

Registered number: 08619760

Old Sycamore Management Limited (formerly Soma Management Limited)

Unaudited

Directors' report and financial statements

For the year ended 31 December 2018



Old Sycamore Management Limited (formerly Soma Management Limited)

Company Information

Director William Richard Anderson

Company secretary Peter Damouni

Registered number 08619760

Registered office 21 Arlington Street
St. James's
London
SW1A 1RD

Accountants Kreston Reeves LLP
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Old Sycamore Management Limited (formerly Soma Management Limited)

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Old Sycamore Management Limited (formerly Soma Management Limited)

Directors' report

For the year ended 31 December 2018

The directors presents his report together with the unaudited financial statements of Old Sycamore Management Limited for the year ended 31 December 2018.

Old Sycamore Management was incorporated in England and Wales on 22 July 2013. On 12 September 2019, the company changed its name for Soma Management Limited to Old Sycamore Management Limited.

Principal activity

The principal activity of the Company is that of provision of management services to fellow Group companies.

Business review

Old Sycamore Management continues to act as the UK operating company for the Soma Oil and Gas Group. The company is funded by its parent Soma Oil & Gas Holdings Limited to meet the operational expenditure for the UK office. The nature of the business activities of the Company is not expected to change over the next 12 months.

Results and dividends

The Company's loss for the year was US \$1,048,504 (2017: loss for the year of US\$2,128,000). The Directors do not recommend payment of a dividend.

Directors

The directors who served during the year were:

William Richard Anderson (appointed 11 December 2015)

Basil Shiblaq (resigned 16 April 2018)

Lord Howard of Lyme, CH, QC (Chairman) (resigned 17 June 2018)

Strategic report

The Director has not prepared a strategic report as the Company would be entitled to prepare the financial statements in accordance with Section 414B of the Companies Act.

Going concern

Old Sycamore Management Limited does not generate revenue, and as such is reliant on funding from other Group companies. It has been deemed by Management that sufficient funding is available from the Group to ensure all operational expenditure commitments of Old Sycamore Management Limited will be met in the next calendar year.

As disclosed in the Group financial statements of Soma Oil & Gas Holdings Limited, the Group is currently in the exploration phase and not generating revenue and is as such reliant on external financing.

The Group's capital management policy is to preserve the Group's existing reserves through reducing near term exploration and development activities, this will continue whilst the licence negotiation process with the Somali government completes.

The Directors have a reasonable expectation that although the Group does not have adequate resources to continue in operational existence for the foreseeable future, existing shareholders will continue to support the business for the next 12 months as a minimum and as such, the Directors consider it appropriate to prepare the Company financial statements on a going concern basis.

The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Old Sycamore Management Limited (formerly Soma Management Limited)

**Directors' report (continued)
For the year ended 31 December 2018**


Directors' Indemnities

The Company has granted an indemnity to each of its Directors under which the Company will, to the fullest extent permitted by law and to the extent provided by the Articles of Association, indemnify them against all costs, charges, losses and liabilities incurred by them in the execution of their duties. The Company also has Directors' and Officers' liability insurance in place and details of the policy are given to new Directors on appointment.

Small company provision

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption as referred to by the Companies Act 2006.

This report was approved by the board on *Spt 27, 2019* and signed on its behalf.



William Richard Anderson
Director

Old Sycamore Management Limited (formerly Soma Management Limited)

Directors' responsibilities statement For the year ended 31 December 2018

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors 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.

Old Sycamore Management Limited (formerly Soma Management Limited)

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Old Sycamore Management Limited (formerly Soma Management Limited) for the year ended 31 December 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Old Sycamore Management Limited (formerly Soma Management Limited) for the year ended 31 December 2018 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Old Sycamore Management Limited (formerly Soma Management Limited), as a body, in accordance with the terms of our engagement letter dated 29 July 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Old Sycamore Management Limited (formerly Soma Management Limited) and state those matters that we have agreed to state to the Board of directors of Old Sycamore Management Limited (formerly Soma Management Limited), as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Old Sycamore Management Limited (formerly Soma Management Limited) and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Old Sycamore Management Limited (formerly Soma Management Limited) has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Old Sycamore Management Limited (formerly Soma Management Limited). You consider that Old Sycamore Management Limited (formerly Soma Management Limited) is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Old Sycamore Management Limited (formerly Soma Management Limited). For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kreston Reeves LLP

