

EthosEnergy Investments Limited

Annual Report and Financial Statements

For year ended 31 December 2015

Registered Number - 06813394

THURSDAY



S5B06X4P

SCT

21/07/2016

#112

COMPANIES HOUSE

EthosEnergy Investments Limited

Directors

F G Avery
C Elder
C E M Watson

Company Secretary

A McGregor

Registered office

Unit 3, Berkeley Business Park
Wainwright Road
Worcester
WR4 9FA

Independent auditors

PricewaterhouseCoopers LLP
32 Albyn Place
Aberdeen
AB10 1YL

EthosEnergy Investments Limited

**Annual report and financial statements
for the year ended 31 December 2015**

Contents

Strategic report	3
Directors' report	4
Independent auditors' report	6
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

EthosEnergy Investments Limited
Strategic report
for the year ended 31 December 2015

The directors present their strategic report on the Company for the year ended 31 December 2015.

Principal activities

EthosEnergy Investments Limited is a limited liability company incorporated and domiciled in England, the company provides finance and associated support to other group companies.

Results

The profit for the financial year amounted to \$222k (2014: profit of \$455k).

Review of business

EthosEnergy Investments Limited provides finance and associated support to other group companies.

The directors believe the change in the ultimate parent company on the 6th May 2014 from John Wood Group PLC to Ethos Energy Group Limited has had no effect on the operations of the company. It is anticipated that there will not be any significant trading in the medium-term.

The directors are satisfied with the company's performance to date and financial position at 31 December 2015.

Key performance indicators

The directors of Ethos Energy Group Limited, the ultimate holding company, manage operations on a group basis. For this reason the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of this business.

The development and position of the group, which includes the Company, is discussed in the group's annual report and financial statements.

Principal risks and uncertainties

At the year end EthosEnergy Investments Limited was a wholly owned subsidiary of the UK parent Ethos Energy Group Limited. The principle risks and uncertainties relating to the company are considered in the context of the group as a whole. Further discussion of these risks and uncertainties is provided in the group's Annual Report and Accounts.

There is also some exposure to financial risks, which are discussed in note 14.

On behalf of the Board



C E M Watson
Director
14 July 2016

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Future developments

The directors anticipate that there will not be any trading in this company in the medium-term.

Dividends

The directors do not recommend the payment of a dividend (2014: \$nil).

Directors

The current directors of the Company are listed on page 1.

The directors who served during the year and at the date of this report, unless otherwise stated, were as follows:

F G Avery
C Elder
C E M Watson

The company has made qualifying third party indemnity provisions for the benefit of its directors. These remain in force during the financial year and also at the date of this report.

Donations

No donations were made to any registered political party nor were any political expenses incurred during 2015 or 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 the law the directors have prepared financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101").

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements, and
- 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 as to disclosure of information to auditors

The directors who were members of the Board at the time of approving this report are listed on page 1. Having made enquiries of fellow directors, each of these directors confirms that:

- to the best of each directors' knowledge and belief, there is no relevant information of which the Company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed.

On behalf of the Board



C E M Watson
Director
14 July 2016

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

What we have audited

The financial statements, which are prepared by EthosEnergy Investments Limited, comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity 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 their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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 ("the Annual Report") 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.

Opinion on other matter prescribed by the Companies Act 2006

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.

Other matters on which we are required to report by exception

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.

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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.



Kevin Reynard (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
14 July 2016

EthosEnergy Investments Limited
Profit and loss account
for the year ended 31 December 2015

	Note	2015 \$000	2014 \$000
Administrative expenses		(9)	16
Operating (loss)/profit	7	(9)	16
Interest receivable and similar income	3	543	611
Interest payable and similar charges	4	(258)	(57)
Profit on ordinary activities before taxation		276	570
Tax on profit on ordinary activities	8	(54)	(115)
Profit and total comprehensive income for the year		222	455
Attributable to:			
Equity owners of the Company		222	455

The results have been derived wholly from continuing operations.

