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**MONTROSE INDUSTRIES LIMITED**

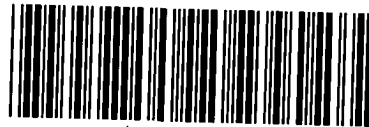
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**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2017**

WEDNESDAY



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19/09/2018 #93  
COMPANIES HOUSE

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## **MONTROSE INDUSTRIES LIMITED**

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### **COMPANY INFORMATION**

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**Directors**

Dr R. Stabbins  
Dr R.J. Knaap  
R.G. Godson  
V. Godson

**Company secretary**

R.G. Godson F.C.A.

**Registered number**

654944

**Registered office**

The Rock  
Hatfield  
Nr. Leominster  
Herefordshire  
HR6 0SE

**Bankers**

Cater Allen Private Bank  
9 Nelson Street  
Bradford BD1 5AN

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## MONTROSE INDUSTRIES LIMITED

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### CHAIRMAN'S STATEMENT For the Year Ended 31st December 2017

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The chairman presents his statement for the period.

2017 was a much better year than 2016, with the price of Brent oil strengthening to about US\$70 by year end. Good progress was made with our licence portfolio.

*PEDL 068; Cleveland & North Yorkshire; Montrose Interest: 10.0%*

The Kirkleatham gas field is thought to contain undeveloped reserves towards the crest of the structure. Egdon Resources plc, the licence operator, has proposed drilling a deviated well from the suspended Kirkleatham-4 well. If successful, this could give the group a commercially attractive re-development option. Although still at an early stage, potential interest has been shown by several third parties in funding much of the cost of drilling such a well. The Westerdale gas discovery located within the North York Moors National Park was relinquished at the recent licence anniversary date.

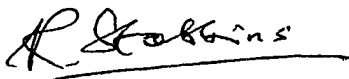
*PEDL 253; Lincolnshire; Montrose Interest: 22.2%*

The Biscathorpe project has progressed well since the year end, with further farm-outs agreed with Union Jack Oil plc and Humber Oil and Gas Ltd. As a result, our licence interest reduced from 35.2% to 22.2%. Our paying interest in the Biscathorpe-2 well will now be a more affordable ca. 12.8%. Lincolnshire County Council has extended the planning consent for drilling the well until December 2020, and the Oil & Gas Authority has extended the licence for 2 years until 30 June 2020. The operator, Egdon Resources plc, is updating all the quotations received for well materials and services, including the rig, with a view to completing site construction during late September 2018, with drilling operations expected in October to November 2018.

#### *Investments*

The value of our oil and gas investments decreased slightly during the year but, since the year end, there has been an improvement in share prices which allowed us to sell some of our BP and Royal Dutch Shell shares

Richard Stabbins  
Chairman



14 September 2018

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**MONTROSE INDUSTRIES LIMITED**

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**DIRECTORS' REPORT**  
**For the Year Ended 31st December 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

**Directors**

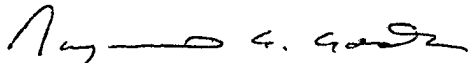
The directors who served during the year were:

Dr R. Stabbins  
Dr R.J. Knaap  
R.G. Godson  
V. Godson

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 14 September 2018 and signed on its behalf.



R.G. Godson  
Director

**MONTROSE INDUSTRIES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Exploration costs written off		(778)	(18,033)
<b>Gross loss</b>		<u>(778)</u>	<u>(18,033)</u>
Administrative expenses		(4,054)	(3,737)
<b>Operating loss</b>		<u>(4,832)</u>	<u>(21,770)</u>
Income from fixed assets investments		31,667	29,418
Surplus/ (deficit) on investments		(12,207)	172,539
Interest received		120	181
<b>Profit before tax</b>		<u>14,748</u>	<u>180,368</u>
<b>Profit for the financial year</b>		<u>14,748</u>	<u>180,368</u>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<u>14,748</u>	<u>180,368</u>

The notes on pages 6 to 11 form part of these financial statements.