Kreston Reeves LLP
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX
Date:

30 September 2019

Old Sycamore Management Limited (formerly Soma Management Limited)

**Statement of comprehensive income
For the year ended 31 December 2018**

	Note	2018 \$000	2017 \$000
Administrative expenses		<u>(1,090)</u>	<u>(2,076)</u>
Operating loss		<u>(1,090)</u>	<u>(2,076)</u>
Interest receivable and similar income		<u>34</u>	<u>-</u>
Loss before tax		<u>(1,056)</u>	<u>(2,076)</u>
Tax on loss		<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(1,056)</u></u>	<u><u>(2,076)</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 8 to 13 form part of these financial statements.

Old Sycamore Management Limited (formerly Soma Management Limited)
Registered number: 08619760

Statement of financial position
As at 31 December 2018

	Note	2018 \$000	2017 \$000
Fixed assets			
Tangible assets		-	1
		-	1
Current assets			
Debtors: amounts falling due within one year	33,975	109	
Cash at bank and in hand	1,369	3,729	
	35,344	3,838	
Creditors: amounts falling due within one year	(53,565)	(21,011)	
Net current liabilities		(18,221)	(17,173)
Total assets less current liabilities		(18,221)	(17,172)
Net assets excluding pension asset		(18,221)	(17,172)
Net liabilities		(18,221)	(17,172)
Capital and reserves			
Other reserves		(72)	(79)
Profit and loss account		(18,149)	(17,093)
		(18,221)	(17,172)

For the year ending 31 December 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge his responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



William Richard Anderson
Director

The notes on pages 8 to 13 form part of these financial statements.

Old Sycamore Management Limited (formerly Soma Management Limited)

**Statement of changes in equity
For the year ended 31 December 2018**

	Other reserves	Profit and loss account	Total equity
	\$000	\$000	\$000
At 1 January 2018	(79)	(17,093)	(17,172)
Comprehensive income for the year			
Loss for the year	-	(1,056)	(1,056)
Other comprehensive income	7	-	7
Total comprehensive income for the year	7	(1,056)	(1,049)
At 31 December 2018	(72)	(18,149)	(18,221)

The notes on pages 8 to 13 form part of these financial statements.

**Statement of changes in equity
For the year ended 31 December 2017**

	Other reserves	Profit and loss account	Total equity
	\$000	\$000	\$000
At 1 January 2017	(27)	(15,017)	(15,044)
Comprehensive income for the year			
Loss for the year	-	(2,076)	(2,076)
Other comprehensive income	(52)	-	(52)
Total comprehensive income for the year	(52)	(2,076)	(2,128)
At 31 December 2017	(79)	(17,093)	(17,172)

The notes on pages 8 to 13 form part of these financial statements.

Old Sycamore Management Limited (formerly Soma Management Limited)

Notes to the financial statements For the year ended 31 December 2018

1. General information

Old Sycamore Management Limited is a Company limited by shares and was incorporated in England and Wales on 22 July 2013 under the Companies Act 2006 and is domiciled within the United Kingdom. On 12 September 2019, Soma Management Limited changed its name to Old Sycamore Management Limited. The address of the registered office and principal place of business is given on the company information page and the principal activity of the company is given in the Directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.2 Going concern

Old Sycamore Management Limited does not generate revenue, and as such is reliant on funding from other Group companies. It has been deemed by Management that sufficient funding is available from the Group to ensure all operational expenditure commitments of Old Sycamore Management Limited will be met in the next calendar year.

As disclosed in the Group financial statements of Soma Oil & Gas Holdings Limited, the Group is currently in the exploration phase and not generating revenue and is as such reliant on external financing.

The Group's capital management policy is to preserve the Group's existing reserves through reducing near term exploration and development activities, this will continue whilst the license negotiation process with the Somali government completes.

The Directors have a reasonable expectation that although the Group does not have adequate resources to continue in operational existence for the foreseeable future, existing shareholders will continue to support the business for the next 12 months as a minimum and as such, the Directors consider it appropriate to prepare the Company financial statements on a going concern basis.

