

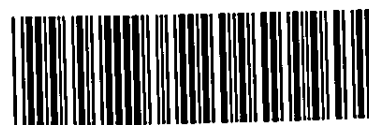
# **Gas Storage Limited**

Report and Financial Statements

Year Ended

31 March 2010

MONDAY



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# **Gas Storage Limited**

## **Annual report and financial statements for the year ended 31 March 2010**

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### **Directors**

C Judd  
R Wessel

### **Secretary and registered office**

C Judd, 3 More London Riverside, London, SE1 2AQ

### **Company number**

06145223

### **Auditors**

Ernst & Young LLP, 1 More London Place, London, SE1 2AF

# **Gas Storage Limited**

## **Report of the directors for the year ended 31 March 2010**

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The directors present their report together with the audited financial statements for the year ended 31 March 2010

### **Results and dividends**

The company did not trade during the year to 31 March 2010 however a profit or loss has been presented showing their share of audit and tax fees

The directors do not recommend payment of a dividend (2009 £nil)

### **Principal activity and business review**

The company was dormant from its incorporation until 27 March 2007, on which date it acquired an interest in a gas storage licence application in respect of the Waalwijk gas field in the Netherlands. Since that date its principal activity has been the review and development of onshore underground gas storage projects in the Netherlands.

The Company was acquired by Star Energy Group Limited on 17 October 2008. Following its acquisition, the Company aligned its financial year end with that of Star Energy Group Limited to end on 31 March 2009. The change in ownership has not impacted on the Company's principal activity.

The company, due to its size, has taken advantage of the exemption available under Section 417(1) of the Companies Act 2006 not to present a business review in accordance with the Companies Act 2006 requirements.

### **Directors**

The directors of the company during the year were

C Judd  
R Wessel

# **Gas Storage Limited**

## **Report of the directors for the year ended 31 March 2010**

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### **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 period 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

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 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

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts

### **Directors' indemnity**

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006

### **Auditors**

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

In accordance with the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

### **By order of the Board**



Colin Judd  
**Secretary**

18 June 2010

# Gas Storage Limited

## Independent auditors' report to the shareholder of Gas Storage Limited

We have audited the financial statements of Gas Storage Limited for the year ended 31 March 2010 which comprise the Profit and loss account, the Balance sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Gary Donald (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
18 June 2010

# Gas Storage Limited

## Profit and loss account for the year ended 31 March 2010

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	Note	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Administration costs		(11,910)	-
		<hr/>	<hr/>
<b>Operating loss</b>		(11,910)	-
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	4	(11,910)	-
Taxation on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>Retained loss for the financial year</b>		(11,910)	-
		<hr/>	<hr/>

The results reflected above derive from continuing operations of the company

There are no recognised gains or losses attributable to the shareholders of the Company other than the loss of £11,910 for the year ended 31 March 2010 (2009 - £Nil)

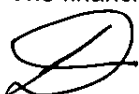
The notes on pages 6 to 9 form part of these financial statements

# Gas Storage Limited

## Balance sheet at 31 March 2010

	Note	31 March 2010 £	31 March 2009 £
<b>Fixed assets</b>			
Intangible assets	6	205,958	73,010
<b>Creditors: amounts falling due within one year</b>	7	(217,768)	(72,910)
		<u>(11,810)</u>	<u>100</u>
<b>Total assets less current liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	(11,910)	
		<u>(11,810)</u>	<u>100</u>
<b>Shareholders' funds</b>	10	(11,810)	100

The financial statements were approved by the Board of Directors and authorised for issue on 18 June 2010



Colin Judd  
Director

The notes on pages 6 to 9 form part of these financial statements

# Gas Storage Limited

## Notes forming part of the financial statements for the year ended 31 March 2010

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The financial statements fall within the scope of the Statement of Recommended Practice ("SORP"), "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities", issued by the Oil Industry Accounting Committee. The financial statements, including disclosures, have been prepared in accordance with the provisions of the SORP currently in effect

The following principal accounting policies have been applied

#### *Basis of preparation*

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements

The company's balance sheet shows net liabilities at 31 March 2010 and in these circumstances the company's trading activities are supported by the company's parent undertaking, Star Energy Group Limited. The directors have no reason to believe that this support will not continue and have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least one year from the date of approval of the financial statements