EthosEnergy Investments Limited
Balance sheet
as at 31 December 2015

	Note	2015 \$000	2014 \$000
Current assets			
Debtors	9	79	44,602
Cash at bank and in hand		-	2,365
		79	46,967
Creditors: amounts falling due within one year	10	-	(47,110)
Net current assets/(liabilities)		79	(143)
Total assets less current liabilities		79	(143)
Net assets/(liabilities)		79	(143)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		79	(143)
Total shareholders' funds/(deficit)		79	(143)

The financial statements on pages 8 to 17 were approved by the Board of Directors on 14 July 2016 and were signed on its behalf by:



C E M Watson
Director

Registered number: 06813394

EthosEnergy Investments Limited
Statement of changes in equity
for the year ended 31 December 2015

	Called up share capital \$000	Profit and loss account \$000	Total shareholders' (deficit)/funds \$000
At 1 January 2014	-	(598)	(598)
Profit and total comprehensive income for the year	-	455	455
At 31 December 2014	-	(143)	(143)
Profit and total comprehensive income for the year	-	222	222
At 31 December 2015	-	79	79

1 General information

EthosEnergy Investments Limited is a limited liability company incorporated and domiciled in England.

2 Summary of significant accounting policies

The principal accounting policies, which have been applied in the preparation of these financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with United Kingdom Accounting Standards - in particular FRS 101 - and the Companies Act 2006 ("the Act") under the historical cost convention.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the Standard, which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRSs").

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's ultimate parent and from where consolidated financial statements prepared in accordance with IFRS may be obtained.

The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted International Financial Reporting Standards in full. The only such exemptions that the directors consider to be significant are:

- no cash flow statement;
- no disclosure of related party transactions with fellow subsidiaries of Ethos Energy Group Limited;
- no statement regarding the potential impact of forthcoming changes in financial reporting standards;
- no disclosure of "key management compensation" for key management other than the directors, and
- no disclosures relating to the Company's policy on capital management.

The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

The financial statements are presented in US Dollars (USD) and all values are rounded to the nearest thousand US Dollars (\$000) except where otherwise indicated.

As disclosed in Note 16, Ethos Energy Group Limited has recently extended the Group's bank facility agreements. These facilities are available for a period beyond 12 months of the signing date of these financial statements. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Ethos Energy Group Limited.

Having considered the above and reviewed business plans and projections, the Directors continue to adopt the going concern basis of accounting under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through the income statement when preparing the annual financial statements.

2.2 Functional and reporting currency

Following a change of the company's activities, whereby the principle income stream of the company is US dollars and will be US dollars for the foreseeable future. The Company now provides finance and associated support to other group companies, all loans and interest receivable/payable is in US Dollars. The decision was therefore taken to change the functional currency of the company from Great British Pounds to US Dollars from 1st January 2014. Accordingly these financial statements are presented in US Dollars.

2 Summary of significant accounting policies - continued

2.3 Cash flows

The Company is a wholly-owned subsidiary of Ethos Energy Group Limited and its cash flows are included in the consolidated group cash flow statements of that company (see note 15). Consequently the Company has taken advantage of the exemption available with FRS 101 from publishing a cash flow statement.

2.4 Foreign currency translation

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Non-monetary items are translated using the exchange rates as at the date of the original transactions.

2.5 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Borrowing costs are expensed through the profit and loss account.

2.6 De-recognition of financial assets and liabilities

Financial assets:

A financial asset (or where appropriate a part of a financial asset) is de-recognised where the rights to receive cash flows from the asset have expired.

Financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

2.7 Loans to subsidiaries

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment.

A provision for impairment will be made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original loan. The carrying amount of the loan would be reduced through use of an allowance account. Impaired debts are de-recognised when they are assessed as irrecoverable.

2 Summary of significant accounting policies - continued

2.8 Taxation

The tax expense in the profit and loss account represents the sum of taxes currently payable and deferred taxes. The tax currently payable is based on taxable profit for the year and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, tax is recognised in the profit and loss account.

2.9 Judgements and key sources of estimation or uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Taxation:

The Company is subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned. Details of carrying values are contained in note 8.

Estimates and assumptions

There are not considered to be any key assumptions concerning the future or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Interest receivable and similar income

	2015	2014
	\$000	\$000
Intercompany interest receivable	543	611
	543	611

4 Interest payable and similar charges

	2015	2014
	\$000	\$000
Intercompany interest payable	231	56
Bank interest payable	-	1
Other interest payable	27	-
	258	57

5 Employee information

The Company had no employees during the current or prior year.

6 Directors' remuneration

The cost of directors' emoluments are borne by other group companies in the current and prior year.

The company has made qualifying third party indemnity provisions for the benefit of its directors. These remain in force during the financial year and also at the date of this report.

