

Company Registration No. 5072227 (England and Wales)

SENNING (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

TUESDAY



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COMPANIES HOUSE

SENNING (UK) LIMITED

COMPANY INFORMATION

Directors

Song Lijuan
Qingping Li (Appointed 16 September 2008)
Dengkun Sun (Appointed 16 September 2008)

Secretary

LeBoeuf Lamb Corporate Services Limited

Company number

5072227

Registered office

Leboeuf Lamb Corporate Services
1 Minster Court
Mincing Lane
LONDON
Great Britain
EC3R 7YL

Auditors

Alliotts
Imperial House
15 Kingsway
London
WC2B 6UN

SENNING (UK) LIMITED

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SENNING (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company is dealing in gas and oil explorations.

Directors

The following directors have held office since 1 January 2008:

Li Shuliang	(Resigned 16 September 2008)
Wang Shali	(Resigned 16 September 2008)
Song Lijuan	
Qingping Li	(Appointed 16 September 2008)
Dengkun Sun	(Appointed 16 September 2008)

Auditors

Alliotts were appointed auditors to the company and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be [put at a General Meeting] [subject to a written resolution].

Statement of directors' responsibilities

The directors are responsible for preparing 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 Accounting Standards and applicable law). The financial statements are required by law to 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;
- 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 that 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.

SENNING (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



Song Lijuan

Director

26 October 2009

SENNING (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SENNING (UK) LIMITED

We have audited the financial statements of Senning (UK) Limited for the year ended 31 December 2008 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard 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 audit 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes 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.

SENNING (UK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SENNING (UK) LIMITED

Opinion

In our opinion:

- 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 31 December 2008 and of its loss for the year then ended ;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Alliotts

**Chartered Accountants
Registered Auditor**



26 October 2009

Imperial House
15 Kingsway
London
WC2B 6UN

SENNING (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
	Notes	£	£
Turnover		810,476	777,000
Administrative expenses		(913,916)	(746,936)
		<hr/>	<hr/>
Operating (loss)/profit	2	(103,440)	30,064
Other interest receivable and similar income	3	37,412	17,604
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(66,028)	47,668
Tax on (loss)/profit on ordinary activities	4	(16,059)	-
		<hr/>	<hr/>
(Loss)/profit for the year	10	(82,087)	47,668
		<hr/>	<hr/>

SENNING (UK) LIMITED

BALANCE SHEET

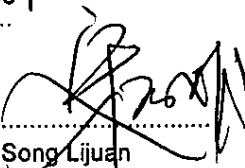
AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	5		13,834		45,745
Current assets					
Debtors	6	433,633		453,008	
Cash at bank and in hand		542,705		737,611	
		<u>976,338</u>		<u>1,190,619</u>	
Creditors: amounts falling due within one year	7	<u>(178,324)</u>		<u>(615,644)</u>	
Net current assets			<u>798,014</u>		<u>574,975</u>
Total assets less current liabilities			<u>811,848</u>		<u>620,720</u>
Creditors: amounts falling due after more than one year	8		<u>(1,527,189)</u>		<u>(1,253,974)</u>
			<u>(715,341)</u>		<u>(633,254)</u>
Capital and reserves					
Called up share capital	9		100,000		100,000
Profit and loss account	10		<u>(815,341)</u>		<u>(733,254)</u>
Shareholders' funds			<u>(715,341)</u>		<u>(633,254)</u>

These 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 for issue on 26 October 2009


.....
Li Qingping
Chairman


.....
Song Lijuan
Director

SENNING (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Operating (loss)/profit	(103,440)	30,064
Depreciation of tangible assets	39,275	38,162
Decrease/(increase) in debtors	19,375	(446,740)
(Decrease)/Increase in creditors within one year	(453,379)	595,974
Cash generated from operations	(498,169)	217,460
Cash from other sources		
Interest received	37,412	17,604
Other new long term loans	273,215	(4,000)
	310,627	13,604
Application of cash		
Payments to acquire tangible assets	7,364	5,618
	(7,364)	(5,618)
Net (decrease)/increase in cash	(194,906)	225,446
Cash at bank and in hand less overdrafts at beginning of year	737,611	512,165
Cash at bank and in hand less overdrafts at end of year	542,705	737,611
Consisting of:		
Cash at bank and in hand	542,705	737,611
	542,705	737,611

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

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

The company has total assets that are less than total liabilities. The company is able to pay its debts as they fall due. The ultimate parent company China National Oil and Gas Exploration and Development Corporation, a company registered in The People's Republic of China, has pledged continuing financial support. For these reasons, the directors expect the company to remain a going concern for the foreseeable future.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	10% straight line
Fixtures, fittings & equipment	25% straight line

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating (loss)/profit	2008	2007
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	39,275	38,162
Auditors' remuneration	6,500	5,600
Directors' emoluments	32,645	43,462
	<u> </u>	<u> </u>
 3 Investment income	 2008	 2007
	£	£
Bank interest	37,412	17,604
	<u> </u>	<u> </u>
	<u>37,412</u>	<u>17,604</u>

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

4	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	16,059	-
	Current tax charge	<u>16,059</u>	<u>-</u>

5	Tangible fixed assets	Land and buildings	Plant and machinery etc	Total
		£	£	£
	Cost			
	At 1 January 2008	7,959	149,464	157,423
	Additions	-	7,364	7,364
	At 31 December 2008	<u>7,959</u>	<u>156,828</u>	<u>164,787</u>
	Depreciation			
	At 1 January 2008	2,388	109,290	111,678
	Charge for the year	796	38,479	39,275
	At 31 December 2008	<u>3,184</u>	<u>147,769</u>	<u>150,953</u>
	Net book value			
	At 31 December 2008	<u>4,775</u>	<u>9,059</u>	<u>13,834</u>
	At 31 December 2007	<u>5,571</u>	<u>40,174</u>	<u>45,745</u>

6	Debtors	2008	2007
		£	£
	Trade debtors	372,800	377,000
	Other debtors	60,833	76,008
		<u>433,633</u>	<u>453,008</u>

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

7	Creditors: amounts falling due within one year	2008	2007
		£	£
	Taxation and social security	19,261	-
	Other creditors	159,063	615,644
		<u>178,324</u>	<u>615,644</u>
8	Creditors: amounts falling due after more than one year	2008	2007
		£	£
	Amounts owed to group undertakings	1,527,189	1,253,974
		<u>1,527,189</u>	<u>1,253,974</u>
	Analysis of loans		
	Wholly repayable within five years	1,527,189	1,253,974
		<u>1,527,189</u>	<u>1,253,974</u>
9	Share capital	2008	2007
		£	£
	Authorised		
	50,000 Ordinary Shares of £2 each	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	50,000 Ordinary Shares of £2 each	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
10	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 January 2008		(733,254)
	Loss for the year		(82,087)
			<u>(815,341)</u>
	Balance at 31 December 2008		<u>(815,341)</u>

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

11 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	2008 £	2007 £
Operating leases which expire:		
In over five years	<u>106,056</u>	<u>106,056</u>

12 Control

The company is a wholly owned subsidiary of Senning Company Inc, a company registered in the British Virgin Islands.

The ultimate parent company is China National Oil and Gas Exploration and Development Corporation, a company registered in The People's Republic of China.

13 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.