

Peninsula Petroleum Limited

REPORT AND FINANCIAL STATEMENTS

30 June 2006

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COMPANIES HOUSE

Registered in England 3150809

Peninsula Petroleum Limited

DIRECTORS' REPORT

The directors submit their annual report and the unaudited financial statements for the year ended 30 June 2006

ACTIVITIES AND REVIEW OF BUSINESS

Principal Activity

The principal activity of the company until the date it ceased trading was the sale of petroleum products. The company concentrated, predominantly, on the supply of bunker fuels to ships in the Port of Gibraltar.

Review of Business

The company has not traded since 31 December 2003 and it is the directors' intention to wind up the company.

DIVIDENDS AND RESULTS

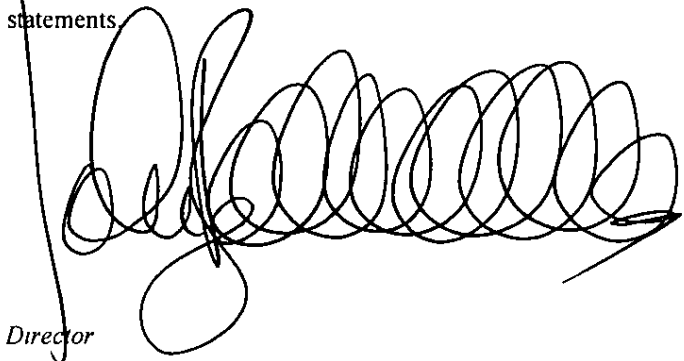
The directors do not propose the payment of a dividend.

DIRECTORS

The directors of the company during the year ended 30 June 2006 were as follows:

J J Bassadone
J A Bassadone

Directors' interests in shares, pursuant to the Companies Act 1985, are set out in Note 5 to the financial statements.



Director

22 October 2007

Peninsula Petroleum Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 year. 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 requirements of 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.

The directors are responsible for ensuring that the company complies with laws and regulations applicable to its activities, and for determining whether, in respect of the year, the company meets the conditions for exemption from an audit of the accounts set out in section 249A of the Companies Act 1985.



BAKER TILLY
GIBRALTAR

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF
PENINSULA PETROLEUM LIMITED

As described on the statement of directors responsibilities you are responsible for the preparation of the accounts for the year ended 30 June 2006 set out on pages 4 to 10 and you consider that the company is exempt both from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Baker Tilly Gibraltar

BAKER TILLY (GIBRALTAR) LIMITED

Chartered Accountants

Suite 5 International House
Bell Lane
Gibraltar

22 October 2007

Peninsula Petroleum Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2006

	<i>Notes</i>	<i>2006 US\$</i>	<i>2005 US\$</i>
Administrative expenses		(44,696)	(361)
OPERATING LOSS		(44,696)	(361)
Other interest receivable and similar income	1	14,969	5,033
Interest payable and similar charges	2	(2,148)	(887)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(31,875)	3,785
Tax on profit on ordinary activities	6	39,549	-
RETAINED PROFIT FOR THE FINANCIAL PERIOD	13	7,674	3,785
Retained profit brought forward		1,282,879	1,279,094
RETAINED PROFIT CARRIED FORWARD		1,290,553	1,282,879

Given that the company ceased its trading activities on 31 December 2003 the results for the year ended 30 June 2006 do not relate to continuing activities

The above results include all recognised gains and losses in arriving at the profit for the year. This profit is stated on an historical cost basis.

Peninsula Petroleum Limited

BALANCE SHEET

as at 30 June 2006

	Notes	2006 US\$	2005 US\$
FIXED ASSETS			
Tangible assets	7	-	35,091
Investments	8	44,642	44,642
		<u>44,642</u>	<u>79,733</u>
CURRENT ASSETS			
Debtors	9	854,432	822,153
Cash at bank and in hand		477,020	473,792
		<u>1,331,452</u>	<u>1,295,945</u>
CREDITORS amounts falling due within one year	10	(10,825)	(18,083)
NET CURRENT ASSETS		<u>1,320,627</u>	<u>1,277,862</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,365,269</u>	<u>1,357,595</u>
CAPITAL AND RESERVES			
<i>Equity interests</i>			
Called up share capital	11	74,716	74,716
Profit and loss account		1,290,553	1,282,879
SHAREHOLDERS' FUNDS	12	<u>1,365,269</u>	<u>1,357,595</u>

For the year ended 30 June 2006 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for: i) Ensuring the company keeps accounting records which comply with section 221, and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 23 October 2007 and were signed on its behalf by

Director

Peninsula Petroleum Limited

PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention

COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with United Kingdom Accounting Standards

GROUP FINANCIAL STATEMENTS

Group consolidated financial statements have not been prepared since the company is exempt from the requirement to prepare consolidated accounts under the provisions of Section 228 of the Companies Act 1985 (as amended by section 5 of the Companies Act 1989). These financial statements represent information about the company as an individual undertaking and not about its group.

The immediate holding company at the year-end was Peninsula Petroleum Limited, a company incorporated in Gibraltar. The ultimate holding company is Bassons Holdings Limited, a company incorporated in Gibraltar. One of the directors, J J Bassadone, is the ultimate controlling party.

