

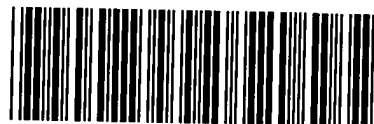
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**ENCOUNTER OIL LIMITED**

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**UNAUDITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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## ENCOUNTER OIL LIMITED

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The following reproduces the text of the Independent chartered accountants' review report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 3 to 8) have been prepared.

### **INDEPENDENT CHARTERED ACCOUNTANTS' REVIEW REPORT TO THE DIRECTORS OF ENCOUNTER OIL LIMITED FOR THE YEAR ENDED 31 MARCH 2015**

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We have reviewed the financial statements of Encounter Oil Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 08 December 2014. Our review has been undertaken so that we might state to the company's directors those matters that we have agreed with them in our engagement letter 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 directors, as a body, for our work, for this report or the conclusions we have formed.

#### **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

#### **ACCOUNTANTS' RESPONSIBILITY**

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), 'Engagements to review historical financial statements' and ICAEW Technical Release TECH 09/13AAF 'Assurance review engagements on historical financial statements'. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

#### **SCOPE OF THE ASSURANCE REVIEW**

A review of the financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

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ENCOUNTER OIL LIMITED

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INDEPENDENT CHARTERED ACCOUNTANTS' REVIEW REPORT  
TO THE DIRECTORS OF ENCOUNTER OIL LIMITED (continued)  
FOR THE YEAR ENDED 31 MARCH 2015

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**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 March 2015, and of its loss for the year then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- in accordance with the requirements of the Companies Act 2006.



**Ecovis Wingrave Yeats UK Limited**  
Chartered Accountants  
Waverley House  
7-12 Noel Street  
London  
W1F 8GQ

17 July 2015

**ENCOUNTER OIL LIMITED**  
**REGISTERED NUMBER: 07987032**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Intangible assets	2		58,782		4,956
Tangible assets	3		28,598		34,036
			<u>87,380</u>		<u>38,992</u>
<b>CURRENT ASSETS</b>					
Debtors	4	52,972		142,646	
Investments		24,594		95,682	
Cash at bank and in hand		451,692		620,633	
		<u>529,258</u>		<u>858,961</u>	
<b>CREDITORS:</b> amounts falling due within one year		<u>(63,509)</u>		<u>(243,934)</u>	
<b>NET CURRENT ASSETS</b>			<u>465,749</u>		<u>615,027</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>553,129</u>		<u>654,019</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax			(5,720)		(6,807)
<b>NET ASSETS</b>			<u>547,409</u>		<u>647,212</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		150,000		150,000
Profit and loss account			397,409		497,212
<b>SHAREHOLDERS' FUNDS</b>			<u>547,409</u>		<u>647,212</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2015 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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**ENCOUNTER OIL LIMITED**

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**ABBREVIATED BALANCE SHEET (continued)**  
**AS AT 31 MARCH 2015**

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The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 13<sup>th</sup> July 2015.



.....  
**Chris Johnson**  
Director

The notes on pages 5 to 8 form part of these financial statements.

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## ENCOUNTER OIL LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### 1.2 Going concern

During the year the company has made a loss. The directors consider that the outlook presents significant challenges in terms of revenue and profit generation. Whilst the directors have instituted measures to preserve cash and reduce expenditure on overheads, these circumstances create uncertainties over future trading results and cash flows.

After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future especially given the status of the licences that the company holds, detailed in the directors report. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### 1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### 1.5 Intangible fixed assets and amortisation

The company accounts for oil and gas expenditure under the successful efforts method of accounting.

Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the profit and loss account.

All licence acquisition, exploration and evaluation costs are initially capitalised in cost centres by well, field or exploration area as appropriate. Directly attributable administration costs are capitalised insofar as they relate to specific exploration and development activities.

These costs are written off unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment.

If a project is deemed commercial all of the attributable costs are transferred into a single field cost centre within Property, Plant and Equipment. These costs are then depreciated from the commencement of production on a unit of production basis.

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## ENCOUNTER OIL LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	Straight line 33%
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##### 1.7 Investments

Investments are valued at cost.

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### 1.11 Joint Ventures

The Company is engaged in oil and gas exploration and appraisal through unincorporated joint ventures. The Company accounts for its share of the results and net assets of these joint ventures as jointly controlled assets.

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ENCOUNTER OIL LIMITED

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NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

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2. INTANGIBLE OIL AND GAS ASSETS

	£
<b>Cost</b>	
At 1 April 2014	44,781
Additions	53,826
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At 31 March 2015	98,607
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<b>Amortisation</b>	
At 1 April 2014 and 31 March 2015	39,825
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<b>Net book value</b>	
At 31 March 2015	58,782
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At 31 March 2014	4,956
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3. TANGIBLE FIXED ASSETS

	£
<b>Cost</b>	
At 1 April 2014	34,515
Additions	315
	<hr/>
At 31 March 2015	34,830
	<hr/>
<b>Depreciation</b>	
At 1 April 2014	479
Charge for the year	5,753
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At 31 March 2015	6,232
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<b>Net book value</b>	
At 31 March 2015	28,598
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At 31 March 2014	34,036
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4. DEBTORS

Included within other debtors is an amount of £14,441 due from a director.



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**ENCOUNTER OIL LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**5. SHARE CAPITAL**

	<b>2015</b> £	<b>2014</b> £
<b>Allotted, called up and fully paid</b>		
150,000 Ordinary shares shares of £1 each	<b><u>150,000</u></b>	<b><u>150,000</u></b>