

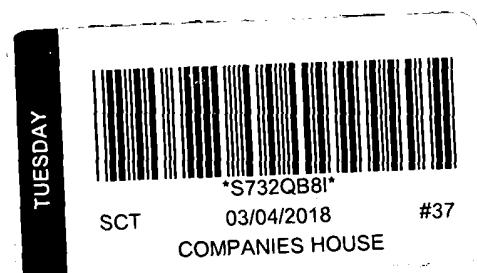
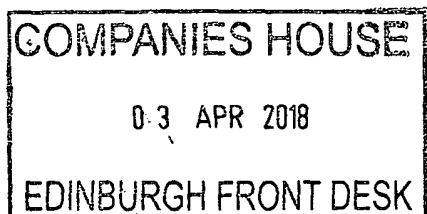
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SENERGY (GB) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017



SENERGY (GB) LIMITED



COMPANY INFORMATION

Directors

D J Mitchell
A I Buchanan (appointed 1 July 2016)
P D Edwards (appointed 1 July 2016)
A M Pearce (appointed 1 July 2016, resigned 1 July 2016)
J G McCallum (resigned 1 July 2016)

Company secretary

G Megginson

Registered number

SC125513

Registered office

Lloyd's Register
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Independent auditors

Anderson Anderson & Brown LLP
Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

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SENERGY (GB) LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017**



Introduction

The directors present their strategic report for the year ended 30 June 2017.

Principal Activity

The principal activity of the company is the provision of engineering and consultancy services to the oil and gas industry.

Business review

The company has had a challenging trading year in all its activities with volume and pricing being driven by customers reduced spending due to the uncertainty associated with a sustained period of low oil prices.

The directors are confident that the future prospects of the company are good. There are signs that the market conditions are starting to improve due to an increase in the price of oil which has stabilised at a level which should allow an increase in investment in the oil and gas industry, and therefore the directors expect the performance of the business to improve.

Principal risks and uncertainties

The business faces risk due to the uncertainty associated with a sustained period of low oil prices. This risk is successfully managed through systematic and thorough analysis of market and opportunities, tracking of pipeline and business development activity, and active management of cost base.

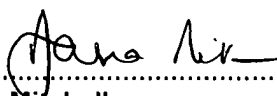
Financial key performance indicators

The directors consider the key financial indicators to be turnover, gross profit and profit after tax whilst it also monitors the utilisation of its personnel.

For the period ended 30 June 2017, the company generated £779,368 (2016 - £3,163,819) in gross losses on £15,540,031 (2016 - £17,010,237) in turnover.

Loss on ordinary activities before taxation was £8,212,025 (2016 - £8,899,063) or -52% (2016 - -52%) of turnover in the period ended 30 June 2017.

This report was approved by the board and signed on its behalf.


.....
D J Mitchell
Director

Date: 15.03.18

SENERGY (GB) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017**



The directors present their report and the financial statements for the year ended 30 June 2017.

Results and dividends

The loss for the year, after taxation, amounted to £9,113,065 (2016 - loss £7,200,489).

Dividends that have been paid during the year of £2,300,000 (2016 - £NIL).

Directors

The directors who served during the year were:

D J Mitchell
A I Buchanan (appointed 1 July 2016)
P D Edwards (appointed 1 July 2016)
J G McCallum (resigned 1 July 2016)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

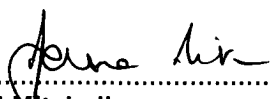
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
D J Mitchell
Director

Date: 15.03.18

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

The directors are responsible for preparing the Strategic report, the Directors' report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SENERGY (GB) LIMITED**

Opinion

We have audited the financial statements of Senergy (GB) Limited for the year ended 30 June 2017, set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

In forming our opinion we have considered the net liabilities. The financial statements are prepared on a going concern basis and as detailed in Note 2.3, the ultimate parent company has confirmed their continuing support for the company and also that amounts due to other group companies will not be repaid in advance of other creditors. In view of the significance of this, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

