

# **Milford Energy Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2014**

**Registered Number 05199003**

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# **MILFORD ENERGY LIMITED**

## **Annual Report and Financial Statements for the year ended 31 December 2014**

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# **MILFORD ENERGY LIMITED**

## **Directors' Report for the year ended 31 December 2014**

The directors have pleasure in submitting their report, together with the audited financial statements of the company for the year ended 31 December 2014.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company was previously the generation and supply of energy at its cogeneration plant and associated equipment at an industrial site in Milford Haven. On 25 January 2013 the entire assets and liabilities of the company were transferred to Dragon LNG Limited, a fellow subsidiary of Dragon LNG Group Limited. The company is not expected to have any on-going activities following this transfer. For this reason, the going concern basis has not been used in preparing the financial statements for the years ending 31 December 2013 and 2014. Further details relating to the basis of preparation applied in preparing these financial statements are provided in Note 1 to the financial statements.

### **RESULTS AND DIVIDENDS**

The company's results are shown on page 5. The directors do not recommend the payment of a dividend for the year (2013: £nil).

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and up to the date of signing the financial statements were as follows:

Stephen Surrall

Ann Collins

Klaus Reinisch

Andrew Bernard Shanta

None of the directors had any interests in the shares of the company as at either year end.

Peter Van Duzer served as company secretary during the year.

### **STRATEGIC REPORT**

Given the dormant status of the company, the directors are of the opinion that a Strategic Report is not necessary.

# MILFORD ENERGY LIMITED

## Directors' Report for the year ended 31 December 2014 (continued)

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the directors have prepared 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;
- 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 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.

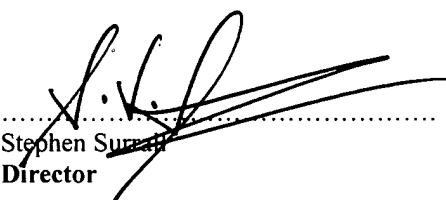
### INDEPENDENT AUDITORS

As part of the audit process each director has confirmed, as at the date of the financial statements, that:

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

It is intended that PricewaterhouseCoopers LLP shall remain in office as auditors of the company.

On behalf of the Board

  
.....  
Stephen Suresh  
Director

DATE: 15 June 2015

# MILFORD ENERGY LIMITED

## *Independent auditors' report to the members of Milford Energy Limited*

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Milford Energy Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its result 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.
- 

#### **Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. Following the transfer of its trading assets to Dragon LNG Limited, a fellow subsidiary on 25 January 2013, the Directors have decided that the company has ceased trading. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements.

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#### **What we have audited**

The financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended;
- the Reconciliation of Movements in Shareholders' Funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, 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.

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# MILFORD ENERGY LIMITED

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff

23 June 2015

# MILFORD ENERGY LIMITED

## Profit And Loss Account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	-	1,731
Cost of sales		-	(97)
<b>GROSS PROFIT</b>		-	1,634
Administrative expenses		-	(785)
<b>OPERATING PROFIT</b>	3	-	849
Loss on disposal of fixed assets		-	(1,573)
Interest receivable and similar income		-	3
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	(721)
Tax on (loss)/profit on ordinary activities	5	-	2,679
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	-	1,958

All items relate to discontinued operations.

The company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been prepared.

There is no material difference between the (loss)/profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.


# MILFORD ENERGY LIMITED

## Balance Sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	-	-
<b>CURRENT ASSETS</b>			
Stocks – equipment spares		-	-
Debtors	7	-	10,842
Cash at bank and in hand		5	5
		5	10,847
Creditors: amounts falling due within one year	8	-	(1)
<b>NET CURRENT ASSETS</b>		<b>5</b>	<b>10,846</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5</b>	<b>10,846</b>
Creditors: amounts falling due after more than one year		-	-
Provisions for liabilities	9	-	-
<b>NET ASSETS</b>		<b>5</b>	<b>10,846</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	-	1
Share premium account	11	-	1,599
Profit and loss account	11	5	9,246
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>5</b>	<b>10,846</b>

The notes on pages 8 to 14 form part of these financial statements.

