,015</u>

7 Creditors, amounts falling due within one year

	<u>2010</u> £	<u>2009</u> £
Trade creditors	146,718	73,018
Amounts owed to related parties (Note 14)	313,238	343,465
Other taxes and social security	14,223	18,390
Accruals	35,010	27,158
Other creditors	1,075	12,456
Obligations under finance leases (Note 9)	-	26
	<u>£ 510,255</u>	<u>£ 474,513</u>

8 Creditors, amounts falling due after more than one year

	<u>2010</u> £	<u>2009</u> £
Loan from a related party (Note 14)	<u>£ 593,000</u>	<u>563,000</u>

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>2010</u> £	<u>2009</u> £
Within one year	<u>-</u>	<u>26</u>

Run Energy Limited

Financial Statements for the year ended 31 March 2010

Notes (Continued)

10 Deferred Taxation

	<u>2010</u> £	<u>2009</u> £
The unrecognised deferred tax asset is analysed as follows		
Capital allowances (in excess)/falling short of depreciation	(1,189)	12,265
Timing differences in respect of provisions	1,474	2,011
Trading losses	79,528	154,178
	<u>79,813</u>	<u>168,454</u>

11 Share Capital

	<u>2010</u> £	<u>2009</u> £
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

12 Shareholders' Deficit

	<u>2010</u> £	<u>2009</u> £
Balance as at 1 April	(662,748)	(274,654)
Profit/(loss) for the financial year	207,517	(388,094)
Balance as at 31 March	<u>(455,231)</u>	<u>(662,748)</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 Related Party Transactions

The company transacted with a number of entities under common control as follows

(a) included under debtors

Run Energy Pty Limited	£ 1,670
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(b) included under creditors

Run Energy Pty Limited	£ 313,238
Oaktel Investments Pty Limited	£ 593,000

Run Energy Limited**Financial Statements for the year ended 31 March 2010****Notes (Continued)****14 Related Party Transactions (Continued)**

Transactions with related parties during the year were

(a) included under administrative expenses

Run Energy Pty Limited	£	1,670
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15. Ultimate Controlling Parties

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