

# **AZINOR CATALYST LIMITED**

**Company Registration Number:  
04212557 (England and Wales)**

**Unaudited abridged accounts for the year ended 31 December 2019**

**Period of accounts**

**Start date: 01 January 2019**

**End date: 31 December 2019**

# **AZINOR CATALYST LIMITED**

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# AZINOR CATALYST LIMITED

## Balance sheet

As at 31 December 2019

	<i>Notes</i>	<i>2019</i>	<i>2018</i>
		£	£
<b>Fixed assets</b>			
Tangible assets:	3	6,918	14,018
Investments:	4	13,904,774	18,414,305
<b>Total fixed assets:</b>		<u>13,911,692</u>	<u>18,428,323</u>
<b>Current assets</b>			
Debtors:		228,281	1,522,704
Cash at bank and in hand:		158	363,932
<b>Total current assets:</b>		<u>228,439</u>	<u>1,886,636</u>
<b>Net current assets (liabilities):</b>		<u>228,439</u>	<u>1,886,636</u>
Total assets less current liabilities:		14,140,131	20,314,959
Creditors: amounts falling due after more than one year:		(50,612,168)	(50,146,403)
<b>Total net assets (liabilities):</b>		<u>(36,472,037)</u>	<u>(29,831,444)</u>
<b>Capital and reserves</b>			
Called up share capital:		1,672	1,672
Share premium account:		1,007,035	1,007,035
Profit and loss account:		(37,480,744)	(30,840,151)
<b>Shareholders funds:</b>		<u>(36,472,037)</u>	<u>(29,831,444)</u>

The notes form part of these financial statements

# AZINOR CATALYST LIMITED

## Balance sheet statements

For the year ending 31 December 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A).

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

The directors have chosen to not file a copy of the company's profit & loss account.

**This report was approved by the board of directors on 19 November 2020  
and signed on behalf of the board by:**

Name: Nick Terrell  
Status: Director

The notes form part of these financial statements

# **AZINOR CATALYST LIMITED**

## **Notes to the Financial Statements**

**for the Period Ended 31 December 2019**

### **1. Accounting policies**

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 101

# **AZINOR CATALYST LIMITED**

## **Notes to the Financial Statements for the Period Ended 31 December 2019**

### **2. Employees**

	<i>2019</i>	<i>2018</i>
Average number of employees during the period	7	9

# AZINOR CATALYST LIMITED

## Notes to the Financial Statements for the Period Ended 31 December 2019

### 3. Tangible Assets

	Total
<b>Cost</b>	£
At 01 January 2019	526,285
Additions	4,243
At 31 December 2019	<u>530,528</u>
<b>Depreciation</b>	
At 01 January 2019	512,267
Charge for year	11,343
At 31 December 2019	<u>523,610</u>
<b>Net book value</b>	
At 31 December 2019	<u>6,918</u>
At 31 December 2018	<u>14,018</u>

# AZINOR CATALYST LIMITED

## Notes to the Financial Statements

for the Period Ended 31 December 2019

### 4. Fixed investments

Acquisition, exploration and evaluation costs Oil and gas assets: exploration and evaluation The Company applies the 'modified' full-cost method of accounting under which all expenditures relating to the acquisition, exploration, appraisal and development of oil and gas interests, including an appropriate share of directly attributable overheads and payments to acquire the legal rights to explore, is capitalised within cash generating units. Cash generating units are determined geographically with reference to the separately identifiable licences or prospects that the Company has rights to develop. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible and intangible assets. No depreciation and/or amortisation is charged during the exploration and evaluation phase. The Company reflects exploration and evaluation asset dispositions (farm-out arrangements), when the farminee correspondingly undertakes to fund carried interests as part of the consideration, on a historical cost basis with no gain or loss recognition. Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible assets, or whenever facts and circumstances indicate impairment. Exploration costs included in intangible assets relating to exploration licences and prospects are carried forward until the existence (or otherwise) of commercial reserves have been determined subject to certain limitations including review for indications of impairment on an individual licence basis. If commercial reserves are discovered, the carrying value, after any impairment loss of the relevant assets, is then reclassified as property, plant and equipment under production interests and fields under development. If, however, commercial reserves are not found, the capitalised Azinor Catalyst Ltd Notes to the Financial Statements For the year ended 31 December, 2019 (expressed in US dollars) costs are charged to the statement of comprehensive loss. If there are indications of impairment prior to the conclusion of exploration activities, an impairment test is carried out. For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with existing cash-generating units of production fields that are located in the same geographical region. The Company expenses exploration and evaluation expenditures as incurred for oil and gas prospects not commercially viable and financially feasible. Data licence rights The Company has obtained licence rights to the data library of the PGS Group (for the purposes of these financial statements the "PGS Group" is defined as Petroleum Geo-Services ASA and its affiliated companies). The PGS Group provides seismic and electromagnetic services, data acquisition, processing, reservoir analysis/interpretation and multi-client library data to the oil and gas industry. Management have deemed that the licence rights have a finite life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the data licence rights across its estimated useful life of 5 years.

# **AZINOR CATALYST LIMITED**

## **Notes to the Financial Statements**

**for the Period Ended 31 December 2019**

### **5. Financial commitments**

The Company is committed to meet all of the required work programmes of its licences and farm-in agreements. At 31 December, 2019, the Company had commitments of \$562,812 (2018: \$302,013) and contingent commitments of \$177,968,689 (2018: 242,576) in relation to various licence expenses. In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, management expects the risk of loss to be remote. The Company has remaining commitments related to industry memberships and office rentals for less than 1 year. At 31 December, 2019, this commitment amounted to \$39,641 (2017: \$48,623).

# AZINOR CATALYST LIMITED

## Notes to the Financial Statements

for the Period Ended 31 December 2019

### 6. Related party transactions

Name of the related party:	Azinor Petroleum UK Ltd
Relationship:	Parent
Description of the Transaction:	As at 31 December, 2019, the balance due to Azinor Petroleum UK Ltd of \$50,078,990 (2018: \$46,747,654) is comprised of short term advances provided. The balance also includes sundry fees that were incurred by the Company and reimbursable by Azinor Petroleum UK Ltd.
	£
Balance at 01 January 2019	46,747,654
Balance at 31 December 2019	<b>50,078,990</b>

Name of the related party:	PGS Group
Relationship:	Consultant
Description of the Transaction:	During 2019, the Company acquired no technical services from the PGS Group (2018: \$nil). The remaining balance due to the PGS Group of \$178,450 (2018: \$178,450) is expected to be paid within the next twelve months.
	£
Balance at 01 January 2019	178,450
Balance at 31 December 2019	<b>178,450</b>

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