

**Dominion Petroleum Administrative
Services Limited**
(formerly known as Dominion Petroleum
Limited)

Report and Financial Statements

Year Ended

31 December 2006

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BDO Stoy Hayward
Chartered Accountants

Dominion Petroleum Administrative Services Limited (formerly known as Dominion Petroleum Limited)

Annual report and financial statements for the year ended 31 December 2006

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Directors

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Directors

M V Garland

Secretary and registered office

J Dibb
28 Broadway, London SW1H 9JX

Company number

5339644

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Report of the Directors for the year ended 31 December 2006

The Directors present their report together with the audited financial statements for the year ended 31 December 2006

Change of name

Dominion Petroleum Administrative Services Limited was incorporated in the UK on 24 January 2005 under the name Maverick Oil & Gas Limited and changed its name to Dominion Petroleum Limited on 2 August 2005 and to Dominion Petroleum Administrative Services Limited on 16 June 2006

Results

The Income Statement is set out on page 5 and shows the profit for the year

Principal activities

The principal activity of the company during the year was the provision of administrative services to the Dominion Petroleum Limited group

Directors

The directors of the company during the year together with their beneficial interests in the shares of the company were

	2006	2005
M V Garland	-	-
C Seidel (resigned 18 January 2007)	-	1

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

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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

**Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)**

Report of the Directors for the year ended 31 December 2006 (*Continued*)

Directors responsibilities (*continued*)

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 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.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

By order of the Board



J. M. Dibb
Secretary

Date *29 October 2007*

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Report of the independent auditors

To the shareholders of Dominion Petroleum Administrative Services Limited

We have audited the financial statements of Dominion Petroleum Administrative Services Limited for the year ended 31 December 2006 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with those financial statements, if 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Dominion Petroleum Administrative Services Limited
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Report of the independent auditors (*Continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the company's affairs as at 31 December 2006 and of its profit 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

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
London*

Date *29 October 2007*

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Income statement for the year ended 31 December 2006

	Note	Year ended 31 December 2006 £	Period ended 31 December 2005 £
Administrative expenses		421,359	592,503
Other operating income	2	(442,485)	(699,326)
Profit from operations	3	21,126	106,823
Finance income receivable	4	1,815	60
Profit before taxation		22,941	106,883
Taxation expense	5	5,000	21,377
Profit for the year		17,941	85,506

The notes on pages 9 to 13 form part of these financial statements

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Statement of changes in equity for the year ended 31 December 2006

	Share Capital	Retained Earnings	Total
	£	£	£
At 1 January 2005	-	-	-
Shares issued	1	-	1
Total recognised income and expense for the year	-	85,506	85,506
At 31 December 2005	<u>1</u>	<u>85,506</u>	<u>85,507</u>
At 1 January 2006	1	85,506	85,507
Total recognised income and expense for the year	-	17,941	17,941
At 31 December 2006	<u>1</u>	<u>103,447</u>	<u>103,448</u>

The following describes the nature and purpose of each reserve within owners' equity

Reserve	Description and purpose
Retained Earnings	Cumulative net gains and losses recognised in the consolidated income statement

The notes on pages 9 to 13 form part of these financial statements

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Balance sheet at 31 December 2006

	Note	2006 £	2005 £
Assets			
Current assets			
Trade and other receivables	6	6,242,857	646,815
Cash and cash equivalents		221,965	74,888
Total assets		6,464,822	721,703
Liabilities			
Current liabilities			
Trade and other payables	7	6,334,997	614,819
Current tax liability	7	26,377	21,377
Total liabilities		6,361,374	636,196
Total net assets		103,448	85,507
Capital and reserves attributable to equity holders of the company			
Share capital	8	1	1
Retained earnings		103,447	85,506
Total equity		103,448	85,507

The financial statements were approved by the Board of Directors and authorised for issue on 29 October 2007



M V Garland
Director

The notes on pages 9 to 13 form part of these financial statements

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Cash flow statement for the year ended 31 December 2006