The accounts of the company are consolidated in the financial statements of Bassons Holdings Limited. The consolidated accounts of Bassons Holdings Limited are available to the public at Companies House, 317 Main Street, Gibraltar.

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

FOREIGN CURRENCY TRANSLATION

Income and expense items denominated in foreign currencies are translated into United States Dollars at an average monthly rate.

Monetary assets and liabilities recorded in foreign currencies are translated into United States Dollars at the rate of exchange ruling at 30 June 2006. Foreign exchange gains or losses are included in the profit and loss account.

The exchange rate used for translating monetary assets and liabilities recorded in foreign currencies at 30 June 2006 into United States Dollars was 1.80.

TANGIBLE ASSETS AND DEPRECIATION

Tangible assets are stated at cost less accumulated depreciation.

In the year to 30 June 2006 all tangible assets have been depreciated to a net book value of nil to reflect their value at 30 June 2006.

INVESTMENTS

Investments are stated at cost as adjusted for any permanent diminution in value.

Peninsula Petroleum Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

1. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<i>2006</i>	<i>2005</i>
	<i>US\$</i>	<i>US\$</i>
Interest receivable	14,969	503
Profit on currency translations	-	4,530
	<u>14,969</u>	<u>5,033</u>

2. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>2006</i>	<i>2005</i>
	<i>US\$</i>	<i>US\$</i>
Interest payable	<u>2,148</u>	<u>887</u>

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Expenditure on wages and salaries and auditors' remuneration in the year to 30 June 2006 was nil (2005 nil)

4. NUMBER OF EMPLOYEES

The average number of persons employed by the company in the year to 30 June 2006 was nil (2005 nil, one of which was a director)

5. DIRECTORS' EMOLUMENTS AND INTERESTS

a) Emoluments and interests

Expenditure on directors' emoluments and interests in the year to 30 June 2006 was nil (2005 nil)

b) Interest in shares

According to the Register of Directors' interest, no director had any interests requiring disclosure

Peninsula Petroleum Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>2006</i> <i>US\$</i>	<i>2005</i> <i>US\$</i>
Overprovisions in respect of previous years	39,549	-

7. TANGIBLE ASSETS

	<i>Furniture, fittings and equipment US\$</i>	<i>Computers US\$</i>	<i>Motor vehicle US\$</i>	<i>Total US\$</i>
Cost				
At 1 July 2005	130,450	98,791	27,770	257,011
Additions	-	-	-	-
At 30 June 2006	130,450	98,791	27,770	257,011
Depreciation				
At 1 July 2005	125,232	75,004	21,684	221,920
Charge for the period	5,218	23,787	6,086	35,091
At 30 June 2006	130,450	98,791	27,770	257,011
Net book value				
At 30 June 2006	-	-	-	-
At 30 June 2005	5,218	23,787	6,086	35,091

Peninsula Petroleum Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2006

8 INVESTMENTS

Shares in subsidiary undertakings at cost

Cost at beginning and end of year	US\$	44,462
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The company owns 100% of the issued share capital of the following company -

Company	Principal Activity	Place of Incorporation	Class of Shares Held
Peninsula Petroleum S l	Petroleum Products	Spain	Ordinary

The aggregate amounts of capital and reserves and the results of this undertaking for the last available financial year, 31 December 2003, was as follows

Capital and Reserves	€	642,760
Profit & loss	€	367,315

9. DEBTORS

	2006 US\$	2005 US\$
Shareholders account	210,194	200,000
Amounts owed by group undertakings	643,555	621,470
Other debtors	683	683
	<u>854,432</u>	<u>822,153</u>

10. CREDITORS* amounts falling due within one year

	2006 US\$	2005 US\$
Taxation payable	(4,828)	(4,394)
Other creditors including taxation and social security	1,356	1,356
Accruals and deferred income	14,297	21,121
	<u>10,825</u>	<u>18,083</u>

Peninsula Petroleum Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

11	CALLED UP SHARE CAPITAL	<i>2006</i> <i>US\$</i>	<i>2005</i> <i>US\$</i>
	Authorised 100,000 ordinary shares of £1 each	149,432	149,432
		<hr/>	<hr/>
	Share capital allotted, called up and fully paid 50,000 ordinary shares of £1 each	74,716	74,716
		<hr/>	<hr/>

12 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S FUNDS

	<i>2006</i> <i>US\$</i>	<i>2005</i> <i>US\$</i>
Profit for the financial period	7,674	3,785
Opening equity shareholders' funds	1,357,595	1,353,810
	<hr/>	<hr/>
Closing equity shareholders' funds	1,365,269	1,357,595
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13 RELATED PARTY TRANSACTIONS

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with the ultimate holding company, Bassons Holdings Limited, and any entity which is part of the group or investees of the group qualifying as a related party

14. DISCONTINUED OPERATIONS

The company ceased trading on 31 December 2003 and it is the directors' intention to wind up the company, hence the accounts for the year ended 30 June 2006 have not been prepared on a going concern basis