Under *FRS 1 Cash flow statements*, the company is exempt from the requirement to prepare a cash flow statement on the grounds that its immediate parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Star Energy Group Limited which is incorporated in the United Kingdom, the company has taken advantage of the exemption contained in *FRS 8 Related party disclosures* and has therefore not disclosed transactions or balances with entities which form part of the group which both Star Energy Group Limited and Overseas Gas Storage Limited belong to. The consolidated financial statements of Star Energy Group Limited, within which this company is included, can be obtained from the registered office



# Gas Storage Limited

## Notes forming part of the financial statements for the year ended 31 March 2010 (*Continued*)

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### **1 Accounting policies (*Continued*)**

#### *Intangible assets*

Exploration expenditure which is general in nature is charged directly to the profit and loss account and that which relates to unsuccessful drilling operations, though initially capitalised pending determination, is subsequently written off. Only costs which relate directly to the discovery and development of specific commercial oil and gas reserves will remain capitalised to be depreciated over the lives of these reserves.

Once capitalised, exploration and evaluation expenditure is reviewed for impairment at each balance sheet date. Any impairment is charged through the profit and loss account.

The success or failure of each exploration effort will be judged on a well-by-well basis as each potentially hydrocarbon-bearing structure is identified and tested. If it is decided to develop the area to which the intangible fixed asset expenditure relates, the expenditure will be transferred to tangible fixed assets.

#### *Foreign currencies*

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

#### *Taxation*

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. No charge or credit is given for group relief.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured at the weighted average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### *Managing capital*

The primary objective of the Company's capital management is to maintain appropriate levels of funding to meet its commitments and to safeguard the entity's ability to continue as a going concern, so that it can support its business and create shareholder value. The Company monitors the capital structure and seeks to adjust this as considered appropriate.

# Gas Storage Limited

## Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

### 2 Employees

The company had no employees during the period

### 3 Directors' remuneration

The directors have received no remuneration in respect of their services during the period

### 4 Loss on ordinary activities before and after taxation

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Auditor's remuneration	5,500	-

### 5 Taxation on loss from ordinary activities

No current or deferred tax was due or has been recognised in respect of the current or prior period

### 6 Intangible assets

	£
At 1 April 2009	73,010
Additions	132,948
At 31 March 2010	205,958
At 31 March 2009	73,010

The carrying value of intangible assets all relates to exploration and appraisal costs

### 7 Creditors' amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	217,768	72,910
	217,768	72,910

### 8 Share capital

	31 March 2010 Number	Allotted and called up 31 March 2009 Number	31 March 2010 £	31 March 2009 £
Ordinary shares of £1 each	100	100	100	100

The above shares were issued on incorporation of the company on 8 March 2007 for a consideration of £100

# Gas Storage Limited

Notes forming part of the financial statements  
for the year ended 31 March 2010 (*Continued*)

## 9 Reserves

	Profit and loss account £
At 1 April 2009	-
Retained loss for the financial year	(11,910)
	<hr/>
At 31 March 2010	(11,910)
	<hr/>

## 10 Reconciliation of movements in shareholder's funds

	31 March 2010 £	31 March 2009 £
Retained loss for the financial year	(11,910)	-
	<hr/>	<hr/>
Net decrease in shareholder's funds	(11,910)	-
Opening shareholder's funds	100	100
	<hr/>	<hr/>
Closing shareholder's (deficit)/funds	(11,810)	100
	<hr/>	<hr/>

## 11 Contingent liabilities

### Waalwijk Production Licence payments

Consideration is potentially payable to Wintershall Noordzee B V ("Wintershall") under the terms of the agreement signed in July 2008 to acquire Northern Petroleum plc's gas storage project interests in the Waalwijk Production Licence onshore in the Netherlands. The Company will become liable to pay Wintershall €2.25 million in the event that capital expenditure is authorised for the development of a gas storage facility in the Waalwijk Northern Licence Area under the Waalwijk Production Licence before 1 August 2012.

## 12 Related party transactions

The company has taken advantage of the exemption contained within *FRS 8 Related party disclosures*, and has not disclosed transactions entered into with group companies. There were no other related party transactions in the year.

## 13 Immediate parent company and ultimate parent company

The immediate parent company is Star Energy Group Limited, which is incorporated in England and Wales, and the ultimate controlling party is Petroliaam Nasional Berhad (PETRONAS), which is wholly owned by the Malaysian government.

The consolidated financial statements of Star Energy Group Limited are available to the public from the registered office. The registered office of Star Energy Group Limited is 3 More London Riverside, London, SE1 2AQ.

## 14 Post balance sheet events

There were no post balance sheet events which materially affect these financial statements.