SENERGY (GB) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SENERGY (GB) LIMITED**



Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

SENERGY (GB) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SENERGY (GB) LIMITED



Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' report.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

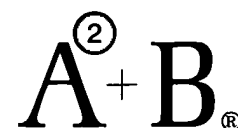
Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: *15 March 2018*

SENERGY (GB) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017



	Note	2017 £	2016 £
Turnover	4	15,540,031	17,010,237
Cost of sales		(16,319,399)	(20,174,063)
Gross loss		<u>(779,368)</u>	<u>(3,163,826)</u>
Administrative expenses		(4,130,895)	(5,715,452)
Exceptional administrative expenses	5	(3,165,829)	-
Operating loss	6	<u>(8,076,092)</u>	<u>(8,879,278)</u>
Dividend received	9	5,215	-
Interest receivable and similar income	10	53	802
Interest payable and expenses	11	(141,201)	(20,587)
Loss before tax		<u>(8,212,025)</u>	<u>(8,899,063)</u>
Tax on loss	12	(901,040)	1,698,574
Loss for the financial year		<u><u>(9,113,065)</u></u>	<u><u>(7,200,489)</u></u>

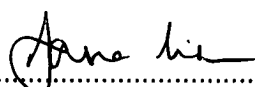
SENERGY (GB) LIMITED
REGISTERED NUMBER:SC125513

**BALANCE SHEET
AS AT 30 JUNE 2017**



	Note	2017 £	2016 £
Fixed assets			
Intangible assets	14	18,770	131,394
Tangible assets	15	493,441	1,097,052
Investments	16	953,141	2,527
		<u>1,465,352</u>	<u>1,230,973</u>
Current assets			
Debtors: amounts falling due within one year	17	9,745,069	13,284,248
Cash at bank and in hand	18	1,084,029	1,027,933
		<u>10,829,098</u>	<u>14,312,181</u>
Creditors: amounts falling due within one year	19	(15,937,501)	(8,125,022)
Net current (liabilities)/assets		<u>(5,108,403)</u>	<u>6,187,159</u>
Total assets less current liabilities		<u>(3,643,051)</u>	<u>7,418,132</u>
Creditors: amounts falling due after more than one year	20	(160,000)	-
Net (liabilities)/assets		<u><u>(3,803,051)</u></u>	<u><u>7,418,132</u></u>
Capital and reserves			
Called up share capital	22	19,469	19,469
Share premium account		62,014	62,014
Capital redemption reserve		10,238	10,238
Profit and loss account		(3,894,772)	7,326,411
		<u>(3,803,051)</u>	<u>7,418,132</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
D J Mitchell
Director

Date: 15.03.18

The notes on pages 10 to 25 form part of these financial statements.

SENERGY (GB) LIMITED



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2016	19,469	62,014	10,238	7,326,411	7,418,132
Comprehensive income for the year					
Loss for the year	-	-	-	(9,113,065)	(9,113,065)
Currency translation differences	-	-	-	191,882	191,882
Dividends: Equity capital	-	-	-	(2,300,000)	(2,300,000)
At 30 June 2017	19,469	62,014	10,238	(3,894,772)	(3,803,051)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2015	19,469	62,014	10,238	14,526,900	14,618,621
Comprehensive income for the year					
Loss for the year	-	-	-	(7,200,489)	(7,200,489)
At 30 June 2016	19,469	62,014	10,238	7,326,411	7,418,132

The notes on pages 10 to 25 form part of these financial statements.

1. General information

Senergy (GB) Limited is a limited liability company incorporated in Scotland. The registered office is Lloyd's Register, Kingswells Causeway, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU.

