

Registration number: 3772705

# Delta Oil (UK) Limited

Directors' Report and Financial Statements  
for the Year Ended 5 October 2008

**Amended version**

A J Charik & Co  
Chartered Accountants, Registered Auditors  
24 Churchill Crescent  
Headley  
Bordon  
Hampshire  
GU35 8ND

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## **Delta Oil (UK) Limited**

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**Delta Oil (UK) Limited**  
**Company Information**

<b>Directors</b>	B M Al-Aiban P J Beck
<b>Secretary</b>	P J Beck
<b>Registered office</b>	Charters House Charters Road Ascot Berks SL5 0HA
<b>Auditors</b>	A J Charik & Co Chartered Accountants, Registered Auditors 24 Churchill Crescent Headley Bordon Hampshire GU35 8ND

**Delta Oil (UK) Limited**  
**Directors' Report for the Year Ended 5 October 2008**

The directors present their report and the audited financial statements for the year ended 5 October 2008.

**Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Principal activity**

The principal activity of the company is that of an investment company.

**Directors**

The directors who held office during the year were as follows:

- B M Al-Aiban
- P J Beck

**Small company provisions**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**Delta Oil (UK) Limited**  
**Directors' Report for the Year Ended 5 October 2008**

..... continued

Approved by the Board on 20 July 2009 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'P J Beck', written over a horizontal dotted line.

P J Beck  
Director

## **Independent Auditors' Report to the Members of Delta Oil (UK) Limited**

We have audited the financial statements of Delta Oil (UK) Limited for the year ended 5 October 2008 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the Financial Reporting Standards for Smaller Entities (Effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 5 October 2008 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.



A J Charik & Co  
Chartered Accountants, Registered Auditors

20 July 2009

24 Churchill Crescent  
Headley  
Bordon  
Hampshire  
GU35 8ND

**Delta Oil (UK) Limited**  
**Profit and Loss Account for the Year Ended 5 October 2008**

	Note	2008 £	2007 £
Turnover		-	-
Administrative expenses		1,682,938	(2,383,646)
<b>Operating profit/(loss)</b>	2	<u>1,682,938</u>	<u>(2,383,646)</u>
Other exceptional profit	3	3,915,781	-
Other interest receivable and similar income		-	37,445
Interest payable and similar charges		-	(3,748,912)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>5,598,719</u>	<u>(6,095,113)</u>
Tax on profit/(loss) on ordinary activities	5	-	1,686
<b>Profit/(loss) for the financial year</b>	11	<u>5,598,719</u>	<u>(6,093,427)</u>
<b>Profit and loss reserve brought forward</b>		(9,752,329)	(3,658,901)
<b>Profit and loss reserve carried forward</b>		<u>(4,153,610)</u>	<u>(9,752,328)</u>

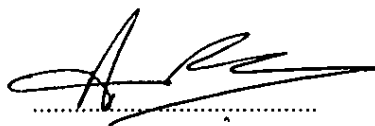
The notes on pages 7 to 11 form an integral part of these financial statements.

**Delta Oil (UK) Limited**  
**Balance Sheet as at 5 October 2008**

		2008		2007	
	Note	£	£	£	£
<b>Fixed assets</b>					
Investments	6		-		29,905,000
<b>Current assets</b>					
Debtors	7	20,360,000		17,737,621	
Cash at bank and in hand		<u>14,174</u>		<u>16,227</u>	
		20,374,174		17,753,848	
<b>Creditors: Amounts falling due within one year</b>	8	<u>(20,107,636)</u>		<u>(53,205,368)</u>	
<b>Net current assets/(liabilities)</b>			<u>266,538</u>		<u>(35,451,520)</u>
<b>Total assets less current liabilities</b>			266,538		(5,546,520)
<b>Creditors: Amounts falling due after more than one year</b>	9		<u>(4,420,048)</u>		<u>(4,205,708)</u>
<b>Net liabilities</b>			<u>(4,153,510)</u>		<u>(9,752,228)</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss reserve	11		<u>(4,153,610)</u>		<u>(9,752,328)</u>
<b>Shareholders' deficit</b>			<u>(4,153,510)</u>		<u>(9,752,228)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board on 20 July 2009 and signed on its behalf by:



P J Beck  
Director

The notes on pages 7 to 11 form an integral part of these financial statements.



## **Delta Oil (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 5 October 2008**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

##### **Foreign currencies**

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

##### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **2 Operating profit/(loss)**

Operating profit/(loss) is stated after charging/(crediting):

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Auditors remuneration	500	2,000
Foreign currency (gains)/losses	<u>(1,684,988)</u>	<u>2,358,436</u>

#### **3 Exceptional items**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other exceptional item	<u>3,915,781</u>	<u>-</u>

On 12 October 2007 a deed of waiver was entered into between the company and Delta Oil Capital Ltd. It was agreed to waive payment of the loan balance of £30,073,392 and accrued interest of £3,747,389 at the waiver date. In these circumstances, full provision has been made for loss in value of the company's investment in Delta Oil Capital Ltd shown at cost of £ 29,905,000 in fixed assets.