Approved by the Board on: 15/6/15

  
 Stephen Surran  
 Director  
 DATE: 15 June 2015



# MILFORD ENERGY LIMITED

## Reconciliation of Movements in Shareholders' Funds for the year ended 31 December 2014

	2014 £'000	2013 £'000
Profit for the financial year	-	1,958
Dividend declared	(10,841)	-
<b>NET (DECREASE)/INCREASE TO SHAREHOLDERS' FUNDS</b>	<b>(10,841)</b>	<b>1,958</b>
Opening shareholders' funds	10,846	8,888
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>5</b>	<b>10,846</b>

# **MILFORD ENERGY LIMITED**

## **Notes to the Financial Statements for the year ended 31 December 2014**

### **1 ACCOUNTING POLICES**

#### **Basis of accounting**

These financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards in the United Kingdom (UK GAAP) and the Companies Act 2006.

On 25 January 2013 the trading assets and liabilities of the company were transferred to Dragon LNG Limited, a fellow subsidiary of Dragon LNG Group Limited. The company is not expected to have any on-going activities following this transfer. For this reason, the going concern basis has not been used in preparing the financial statements for the years ended 31 December 2013 and 2014.

There have been no adjustments required to the financial statements as the Directors consider that all assets are currently carried at expected recoverable value and there are no fixed assets or long term liabilities that would therefore need to be reclassified as current assets and liabilities.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### **Cash flow statement**

The company has taken advantage of the exemption available in FRS 1 (revised) not to prepare a cash flow statement as it is a wholly owned subsidiary of Dragon LNG Group Limited.

#### **Deferred taxation**

Provision is made in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised only to the extent they are considered recoverable.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet.

#### **Turnover**

Until the date the company ceased trading, turnover represented the value of goods and services provided during the year as calculated with the reference to the Energy Supply Agreement with Dragon LNG Limited and the Import & Export Agreement with Scottish & Southern Electric. Turnover is wholly derived within the UK.

### **2 TURNOVER**

The turnover arose from the principal activity of the company, and arose entirely within the United Kingdom. As a result, no segmental disclosures are required in the financial statements.

# MILFORD ENERGY LIMITED

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 3 OPERATING PROFIT

Profit on ordinary activities before taxation is stated after charging the following:	2014 £'000	2013 £'000
Depreciation	-	435
Remuneration of auditors – audit services	-	-
Remuneration of auditors – non audit services (taxation compliance)	-	-

All auditors' remuneration has been borne by Dragon LNG limited.

### 4 EMPLOYEE INFORMATION

The company currently has no employees.

# MILFORD ENERGY LIMITED

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 5 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
<b>Current Tax</b>		
Corporation tax at 20.00 % (2013: 20.00%) on results for the year	-	1
<b>Deferred Tax</b>		
Origination and reversal of timing differences	-	169
Changes in tax rates or laws	-	(349)
Release of deferred tax balance	-	(2,500)
<b>Taxation on profit/(loss) on ordinary activities</b>	<b>-</b>	<b>(2,679)</b>

The taxation assessed for the year is equal to (2013: higher than) the rate applying in the UK. The differences are explained below:

	2014 £'000	2013 £'000
(Loss)/Profit on ordinary activities before taxation	-	(721)
Profit on ordinary activities multiplied by the UK smaller companies' rate of Corporation Tax of 20.00% (2013: 20.00%)	-	(144)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	317
Accelerated capital allowances	-	(80)
Other timing differences	-	(92)
<b>Total current tax charge</b>	<b>-</b>	<b>1</b>

# MILFORD ENERGY LIMITED

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 6 TANGIBLE ASSETS

	Long leasehold £'000	Tooling and equipment £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>				
At 1 January 2014	-	-	-	-
Transfer to Dragon LNG Limited	-	-	-	-
<b>At 31 December 2014</b>	-	-	-	-
<b>Accumulated depreciation</b>				
At 1 January 2014	-	-	-	-
Charged in the year	-	-	-	-
Transfer to Dragon LNG Limited	-	-	-	-
<b>At 31 December 2014</b>	-	-	-	-
<b>Net book value</b>				
<b>At 31 December 2014</b>	-	-	-	-
At 31 December 2013	-	-	-	-

There are no assets held under finance leases in either year.