The principal activity of the company is the provision of engineering and consultancy services to the oil and gas industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lloyd's Register Group Limited as at 30 June 2017 and these financial statements may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017****2. Accounting policies (continued)****2.3 Going concern**

During the year the company reported a loss of £9,113,065 and this has resulted in a net liabilities position of £3,803,051 at 30 June 2017. Included within these liabilities are amounts due to group companies of £11,154,959. The company continues to be loss making however, the financial statements are prepared on a going concern basis, which assumes that the company will continue to meet its liabilities as they fall due. The ultimate parent company has provided a group working capital facility and further to this, the intermediate parent company has confirmed they shall not seek repayment of amounts due to the detriment of other creditors. Furthermore the ultimate parent company has confirmed they shall continue to support the company to facilitate its ability to continue trading as a going concern for the foreseeable future.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets relate to intellectual property and have a finite life of 3 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Fixtures & fittings	- 20-25% straight line
Computer equipment	- 33% straight line
Other fixed assets	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Profit and loss account.

2.15 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.17 Pensions

Defined contribution pension plan

The company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.18 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**



3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Impairment of debtors

The company makes an assessment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider various factors including the ageing profile of debtors and historical experience.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

Operating lease commitments

The company has entered into commercial property leases. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance sheet.

4. Turnover

No analysis of turnover by geographic region or by class is provided, as the directors believe such an analysis would be prejudicial to the Company's best interests.

5. Exceptional items

	2017 £	2016 £
Intercompany loan waiver	1,884,841	-
Lease termination fees	1,280,988	-
	<u>3,165,829</u>	<u>-</u>

In the year there was a group reorganisation which resulted in intercompany balances being waived. Furthermore, a lease was terminated in the year which resulted in the above fees.

SENERGY (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017****6. Operating loss**

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	159,405	264,947
Amortisation of intangible assets, including goodwill	112,624	206,478
Exchange differences	(39,488)	(301,808)
Other operating lease rentals	911,178	1,511,252
Defined contribution pension cost	667,071	831,174
	<u>667,071</u>	<u>831,174</u>

7. Auditors' remuneration

Auditors' remuneration of £19,000 was borne by another group company in the current year (2016 - £19,000).

8. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	7,598,927	10,497,393
Social security costs	785,667	1,003,874
Cost of defined contribution scheme	667,071	831,174
	<u>9,051,665</u>	<u>12,332,441</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Technical	79	109
Management and Administration	11	16
Directors	2	2
	<u>92</u>	<u>127</u>

9. Income from investments

	2017 £	2016 £
Dividends received	(5,215)	-
	<u>(5,215)</u>	<u>-</u>

SENERGY (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



10. Interest receivable

	2017 £	2016 £
Other interest receivable	53	802

11. Interest payable and similar charges

	2017 £	2016 £
Other interest payable	141,201	20,587

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	43,688	39,931
Adjustments in respect of previous periods	86,108	122,590
	129,796	162,521
Group taxation relief	378,849	(1,982,879)
	508,645	(1,820,358)
Foreign tax		
Foreign tax on income for the year	387,698	205,579
	387,698	205,579
Total current tax	896,343	(1,614,779)
Deferred tax		
Origination and reversal of timing differences	(25,051)	(152,137)
Changes to tax rates	3,179	(7,593)
Adjustments in respect of prior periods	26,569	75,935
Total deferred tax	4,697	(83,795)
Taxation on profit/(loss) on ordinary activities	901,040	(1,698,574)

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20.00%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(8,212,025)	(8,899,063)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20.00%)	(1,584,033)	(1,779,813)
Effects of:		
Expenses not deductible for tax purposes	637,042	19,967
Fixed asset differences	73,209	28,019
Adjustments to tax charge in respect of prior periods	464,957	18,193
Adjustments to tax charge in respect of prior periods - deferred tax	26,569	75,935
Adjustment to tax charge in respect of change in tax rates	65,369	125,584
Income not taxable for tax purposes	(1,030)	(79,904)
Other tax adjustments, reliefs and transfers	-	(9,260)
RDEC not recoverable	43,688	39,931
R&D expenditure credits	-	(25,531)
Foreign tax credits	387,698	205,579
Other permanent differences	(76,573)	(41,116)
Deferred tax not recognised	(58,137)	(273,752)
Receipt for group relief	-	(1,982,879)
Group relief surrendered	922,281	1,982,879
Transfer pricing adjustments	-	(2,406)
Total tax charge for the year	901,040	(1,698,574)

