

Company Registration No. 05072227 (England and Wales)

SENNING (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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SENNING (UK) LIMITED

COMPANY INFORMATION

Directors	Lingyi Kong Xiaodong Liu Shiguo Xu Weimin Zhang	(Appointed 20 June 2017) (Appointed 20 June 2017) (Appointed 20 June 2017)
Secretary	Richard Slade and Company Plc	
Company number	05072227	
Registered office	3rd Floor Devonshire House 1 Mayfair Place London W1J 8AJ	
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB	
Business address	3rd Floor Devonshire House 1 Mayfair Place London W1J 8AJ	

SENNING (UK) LIMITED

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SENNING (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Principal activities

The principal activity of the company is the purchase and sale of crude oil. The company also provides marketing services in connection with gas and oil exploration activities of group companies.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Song Lijuan	(Appointed 27 May 2017 and resigned 20 June 2017)
Lingyi Kong	(Appointed 20 June 2017)
Xiaodong Liu	(Appointed 20 June 2017)
Shiguo Xu	
Weimin Zhang	(Appointed 20 June 2017)
Y Liu	(Resigned 10 May 2017)
L Chen	(Appointed 11 May 2017 and resigned 20 June 2017)

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

SENNING (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

On behalf of the board



LINGYI KONG

Date: 24/01/2018

SENNING (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF SENNING (UK) LIMITED

Opinion

We have audited the financial statements of Senning UK Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ‰ give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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 Auditor's 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 UK, including the FRC'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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other 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.

SENNING (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF SENNING (UK) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- ‡ the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ‡ the Directors' Report has 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 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; or
- ‡ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, 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.

Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

SENNING (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF SENNING (UK) LIMITED

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 auditor's 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.

RSM UK Audit LLP

**David Hough (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP**

**Chartered Accountants
Statutory Auditor**

25 May 2018

25 Farringdon Street
London
EC4A 4AB

SENNING (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	221,292,367	2,055,540
Cost of sales		(218,274,824)	
Gross profit		3,017,543	2,055,540
Administrative expenses		(2,896,053)	(1,973,998)
Operating profit	4	121,490	81,542
Interest receivable and similar income	7	-	3,790
Profit before taxation		121,490	85,332
Tax on profit	8	(24,030)	(30,318)
Profit for the financial year		97,460	55,014

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

SENNING (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Profit for the year	97,460	55,014
Other comprehensive income	—	—
Total comprehensive income for the year	<u>97,460</u>	<u>55,014</u>

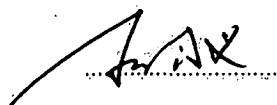
SENNING (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	218,369	256,206
Current assets			
Debtors falling due after more than one year	11	399,828	409,428
Debtors falling due within one year	11	87,760,752	363,319
Cash at bank and in hand		1,268,032	559,835
		89,428,612	1,332,582
Creditors: amounts falling due within one year	12	(89,353,326)	(1,364,626)
Net current assets/(liabilities)		75,286	(32,044)
Total assets less current liabilities		293,655	224,162
Creditors: amounts falling due after more than one year	13	(119,430)	(138,866)
Provisions for liabilities	14	(34,334)	(42,864)
Net assets		139,891	42,432
Capital and reserves			
Called up share capital	17	100,000	100,000
Profit and loss reserves		39,891	(57,568)
Total equity		139,891	42,432

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and were approved by the board of directors and authorised for issue on 29/01/18 and are signed on its behalf by:



LING YI KONG

Director

Company Registration No. 05072227

SENNING (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016	100,000	(112,582)	(12,582)
Year ended 31 December 2016:			
Profit and total comprehensive income for the year	-	55,014	55,014
Balance at 31 December 2016	100,000	(57,568)	42,432
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	97,460	97,460
Balance at 31 December 2017	100,000	39,891	139,891

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Senning (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, Devonshire House, 1 Mayfair Place, London, W1J 8AJ.