The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Old Sycamore Management Limited (formerly Soma Management Limited)

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.3 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	- 3 to 5 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of property, plant and equipment

At each balance sheet date, the Company reviews the carrying amount of its property, plant and equipment 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. For the purposes of impairment the Company's estimates the recoverable amount of the cash-generating unit to which assets belong.

Where there has been a change in economic conditions that indicates a possible impairment in a discovery field, the recoverability of the net book value relating to that field is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future oil and gas prices and future costs.

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 cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any depreciation that would have been charged since the impairment.

Old Sycamore Management Limited (formerly Soma Management Limited)

**Notes to the financial statements
For the year ended 31 December 2018**

2. Accounting policies (continued)

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3. Critical judgements and key sources of estimation uncertainty

The Director has conducted a review of the Company's critical judgements and key sources of estimation uncertainty. The Director has concluded that there are no critical judgements or key sources of estimation uncertainty when applying the Company's accounting policies.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Average number of persons employed	2	2

5. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 \$000	2017 \$000
Loss on ordinary activities before tax	(1,056)	(2,076)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(201)	(400)
Effects of:		
Unrelieved tax losses carried forward	201	400
Total tax charge for the year	-	-

Factors that may affect future tax charges

UK tax losses may be carried forward indefinitely and set off against future taxable profits. Deferred tax assets have not been recognised in respect of these because it is not yet probable that future taxable profits will be available against which the Company can utilise the benefits therefrom.

Old Sycamore Management Limited (formerly Soma Management Limited)

**Notes to the financial statements
For the year ended 31 December 2018**

6. Directors' remuneration

	2018 \$000	2017 \$000
Directors' emoluments	8	598
	<u>8</u>	<u>598</u>

The remuneration of one of the Directors is borne by Soma Exploration, a company under common control, and no specific proportion of their remuneration is attributable to their services to the Company.

The Directors' remuneration borne by this company on behalf of other companies within the Group comprised US\$ Nil (2017: US\$52,000).

7. Property, plant and equipment

	Fixtures and fittings \$000	Computer equipment \$000	Total \$000
Cost or valuation			
At 1 January 2018	9	22	31
At 31 December 2018	<u>9</u>	<u>22</u>	<u>31</u>
Depreciation			
At 1 January 2018	9	21	30
Charge for the year on owned assets	-	1	1
At 31 December 2018	<u>9</u>	<u>22</u>	<u>31</u>
Net book value			
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>

Old Sycamore Management Limited (formerly Soma Management Limited)

**Notes to the financial statements
For the year ended 31 December 2018**

8. Prepayments and other receivables

	2018	2017
	\$000	\$000
Amounts owed by group undertakings	33,864	-
Other receivables	45	48
Prepayments and accrued income	66	61
	33,975	109

There are no balances within either prepayments made and other receivables that are past their due settlement date and no impairment has been deemed necessary during the year. The fair value of the receivables is equal to their carrying value.

9. Trade and other payables

	2018	2017
	\$000	\$000
Trade payables	15	189
Amounts owed to group undertakings	53,541	20,167
Other taxation and social security	-	9
Other creditors	9	585
Accruals and deferred income	-	61
	53,565	21,011

The fair value of the payables is equal to their carrying value.

10. Share capital

	2018	2017
	\$000	\$000
Authorised		
1,000 (2017 - 1,000) Ordinary shares of \$0.00001 each	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Old Sycamore Management Limited (formerly Soma Management Limited)

**Notes to the financial statements
For the year ended 31 December 2018**

11. Reserves

Foreign exchange reserve

The currency translation reserve includes all accumulated foreign exchange differences arising from the translation of transactions from the functional currency to presentational currency.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Share capital

This represents the nominal value of shares that have been issued by the company.

12. Ultimate parent undertaking

The Company's immediate parent company is Soma Oil & Gas Holdings Limited, a Company incorporated in the UK. Consolidated accounts for this entity are available at 21 Arlington Street St. James's, London, United Kingdom, SW1A 1RD.

At 31 December 2018 Winter Sky owned 167,090,230 of the issued Ordinary shares representing 65.39% (2017: 65.39%) giving the entity ultimate control of the Group.

Soma Oil & Gas Holdings Limited is the only company for which consolidated accounts are prepared.