13. Dividends

	2017 £	2016 £
Dividends paid	2,300,000	-
	2,300,000	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

14. Intangible assets

	Patents £
Cost	
At 1 July 2016	337,872
At 30 June 2017	<u>337,872</u>
Amortisation	
At 1 July 2016	206,478
Charge for the year	112,624
At 30 June 2017	<u>319,102</u>
Net book value	
At 30 June 2017	<u>18,770</u>
At 30 June 2016	<u>131,394</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

15. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 July 2016	1,148,315	953,817	1,506,352	36,299	3,644,783
Additions	-	-	6,888	-	6,888
Disposals	-	(326,940)	-	-	(326,940)
At 30 June 2017	1,148,315	626,877	1,513,240	36,299	3,324,731
Depreciation					
At 1 July 2016	283,117	787,378	1,453,141	24,095	2,547,731
Charge for the year on owned assets	24,533	69,702	58,892	6,278	159,405
Disposals	-	(246,511)	-	-	(246,511)
Impairment losses written back	370,665	-	-	-	370,665
At 30 June 2017	678,315	610,569	1,512,033	30,373	2,831,290
Net book value					
At 30 June 2017	470,000	16,308	1,207	5,926	493,441
At 30 June 2016	865,198	166,439	53,211	12,204	1,097,052

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	2,527
Additions	950,612
Disposals	2
At 30 June 2017	<u>953,141</u>
Net book value	
At 30 June 2017	<u>953,141</u>
At 30 June 2016	<u>2,527</u>

17. Debtors

	2017 £	2016 £
Trade debtors	2,502,253	1,491,394
Amounts owed by group undertakings	2,212,087	2,915,848
Other debtors	33,652	1,407,174
Prepayments and accrued income	3,134,455	3,520,954
Tax recoverable	1,783,524	3,865,083
Deferred taxation	79,098	83,795
	<u>9,745,069</u>	<u>13,284,248</u>

18. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>1,084,029</u>	<u>1,027,933</u>

SENERGY (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	436,962	538,666
Amounts owed to group undertakings	11,154,959	1,341,876
Corporation tax	2,002,430	2,002,430
VAT	319,205	589,232
Other creditors	628,903	2,471,223
Accruals and deferred income	1,395,042	1,181,595
	<u>15,937,501</u>	<u>8,125,022</u>

20. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	160,000	-
	<u>160,000</u>	<u>-</u>

21. Deferred taxation

	2017 £	2016 £
At beginning of year	83,795	-
Charged to profit or loss	(4,697)	83,795
At end of year	<u>79,098</u>	<u>83,795</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	79,098	83,795
	<u>79,098</u>	<u>83,795</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**22. Share capital**

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
194,690 Ordinary shares of £0.10 each	19,469	19,469

23. Pension commitments

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £927,244 (2016 - £1,432,174). The creditor outstanding at the year end was £NIL (2016 - £NIL).

24. Commitments under operating leases

At 30 June 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	271,389	1,003,369
Later than 1 year and not later than 5 years	-	406,907
Later than 5 years	-	37,500
	<u>271,389</u>	<u>1,447,776</u>

25. Related party transactions**Control**

During the year the company was controlled by the directors.

Transactions

As the company is a wholly owned subsidiary of Lloyd's Register Group Limited, it has taken advantage of the exemption within FRS 102, section 33 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.

26. Ultimate controlling party and controlling party

The immediate parent company is Senergy Oil & Gas Limited, a company registered in Scotland.

The ultimate parent company is Lloyd's Register Foundation, a company registered in England and Wales and a registered charity.

The smallest group in which the results of the company are consolidated is that headed by Lloyd's Register Group Limited. The largest group in which the results of the company are consolidated is that headed by Lloyd's Register Foundation. These financial statements are available from its registered office at 71 Fenchurch Street, London, EC3M 4ES.