The principal activity is disclosed in the Directors Report on page 1.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of oil is recognised when the significant risks and rewards of ownership of the oil has been transferred from the company to the buyer (usually on delivery to an agreed shipping point), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of marketing services is recognised on a straight line basis over the period of the contract.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Equal annual instalments over lease term
Fixtures, fittings & equipment	25% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as an expense in the period they are incurred.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

	2017 £	2016 £
Turnover		
Sale of oil	218,742,367	
Provision of marketing services	2,550,000	2,055,540
	<u>221,292,367</u>	<u>2,055,540</u>

	2017 £	2016 £
Other significant revenue		
Interest income	-	3,790
	<u>-</u>	<u>3,790</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	478	(4,625)
Depreciation of owned tangible fixed assets	41,064	40,079
Operating lease charges	296,231	362,494
	<u>337,773</u>	<u>397,948</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2017 Number	2016 Number
<u>7</u>	<u>6</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,358,444	761,893
Social security costs	223,059	128,895
Pension costs	36,186	13,089
	<u>1,617,689</u>	<u>903,877</u>

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	179,880	270,466
Company pension contributions to defined contribution schemes	3,415	3,309
	<u>183,295</u>	<u>273,775</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Other interest income	-	3,790
	<u>-</u>	<u>3,790</u>

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	32,560	24,653
Adjustments in respect of prior periods	-	(7,542)
Total current tax	<u>32,560</u>	<u>17,111</u>
Deferred tax		
Origination and reversal of timing differences	<u>(8,530)</u>	<u>13,207</u>
Total tax charge	<u>24,030</u>	<u>30,318</u>

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	121,490	85,332
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	23,387	17,066
Other permanent differences	643	45
Deferred tax adjustments in respect of prior years	-	13,207
Taxation charge for the year	24,030	30,318

9 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2017	266,236	117,875	384,111
Additions	-	3,229	3,229
At 31 December 2017	266,236	121,104	387,340
Depreciation and impairment			
At 1 January 2017	45,135	82,772	127,907
Depreciation charged in the year	27,075	13,989	41,064
At 31 December 2017	72,210	96,761	168,971
Carrying amount			
At 31 December 2017	194,026	24,343	218,369
At 31 December 2016	221,101	35,104	256,206

10 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	88,011,993	505,296
Carrying amount of financial liabilities		
Measured at amortised cost	89,057,196	1,500,966

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

11 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	86,897,797	-
Amounts owed by group undertakings	643,000	76,920
Other debtors	95,899	80,177
Prepayments and accrued income	124,056	206,222
	<u>87,760,752</u>	<u>363,319</u>

	2017	2016
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>399,828</u>	<u>409,428</u>
Total debtors	<u>88,160,580</u>	<u>772,747</u>

12 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	86,872,870	1,950
Amounts due to group undertakings	2,038,883	1,248,007
Corporation tax	32,212	2,526
Other taxation and social security	383,348	-
Other creditors	6,577	7,963
Accruals and deferred income	19,436	104,180
	<u>89,353,326</u>	<u>1,364,626</u>

13 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Accruals and deferred income	<u>119,430</u>	<u>138,866</u>

14 Provisions for liabilities

	2017	2016
	£	£
Deferred tax liabilities	<u>34,334</u>	<u>42,864</u>

Notes

15

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	34,334	42,864
Movements in the year:		2017 £
Liability at 1 January 2017		42,864
Credit to profit or loss		(8,530)
Liability at 31 December 2017		34,334

The deferred tax liability set out above relates to accelerated capital allowances.

16 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	36,186	13,089

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
50,000 Ordinary of £2 each	100,000	100,000
	100,000	100,000

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	333,190	333,190
Between two and five years	1,332,760	1,332,760
In over five years	721,912	1,048,864
	<u>2,387,862</u>	<u>2,714,814</u>

19 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales of services	
	2017 £	2016 £
CNPC International Limited	2,550,000	2,055,540

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
CNPC International Limited	-	1,248,007
China Volant Industry Co Ltd	860,000	-
Senning Company Inc	1,217,517	-

The following amounts were outstanding at the reporting end date:

	2017 Balance £
Amounts owed by related parties	
CNPC International Limited	643,000

There were no amounts owed in the previous period.

SENNING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

20 Controlling party

The company is immediately wholly-owned by Senning Company Inc, a company incorporated in British Virgin Islands.

Senning Company Inc is 50% owned by CNPC International Limited, a company incorporated in Cayman Islands and 50% owned by Huaning Energy Company Limited, a company incorporated in Hong Kong. These entities are state owned by the People's Republic of China by virtue of the shares held by their ultimate parent companies China National Petroleum Corporation and China Aerospace Science & Industry Corporation Limited respectively.