### 7 DEBTORS

	2014 £'000	2013 £'000
Amounts owed by Dragon LNG Limited	-	10,842
	-	10,842

# MILFORD ENERGY LIMITED

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 8 CREDITORS

Amounts falling due within one year:

	2014 £'000	2013 £'000
Corporation tax	-	1
	-	1

### 9 PROVISIONS FOR LIABILITIES: DEFERRED TAXATION

	2014 £'000	2013 £'000
At 1 January	-	2,680
(Credit)/Charge to profit and loss account	-	(180)
On disposal of business	-	(2,500)
<b>At 31 December</b>	<b>-</b>	<b>-</b>

### 10 CALLED UP SHARE CAPITAL

	2014 £'000	2013 £'000
<b>Allotted and fully paid</b>		
1 (2013: 1,000) Ordinary share(s) of £1 each	-	1

On 19 December 2014 the issued share capital was reduced by 999 shares as part of a Dragon LNG Group capital reduction scheme.

# MILFORD ENERGY LIMITED

## Notes to the Financial Statements for the year ended 31 December 2014 (continued)

### 11 RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 January 2014	1,599	9,246
Profit for the financial year	-	-
Capital reduction	(1,599)	1,600
Dividends	-	(10,841)
<b>At 31 December 2014</b>	<b>-</b>	<b>5</b>

On 19 December 2014 the share premium account was transferred to distributable reserves as part of a Dragon LNG Group capital reduction scheme.

### 12 RELATED PARTY TRANSACTIONS

	Invoiced or accrued during the year to 31 December 2014 £'000	Outstanding as at 31 December 2014 £'000	Invoiced or accrued during the year to 31 December 2013 £'000	Outstanding as at 31 December 2013 £'000
<b>Purchases</b>				
BG Group PLC and its subsidiaries	-	-	-	-
Petroleum Nasional Berhad and its subsidiaries	-	-	-	-
	-	-	-	-

Included within the recharge from BG Group above was an amount of nil (2013: £ nil) in respect of a provision for general management services by a Milford Energy Limited director.

	Outstanding as at 31 December 2014 £'000	Outstanding as at 31 December 2013 £'000
<b>Interest free loans received by the company</b>		
BG Group PLC and its subsidiaries	-	-
Petroleum Nasional Berhad and its subsidiaries	-	-
	-	-

Milford Energy Limited is a subsidiary of Dragon LNG Group Limited which is a joint venture company of which BG Group Plc and Petroleum Nasional Berhad each own 50% of the ordinary share capital. In accordance with FRS 8 – Related party disclosures, no disclosures have been made of transactions between the company and other companies in the Dragon LNG Group Limited group.

# **MILFORD ENERGY LIMITED**

## **Notes to the Financial Statements for the year ended 31 December 2014 (continued)**

### **13 PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's share capital was held 50% by BG Energy Holdings Limited and 50% by Petronas International Corporation Limited until 15 October 2012 when 100% of it was acquired by Dragon LNG Group Limited – a company registered in England and Wales.

Dragon LNG Group Limited is the parent company of the largest and smallest group within which the results of the company are included by full consolidation. The consolidated financial statements of Dragon LNG Group Limited can be obtained from the company at Main Road, Waterston, Milford Haven, Pembrokeshire, SA73 1DR.

The share capital of Dragon LNG Group Limited is held 50% by BG Energy Holdings Limited and 50% by Petronas International Corporation Limited.

BG Energy Holdings Limited is a wholly owned subsidiary of BG Group PLC a company incorporated in Great Britain and registered in England and Wales. Petronas International Corporation Limited is a wholly owned subsidiary of Petroliaam Nasional Berhad, a company registered in Malaysia.

### **14 CAPITAL COMMITMENTS**

The company had no capital commitments at the balance sheet date in either year.

### **15 CAPITAL REDUCTION**

On 19 December 2014 the entire share premium account (£1,599,000) and £999 of the issued share capital was converted to distributable reserves as part of a Dragon LNG Group capital reduction scheme. The company then declared a dividend of £10,841,432 to Dragon LNG Group Limited which was settled by the transfer of a debt owed to the Company by Dragon LNG Limited (a company also owned by Dragon LNG Group Limited).