

SC  
Company Registration No. 165881

## **CEDAR INTERNATIONAL PLC**

**Report and Financial Statements**

**31 May 2005**



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COMPANIES HOUSE 22/12/2005

# **CEDAR INTERNATIONAL PLC**

## **Report and financial statements 2005**

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# **CEDAR INTERNATIONAL PLC**

## **Report and financial statements 2005**

### **Officers and professional advisers**

#### **Directors**

J T Easter  
R J R Cairns  
M J Young  
I G Tylee  
C J Bury

#### **Secretary**

R B H Easter

#### **Registered Office**

17 Victoria Street  
Aberdeen  
AB10 1UU

#### **Bankers**

Royal Bank of Scotland plc  
PO Box 412  
62 – 63 Threadneedle Street  
London  
EC2R 8LA

#### **Solicitors**

Ashurst  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

#### **Auditors**

BDO Stoy Hayward  
Chartered Accountants  
8 Baker Street  
London  
W1U 3LL

# CEDAR INTERNATIONAL PLC

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2005.

### Activities

CEDAR International is an oil and gas company which focuses on operations in overseas locations. The company's business emphasis is on co-operative energy developments and re-developments with a focus on developing onshore concession areas with proven economically producible hydrocarbons which have either significant remaining reserves or have just been appraised awaiting production. CEDAR is not in the business of exploring new areas.

### Results, developments and future prospects

The loss for the year after taxation amounted to £33,908 (2004: £42,486).

The directors do not recommend payment of a dividend and the loss for the year has been transferred against reserves.

The nature of the oil and gas business is such that there is reasonable time between investments being made and profits being returned. The company continues to pursue appropriate opportunities to increase the likely profitability of the company.

### Payment to suppliers

The company aims to pay all of its suppliers within a reasonable period of the invoice being received and in any case within the supplier's own standard payment period.

Trade creditors of the company at 31 May 2005 were equivalent to five days purchases, based on the average daily amount invoiced by suppliers during the year.

### Directors and their interests

The directors who served during the year, together with their interests in the share capital of the company, are as follows:

	Ordinary shares	
	As at 31 May 2005 No	As at 1 June 2004 No
J T Easter	350,000	350,000
R J R Cairns	681,571	681,571
M J Young	751,571	751,571
I G Tylee	7,921	7,921
C J Bury	79,219	79,219

# CEDAR INTERNATIONAL PLC

## Directors' report (continued)

### Auditors

BDO Stoy Hayward LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



M J Young

Director

15<sup>th</sup> DEC. 2005

# **CEDAR INTERNATIONAL PLC**

## **Statement of directors' responsibilities**

United Kingdom 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 as at the end of the financial year 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; 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 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEDAR INTERNATIONAL PLC

**To the shareholders of Cedar International Plc**

We have audited the financial statements of Cedar International Plc for the year ended 31 May 2005 on pages 6 to 12 which have been prepared under the accounting policies set out on page 9.

## *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Directors is not consistent with the 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 transactions with the company and other members of the group 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 United Kingdom Auditing Standards 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 and the part of the Directors' Remuneration Report to be audited. 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 group'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 of the state of affairs of the group and the company at 31 May 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*

London

15<sup>th</sup> December, 2005

## **CEDAR INTERNATIONAL PLC**

### **Profit and loss account Year ended 31 May 2005**

	<b>Note</b>	<b>2005 £</b>	<b>2004 £</b>
Administrative expenses		(35,335)	(44,783)
Interest receivable and similar income	4	<u>1,427</u>	<u>2,297</u>
<b>Loss on ordinary activities before and after taxation transferred to reserves</b>	10	<u><u>(33,908)</u></u>	<u><u>(42,486)</u></u>



# CEDAR INTERNATIONAL PLC

## Balance sheet 31 May 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	6	-	2,833
<b>Current assets</b>			
Debtors	7	931	652
Cash at bank and in hand		48,941	81,227
		<u>49,872</u>	<u>81,879</u>
<b>Creditors: amounts falling due within one year</b>	8	(9,503)	(10,435)
<b>Net current assets</b>		<u>40,369</u>	<u>71,444</u>
<b>Total assets less current liabilities</b>		<u>40,369</u>	<u>74,277</u>
<b>Capital and reserves</b>			
Called up share capital	9	269,345	269,345
Share premium account	10	371,437	371,437
Profit and loss account	10	(600,413)	(566,505)
<b>Total equity shareholders' funds</b>	11	<u>40,369</u>	<u>74,277</u>

These financial statements were approved by the board of directors on 15/12/ 2005.

Signed on behalf of the board of directors



M J Young  
Director

# CEDAR INTERNATIONAL PLC

## Cash flow statement Year ended 31 May 2005

	2005 £	2004 £
<b>Net cash outflow from operating activities</b>	<b>(33,713)</b>	<b>(38,794)</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	1,427	2,297
<b>Capital expenditure</b>		
Receipts from sales of tangible fixed assets	-	550
Decrease in cash in the year	(32,286)	(35,947)
Cash at 1 June 2005/2004	81,227	117,174
Cash at 31 May 2005/2004	48,941	81,227

## Reconciliation of operating loss to net cash outflow from operating activities

	2005 £	2004 £
Operating loss	(35,335)	(44,783)
Depreciation/impairment	2,703	945
(Increase)/decrease in debtors	(279)	632
Increase/(decrease) in creditors	(932)	4,577
Loss/(profit) on disposal	130	(165)
Net cash outflow from operating activities	(33,713)	(38,794)

## Notes to the financial statements Year ended 31 May 2005

### 1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards.

#### Tangible fixed assets

Depreciation is provided on a reducing balance basis over the estimated useful lives of the assets. The rates of depreciation are as follows:

Furniture and fittings	25%
Office equipment	25%

#### Deferred taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

Deferred tax is measured at the average 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 substantively enacted by the balance sheet date.