**MONTROSE INDUSTRIES LIMITED**  
Registered number: 654944

**BALANCE SHEET**  
As at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	275,635	234,582
Tangible assets	5	201,717	194,102
Investments	6	614,579	620,433
		<u>1,091,931</u>	<u>1,049,117</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	485	1,785
Cash at bank and in hand	8	119,746	145,022
		<u>120,231</u>	<u>146,807</u>
Creditors: amounts falling due within one year	9	(20,402)	(18,913)
<b>Net current assets</b>		<u>99,829</u>	<u>127,894</u>
<b>Total assets less current liabilities</b>		<u>1,191,760</u>	<u>1,177,011</u>
<b>Net assets</b>		<u>1,191,760</u>	<u>1,177,011</u>
<b>Capital and reserves</b>			
Called up share capital		330,000	330,000
Share premium account		1,226,314	1,226,314
Capital redemption reserve		73,791	73,791
Profit and loss account		(438,345)	(453,094)
		<u>1,191,760</u>	<u>1,177,011</u>

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**MONTROSE INDUSTRIES LIMITED**  
Registered number: 654944

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**BALANCE SHEET (CONTINUED)**  
As at 31 December 2017

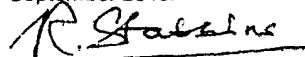
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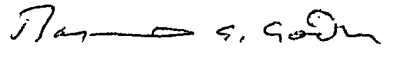
The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2018.

  
Dr R. Stabbins  
Director

  
R.G. Godson  
Director

The notes on pages 6 to 11 form part of these financial statements.

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## **MONTROSE INDUSTRIES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31st December 2017**

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#### **1. General information**

The Company is a private corporation with limited liability incorporated in England and Wales with its registered office at The Rock, Hatfield, Nr. Leominster, Herefordshire HR6 0SE..

#### **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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 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:

##### **2.3 Interest income**

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

##### **2.4 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### **2.5 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.



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## MONTROSE INDUSTRIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31st December 2017

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## 2. Accounting policies (continued)

### 2.5 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:

Fixtures & fittings	-	33%
Office equipment	-	100%

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.

### 2.6 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.

### 2.7 Valuation of investments

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

### 2.8 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.

### 2.9 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.

### 2.10 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.

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## MONTROSE INDUSTRIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31st December 2017

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#### 2. Accounting policies (continued)

##### 2.11 Financial instruments

The Company only enters into basic financial instrument 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.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 4).

#### 4. Intangible assets

	Oil & gas costs pending determination £
<b>Cost</b>	
At 1 January 2017	234,582
Additions	42,197
Disposals	(1,144)
At 31st December 2017	<u>275,635</u>
<b>Net book value</b>	
At 31st December 2017	<u>275,635</u>
At 31st December 2016	<u>234,582</u>

**MONTROSE INDUSTRIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31st December 2017

**5. Tangible fixed assets**

	Fixtures & fittings £	Office equipment £	Oil and gas development costs £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	1	898	407,059	407,958
Additions	-	50	7,750	7,800
At 31st December 2017	<u>1</u>	<u>948</u>	<u>414,809</u>	<u>415,758</u>
<b>Depreciation</b>				
At 1 January 2017	-	896	212,960	213,856
Charge for the year on owned assets	-	51	134	185
At 31st December 2017	<u>-</u>	<u>947</u>	<u>213,094</u>	<u>214,041</u>
<b>Net book value</b>				
At 31st December 2017	<u>1</u>	<u>1</u>	<u>201,715</u>	<u>201,717</u>
At 31st December 2016	<u>1</u>	<u>2</u>	<u>194,099</u>	<u>194,102</u>

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**MONTROSE INDUSTRIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31st December 2017**

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**6. Fixed asset investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2017	620,433
Additions	263,645
Disposals	(251,588)
Revaluations	(17,910)
	<hr/>
At 31st December 2017	614,580
	<hr/>
<b>Net book value</b>	
At 31st December 2017	614,580
	<hr/>
At 31st December 2016	620,433
	<hr/>

**7. Debtors**

	2017 £	2016 £
Other debtors	485	1,785
	<hr/>	<hr/>
	485	1,785
	<hr/>	<hr/>

**8. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	119,746	145,022
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	119,746	145,022
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**MONTROSE INDUSTRIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31st December 2017**

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**9. Creditors: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>17,408</b>	<b>16,663</b>
Other taxation and social security	<b>744</b>	<b>-</b>
Accruals and deferred income	<b>2,250</b>	<b>2,250</b>
	<b>20,402</b>	<b>18,913</b>

**10. Related party transactions**

Godson & Co, a business owned by R.G.Godson, a director received £3,000 (2016 - £3,000) for the provision of accounting and secretarial services.

**11. Controlling party**

The Ultimate Controlling Party is Dr. R. Stabbins, a director.