7 Operating profit

In 2015 the audit fee was borne by group company Ethos Energy Group Limited, the value was \$10k (2014: \$11k).

8 Taxation

	2015	2014
	\$000	\$000
Current tax		
UK corporation tax	56	115
Adjustments in respect of prior years	(2)	-
Total current income tax	54	115
Deferred tax		
Tax on profit on ordinary activities	54	115

8 Tax on profit on ordinary activities - continued

The tax in the profit and loss account for the year varied from the average standard rate of corporation tax in the UK due to the following factors:

	2015	2014
	\$000	\$000
Accounting profit of £276k (2014: profit of £570k) at average UK standard rate of corporation tax of 20.25% (2014: 21.5%)	56	123
Permanent differences	-	(8)
Adjustments in respect of prior years	(2)	-
Tax charge for the year	54	115

The standard Corporation Tax rate in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for 2015 are taxed at 20.25%.

In addition, further reductions to 19% in April 2017 and 18% in April 2020 were enacted in the Finance Act 2015. These changes have no significant impact on these financial statements.

9 Debtors

	2015	2014
	\$000	\$000
Trade debtors – Group companies	-	176
Loans to Group companies	77	44,416
Corporation tax	2	-
Group relief receivable	-	10
	79	44,602

10 Creditors: amounts falling due within one year

	2015	2014
	\$000	\$000
Loans from group companies	-	46,949
Accrued expenses and deferred income	-	(18)
Corporation tax	-	179
	-	47,110

The loans with group companies do not contain formal repayment terms and are repayable on demand. Interest at normal market rates applies.

11 Called up share capital

	2015	2014
	\$000	\$000
Allotted and fully paid:		
1 (2014: 1) Ordinary shares of £1 each	-	-

12 Contingent liabilities

The Company has a contingent liability arising from a guarantee without limit extended to Ethos Energy Group Limited's principal bankers in respect of sums advanced to the Company and to certain other members of the group.

13 Related party transactions

Transactions and balances with fellow group companies

The Company has taken advantage of the exemptions within Financial Reporting Standard 101 not to disclose transactions and balances with Ethos Energy Group Limited and its wholly-owned subsidiaries, on the grounds that the Company itself is a wholly-owned subsidiary of Ethos Energy Group Limited, for which the consolidated financial statements are publicly available.

14 Financial risk management objectives and policies

The Company's principal financial liabilities comprise intercompany loans and trade creditors. The main purpose of these financial liabilities is to finance the Company's operations. The Company has various other financial assets such as trade debtors and cash at bank, which arise directly from its operations.

The main risks arising from the Company's financial instruments are (a) cash flow interest rate risk and (b) credit risk. The policies for managing each of these risks are summarised below, together with comments on liquidity risk (c).

(a) Cash flow interest rate risk:

The Company's exposure to the risk of changes in market interest rates relates primarily to intercompany borrowings.

In light of the fact that virtually all of the Company's interest income and charges are inter-group, the directors have decided currently not to hedge any of its interest rate exposures. This decision will be regularly reviewed.

(b) Credit risk:

With respect to credit risk from other financial assets, these primarily relate to cash and cash equivalents and the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

(c) Liquidity risk:

The Company monitors its risk to a shortage of funds by regular projected cash flow forecasts from operations which also consider the maturity of its financial assets and liabilities. Any additional funding required is supplied by its ultimate parent company

15 Ultimate parent undertaking

The company is a wholly owned subsidiary of Ethos Energy Group Limited. Ethos Energy Group Limited is 51% owned by John Wood Group PLC a company listed in the UK and 49% by Siemens AG. a company listed in Germany. Whilst John Wood Group PLC has a 51% shareholding in the group certain significant decisions affecting the group requires unanimous consent from both shareholders. As a result no shareholder has control and the business is therefore regarded as a joint venture by the Shareholders.

The directors regard Ethos Energy Group Limited a company registered in Scotland, as the ultimate parent undertaking and controlling party.

Ethos Energy Group Limited is the only undertaking for which consolidated financial statements that include the financial statements of the Company, are prepared. Copies of Ethos Energy Group Limited financial statements can be obtained from the Company Secretary at Ethos House, Craigshaw Road, Aberdeen, AB12 3QH.

16 Events subsequent to the Balance sheet date

Ethos Energy Group Limited have extended the group bank facility agreement during 2016 which lasts beyond 12 months of the signing date of these financial statements.