Deferred tax is measured on a non discounted basis.

### 2. Information regarding directors and employees

The company has no employees. Consultancy fees totalling £18,000 (2004: £18,000) were paid on an arms length basis to directors and their related parties. The directors received no other remuneration from the company.

### 3. Operating loss

	2005 £	2004 £
<b>Operating loss is after charging:</b>		
Depreciation - owned assets	-	945
Loss on disposal of fixed assets	130	-
Auditors' remuneration	3,025	3,025
	<hr/>	<hr/>
<b>And after crediting:</b>		
Profit on disposal of fixed assets	-	165
	<hr/>	<hr/>

# CEDAR INTERNATIONAL PLC

## Notes to the financial statements Year ended 31 May 2005

### 4. Interest receivable and similar income

	2005 £	2004 £
Bank interest	1,427	2,297

### 5. Tax on loss on ordinary activities

	2005 £	2004 £
<i>Corporation tax</i>		
United Kingdom corporation tax at standard rate	-	-
Loss on ordinary activities before taxation	(33,908)	(42,486)
Tax on loss on ordinary activities at standard rate	(6,443)	(8,497)
<i>Factors affecting charge for the year:</i>		
Depreciation in excess of capital allowances	538	(35)
Deferred tax asset unprovided	5,874	8,420
Amounts not deductible for tax purposes	31	112
	-	-

### 6. Tangible fixed assets

	Furniture & fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 June 2004	788	15,976	16,764
Disposals in year	(788)	-	(788)
At 31 May 2005	-	15,976	15,976
<b>Accumulated depreciation</b>			
At 1 June 2004	658	13,273	13,931
Disposals in year	(658)	-	(658)
Impairment losses	-	2,703	2,703
At 31 May 2005	-	15,976	15,976
<b>Net book value</b>			
At 31 May 2005	-	-	-
At 31 May 2004	130	2,703	2,833

# CEDAR INTERNATIONAL PLC

## Notes to the financial statements Year ended 31 May 2005

### 7. Debtors

	2005 £	2004 £
Other debtors	839	560
Prepayments and accrued income	92	92
	<u>931</u>	<u>652</u>

All amounts are due within one year.

### 8. Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	444	172
Accruals and deferred income	9,059	10,263
	<u>9,503</u>	<u>10,435</u>

### 9. Called up share capital

	2005 £	2004 £
<b>Authorised</b>		
120,000,000 Ordinary shares of 10p each	12,000,000	12,000,000
<b>Called up, allotted and fully paid</b>		
2,693,454 Ordinary shares of 10p each	<u>269,345</u>	<u>269,345</u>

### 10. Statement of movements on reserves

	Share premium account £	Profit and loss account £	Total £
At 1 June 2004	371,437	(566,505)	(195,068)
Loss for the year	-	(33,908)	(33,908)
At 31 May 2005	<u>371,437</u>	<u>(600,413)</u>	<u>(228,976)</u>

# **CEDAR INTERNATIONAL PLC**

## **Notes to the financial statements** **Year ended 31 May 2005**

### **11. Reconciliation of movements in shareholders' funds**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Loss attributable to members of the company	(33,908)	(42,486)
Opening shareholders' funds	<u>74,277</u>	<u>116,763</u>
Closing shareholders' funds	<u><u>40,369</u></u>	<u><u>74,277</u></u>

## **CEDAR INTERNATIONAL PLC**

### **Additional information**

The additional financial information, which comprises the trading profit and loss account and the related notes 1 to 5, has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the independent auditors' report thereon.

# CEDAR INTERNATIONAL PLC

## Trading profit and loss account Year ended 31 May 2005

	Note	2005 £	2004 £
Income		-	-
<b>Less: overhead expenses</b>			
Office	1	4,203	2,250
Establishment	2	1,395	1,666
Travel and subsistence	3	4,901	7,829
General	4	24,836	33,038
		<u>35,335</u>	<u>44,783</u>
<b>Net trading loss for the year</b>		(35,335)	(44,783)
<b>Add: other income</b>			
Interest receivable and similar income	5	<u>1,427</u>	<u>2,297</u>
<b>Loss on ordinary activities before taxation</b>		<u>(33,908)</u>	<u>(42,486)</u>



# CEDAR INTERNATIONAL PLC

## Notes to the trading profit and loss account Year ended 31 May 2005

	2005 £	2004 £
<b>1. Office expenses</b>		
Telephone	738	952
Postage and carriage	255	303
Printing and stationery	297	53
Sundries	80	206
Impairment of office equipment	2,703	-
Depreciation on office equipment	-	901
Loss/(profit) on disposal of fixed assets	130	(165)
	<u>4,203</u>	<u>2,250</u>
<b>2. Establishment expenses</b>		
Establishment	500	770
Insurance	895	852
Depreciation on furniture and fittings	-	44
	<u>1,395</u>	<u>1,666</u>
<b>3. Travel and subsistence expenses</b>		
Travel and subsistence	4,740	7,268
Entertaining – other	161	561
	<u>4,901</u>	<u>7,829</u>
<b>4. General expenses</b>		
	2005 £	2004 £
Professional	2,489	9,517
Audit and accountancy	3,025	3,025
Bank charges	225	162
Consultancy and management fees	19,097	20,334
	<u>24,836</u>	<u>33,038</u>
<b>5. Interest receivable &amp; similar income</b>		
Bank interest	<u>1,427</u>	<u>2,297</u>