**Delta Oil (UK) Limited**  
**Notes to the Financial Statements for the Year Ended 5 October 2008**

..... continued

**4 Interest payable**

Interest payable includes £0 (2007 - £3,747,389) payable on loans from group companies.

**5 Taxation**

**Analysis of current period tax credit**

	2008 £	2007 £
<b>Current tax</b>		
(Over)/under provision in previous year	-	(1,686)

**6 Investments held as fixed assets**

	Other investments £
<b>Cost</b>	
As at 6 October 2007 and 5 October 2008	29,905,000
<b>Provision</b>	
Charge for the year	29,905,000
<b>Net book value</b>	
As at 5 October 2008	-
As at 5 October 2007	29,905,000

**7 Debtors**

	2008 £	2007 £
Other debtors	20,360,000	17,737,621

Debtors includes £20,360,000 (2007 - £17,700,176) receivable after more than one year.

**Delta Oil (UK) Limited**  
**Notes to the Financial Statements for the Year Ended 5 October 2008**

..... continued

**8 Creditors: Amounts falling due within one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other creditors	19,106,736	52,205,368
Director current accounts	1,000,000	1,000,000
Accruals and deferred income	900	-
	<u>20,107,636</u>	<u>53,205,368</u>

**9 Creditors: Amounts falling due after more than one year**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Director current accounts	<u>4,420,048</u>	<u>4,205,708</u>

**10 Share capital**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
<b>Equity</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Delta Oil (UK) Limited**  
**Notes to the Financial Statements for the Year Ended 5 October 2008**

..... *continued*

**11 Reserves**

	<b>Profit and loss reserve £</b>
Balance at 6 October 2007	(9,752,329)
Transfer from profit and loss account for the year	5,598,719
Balance at 5 October 2008	<u>(4,153,610)</u>

## **Delta Oil (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 5 October 2008**

..... continued

#### **12 Related parties**

##### **Controlling entity**

The issued share capital is owned by Delta Oil 2005 Number Three Limited, a company ultimately controlled by Sheikh B M Al-Aiban.

##### **Related party transactions**

At the balance sheet date Platinum Petroleum Limited (a company incorporated in Jersey) owed the company £6,275,493 (5 October 2007 - £5,455,478). Platinum Petroleum Limited is under the control of B M Al-Aiban. The loan is interest free and there are no fixed repayment terms.

At the balance sheet date Delta International (a company incorporated in Saudi Arabia) owed the company £14,084,507 (5 October 2007 - £12,244,698). Platinum Petroleum Limited is under the control of B M Al-Aiban. The loan is interest free and there are no fixed repayment terms.

At the balance sheet date the company owed Delta Oil Services (UK) Limited £857,585 (5 October 2007 - £893,879), a company which is under the control of B M Al-Aiban. The loan is interest free and there are no fixed repayment terms.

At the balance sheet date the company owed Midad Investments Limited (a company incorporated in Cyprus) £18,249,151 (5 October 2007 £17,484,708), a company which is under the control of B M Al-Aiban. The loan is interest free and there are no fixed repayment terms.

The unlisted investment, as detailed in note 6 to the accounts is under the control of B M Al-Aiban. Full provision has been made against the value of this investment - see note 3.

##### **Director's loan account**

The following balance owed to the director was outstanding at the year end:

	<b>Maximum Balance £</b>	<b>2008 £</b>	<b>2007 £</b>
B M Al-Aiban	<u>5,420,048</u>	<u>5,420,048</u>	<u>5,205,708</u>

No interest is charged in respect of this balance.

£1,000,000 is included in creditors due within one year (5 October 2007 £1,000,000). The balance is included in creditors after more than one year and is interest free with no fixed repayment terms.

**Delta Oil (UK) Limited**  
**Detailed Profit and Loss Account for the Year Ended 5 October 2008**

	2008		2007
	£	£	£
<b>Turnover</b>		-	-
<b>Administrative expenses</b>			
Accountancy fees	400		-
Auditors remuneration	500		2,000
Legal and professional fees	1,150		22,496
Bank charges	-		714
Foreign currency (gains)/losses	<u>(1,684,988)</u>		<u>2,358,436</u>
	<u>1,682,938</u>		<u>(2,383,646)</u>
<b>Operating profit/(loss)</b>	1,682,938		(2,383,646)
<b>Other exceptional profit</b>			
Other exceptional item	3,915,781		-
<b>Other interest receivable and similar income</b>			
Bank interest receivable	-		37,445
<b>Interest payable and similar charges</b>			
Interest payable to group undertakings	-	3,747,389	
Other interest payable	<u>-</u>	<u>1,523</u>	
	<u>-</u>		<u>(3,748,912)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	5,598,719		(6,095,113)
<b>Tax on profit/(loss) on ordinary activities</b>			
Over provision in previous year	<u>-</u>		<u>1,686</u>
<b>Profit/(loss) for the financial year</b>	<u><u>5,598,719</u></u>		<u><u>(6,093,427)</u></u>

This page does not form part of the statutory financial statements.