

**Financial statements**  
for the year ended 31 December 2017

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**Company information**  
for the year ended 31 December 2017

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**Company Registration number**

2823058

**Registered office**

5<sup>th</sup> Floor  
10 Finsbury Square  
London  
EC2A 1AF

**Directors**

Denis Ischenko  
Joseph Mulcahy (resigned 6 September 2018)

**Secretary**

Peter G Wilson

## Directors Report

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The directors present their report together with the financial statements of Melrose Mediterranean Limited (the 'Company') for the year ended 31 December 2017.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

### Principal activity and review of operations, results and dividends

The Company did not trade during the year, and apart from the full impairment of its intangible timewriting assets, it was dormant. The Company was also dormant in 2016.

The income statement for the year ended 31 December 2017 and the balance sheet at that date are set out on pages 5 and 6 respectively. A loss for the year of \$97k was recorded (2016: profit of \$nil).

Net liabilities at 31 December 2017 amounted to \$1.8 million (2016: liabilities of \$1.7 million). No dividends or transfers to reserves are recommended by the directors.

Under UK Company Law, the Company is required to give a description of the principal risks and uncertainties which it faces. The principal risk is that the Company would not be in a position to repay an amount of \$4.8 million advanced to it by its immediate parent company, Petroceltic Resources Limited. However, the parent undertaking has confirmed in writing that it will not seek repayment of such amount for at least twelve months from the date of approval of the financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

### Directors

The directors in office during the year are listed below:

D Ischenko  
J L Mulcahy (resigned on 6 September 2018)

At the date of this report, the only director is D Ischenko.

### Directors' responsibilities statement in respect of the directors' report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards including FRS 101 and applicable law.

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 and then apply them consistently;
- make judgments 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.

## Directors Report

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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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

For and on behalf of the Board



**Peter G Wilson**  
Company Secretary

26 September 2018

5<sup>th</sup> Floor  
10 Finsbury Square  
London  
EC2A 1AF

## Income Statement

for the year ended 31 December 2017

	<i>Note</i>	<b>Year ended 31 December 2017</b> \$000	Year ended 31 December 2016 \$000
Impairment of intangible assets	3	(97)	-
<b>Loss before and after tax</b>	2	<b>(97)</b>	<b>-</b>

The Company had no other comprehensive income in the financial year or the previous financial year and therefore, no statement of other comprehensive income is provided.

## Statement of changes in equity

for the year ended 31 December 2017

	Share capital \$000	Retained earnings \$000	Total equity \$000
At 1 January 2016	-	(1,700)	(1,700)
<b>At 31 December 2016 and at 1 January 2017</b>	<b>-</b>	<b>(1,700)</b>	<b>(1,700)</b>
Loss for the year	-	(97)	(97)
<b>At 31 December 2017</b>	<b>-</b>	<b>(1,797)</b>	<b>(1,797)</b>

The accompanying notes on pages 7 to 9 form an integral part of the financial statements.

**Balance Sheet**  
as at 31 December 2017

	Notes	As at 31 December 2017 \$000	As at 31 December 2016 \$000
<b>Non- current assets</b>			
Intangible assets	3	-	97
<b>Total non-current assets</b>		-	97
<b>Current assets</b>			
Amounts owed by group undertakings	4	3,000	3,000
<b>Total current assets</b>		3,000	3,000
<b>Current liabilities</b>			
Amounts due to group undertakings	5	(4,797)	(4,797)
<b>Total current liabilities</b>		(4,797)	(4,797)
<b>Net liabilities</b>		(1,797)	(1,700)
<b>Equity attributable to shareholders</b>			
Issued share capital	6	-	-
Profit and loss account		(1,797)	(1,700)
<b>Total equity</b>		(1,797)	(1,700)

For the financial year in question, the Company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Board of Directors approved the financial statements on 26 September 2018 and these were signed on its behalf by



**Denis Ischenko**  
Director

The accompanying notes on pages 7 to 9 form an integral part of the financial statements.

## Notes to the accounts

for the year ended 31 December 2017

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### 1. Accounting policies

Melrose Mediterranean Limited ('the Company') is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2015/15 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes
- Disclosures in respect of transactions with wholly owned group companies, and
- The effects of new but not yet effective IFRSs

The accounts are prepared on the historic cost basis and are presented in US Dollars, rounded to the nearest thousand. US Dollars is also the Company's functional currency.

The following accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### Going Concern

The Company has net liabilities of \$1.8 million (2016: \$1.7 million) at 31 December 2017. However, the financial statements have been prepared on the going concern basis, because it is expected to remain dormant and not to face any cash outgoings for the foreseeable future. The Company has a liability payable to its parent company, Petroceltic Resources Limited, of \$4.8 million which is non-interest bearing and repayable on demand, but the parent company has given an undertaking not to request repayment of the amount due for a period of at least twelve months from the date of approval of these financial statements.

Accordingly the directors of the Company believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

#### Intangible assets

Exploration and evaluation costs are capitalised within intangible fixed assets until the success or otherwise of the well or project has been established.

### 2. Loss for the year

There are no directors' emoluments charged in respect of this year (2016: \$nil). The tax charge on the profit before tax for the year is \$nil (2016: \$nil).

**Notes to the accounts**  
for the year ended 31 December 2017

**3. Intangible assets**

	December 2017 \$000	December 2016 \$000
Opening balance at 1 January	97	97
Impairment	(97)	-
<b>Closing balance at 31 December</b>	<u>-</u>	<u>97</u>

**4. Receivables**

	December 2017 \$'000	December 2016 \$'000
Amounts owed from group companies	3,000	3,000

Amounts are due from Petroceltic Energy Company and are interest free and have no fixed repayments date.

**5. Creditors**

	December 2017 \$'000	December 2016 \$'000
Amounts due to group companies	4,797	4,797

Amounts are due to the parent company, Petroceltic Resources Limited and are interest free. The parent company has undertaken not to call for any repayment of this loan for the foreseeable future.

**6. Share capital**

	December 2017 \$	December 2016 \$
<i>Allotted, called up and fully paid</i> 1 ordinary share of £1 each	2	2

**Notes to the accounts**  
for the year ended 31 December 2017

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**7. Controlling related party and ultimate parent undertaking**

The Company is wholly-owned by Petroceltic Resources Limited, a Company incorporated in the UK. At the date of approval of the financial statements, Sunny Hill Limited is the ultimate controlling party. Sunny Hill Limited is registered in the Cayman Islands at Maples Corporate Services Limited, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The parent undertaking for which group financial statements are prepared, and of which the Company is a member, is Petroceltic Holdings Limited. Petroceltic Holdings Limited is incorporated in the UK and has its financial statements available at Companies House ([www.gov.uk/government/organisations/companies-house](http://www.gov.uk/government/organisations/companies-house)).

**8. Capital commitments**

The Company had no capital commitments at 31 December 2017 (2016: *Nil*).