	2006	2006	2005	2005
	£	£	£	£
Operating activities				
Net profit from ordinary activities	17,941		85,506	
Adjustments for				
Investment income	(1,846)		(60)	
Foreign exchange	151,175		-	
Income tax expense	5,000		21,377	
Increase in trade and other receivables	(5,596,042)		(646,814)	
Increase in trade and other payables	<u>5,720,178</u>		<u>614,819</u>	
Cash generated from operations		296,406		74,828
Investment activities				
Interest received		1,846		60
Financing activities				
Effect of foreign exchange rate changes on cash		(151,175)		-
Net increase in cash and cash equivalents		147,077		74,888
Cash and cash equivalents at beginning of year		74,888		
Cash and cash equivalents at 31 December 2006		<u>221,965</u>		<u>74,888</u>

The notes on pages 9 to 13 form part of these financial statements

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Notes forming part of the financial statements for the year ended 31 December 2006

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations), issued by the International Accounting Standards Board (IASB) and with those parts of the Companies Act 1985 applicable to companies preparing their accounts under IFRS

The following principal accounting policies have been applied

Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined as short cash term deposits

Other operating income

Other operating income represents the margin on expenses recharged to other group entities

Deferred taxation

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(asset) are settled/(recovered). Deferred tax balances are not discounted

Foreign currencies

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement

Financial instruments

Dominion Petroleum Administrative Services Limited's financial assets consist of cash on short term deposits at variable interest rates. Any interest earned is accrued monthly and classified as interest. Other receivable are stated at cost less impairment losses. The company's financial liabilities consist of other payables. The other payables are stated at their cost

Dominion Petroleum Administrative Services Limited
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Notes forming part of the financial statements for the year ended 31 December 2006

1 Accounting policies (*Continued*)

Taxation

Income tax on the profit or loss from ordinary activities includes current and deferred tax. Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited to the income statement, except when the tax relates to item credited or charged directly to equity, in which case the tax is also dealt with in equity.

Segmental analysis

The company operates in one business segment, being the provision of services to other members of the group to which it belongs. The company has interests in one geographical segment being England and Wales.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term.

2 Other operating income

	Year ended 31 December 2006 £	Period ended 31 December 2005 £
Management charges receivable	442,485	699,326

3 Profit from operations

	Year ended 31 December 2006 £	Period ended 31 December 2005 £
This has been arrived at after charging		
Directors' emoluments	-	259,809
Foreign exchange difference	151,175	-
Operating lease expense	29,050	-
Auditor's remuneration for Audit	12,000	-
Other services	-	-

Dominion Petroleum Administrative Services Limited
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Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

4 Finance Income

	Year ended 31 December 2006 £	Period ended 31 December 2005 £
<i>Finance income</i>		
Bank interest received	1,815	60
	<u> </u>	<u> </u>

5 Tax expense

	2006 £	2005 £
<i>Current tax expense</i>		
UK corporation tax	5,000	21,377
	<u> </u>	<u> </u>

The reason for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows

	2006 £	2005 £
Profit before tax	22,941	106,883
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2005 – 20%)	5,000	21,337
Expenses not deductible for tax purposes		
Utilisation of tax losses		
Tax losses carried forward		
	<u> </u>	<u> </u>
Total tax charge	5,000	21,377
	<u> </u>	<u> </u>

Dominion Petroleum Administrative Services Limited
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Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

6 Trade and other receivables

	2006	2005
	£	£
Amounts due from group entities	6,219,984	612,174
Other debtors	22,873	34,641
	<u>6,242,857</u>	<u>646,815</u>

7 Trade and other payables

	2006	2005
	£	£
Accruals and other payables	248,061	516,704
Corporation tax	26,377	21,377
Amounts due to other group entities	6,086,936	98,115
	<u>6,361,374</u>	<u>636,196</u>

8 Share capital

	2006	Authorised	2006	2005
	Number	2005	£	£
	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid			
	2006	2005	2006	2005
	Number	Number	£	£
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Dominion Petroleum Administrative Services Limited
(formerly known as Dominion Petroleum Limited)

Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

9 Operating lease arrangements

The total future minimum lease payments are due as follows

	2006 £	2005 £
Due within one year	3,500	-
After one year but within two years	-	-
Due after five years	-	-
	<hr/>	<hr/>

10 Related party transactions

The company was under the control of Mr Seidel until 16 June 2006. On that date the company's entire Issued capital was acquired by Dominion Petroleum Limited a company registered in Bermuda.

During the year the company received management charges of £442,485 (2005 £699,326) from other group companies. The amounts due to and from other Group companies are disclosed in notes 6 and 7 of the financial statements.

11 Ultimate Parent Company

The ultimate parent company is Dominion Petroleum Limited a company registered in Bermuda.
