Registered number: 08666161

# SOMERTON ENERGY LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

**SOMERTON ENERGY LTD**
**REGISTERED NUMBER: 08666161**

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 SEPTEMBER 2017

| | Note | | 2017<br>£ | | *2016*<br>*£* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 4 | | **699,487** | | *762,123* |
| | | | **699,487** | | *762,123* |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 5 | **30,366** | | *16,296* | |
| Cash at bank and in hand | | **33,812** | | *5,790* | |
| | | **64,178** | | *22,086* | |
| Creditors: amounts falling due within one year | 6 | **(833,296)** | | *(825,787)* | |
| **Net current liabilities** | | | **(769,118)** | | *(803,701)* |
| **Total assets less current liabilities** | | | **(69,631)** | | *(41,578)* |
| **Provisions for liabilities** | | | | | |
| Deferred tax | 7 | **(17,552)** | | - | |
| | | | **(17,552)** | | - |
| **Net liabilities** | | | **(87,183)** | | *(41,578)* |
| **Capital and reserves** | | | | | |
| Called up share capital | | | **100** | | *100* |
| Profit and loss account | | | **(87,283)** | | *(41,678)* |
| | | | **(87,183)** | | *(41,578)* |

## STATEMENT OF FINANCIAL POSITION (CONTINUED)
## AS AT 30 SEPTEMBER 2017

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the income statement in accordance with 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 by:

**J Z G Dewinter**
Director

Date: 19 June 2018
The notes on pages 3 to 8 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 SEPTEMBER 2017

### 1. General information

Somerton Energy Ltd is a company limited by shares incorporated in England within the United Kingdom. The registered number is 08666161 and the address of the registered office is Acre House, 11-15 William Road, London, NW1 3ER.

### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The company meets its financing requirements through loans from its controlling party.

The controlling party will continue to ensure that the company has access to sufficient resources to meet its cash flow requirements.

After making appropriate enquiries, the director has a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future and accordingly they adopt the going concern basis in preparing the company's accounts.

#### 2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## 2. Accounting policies (continued)

### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided on the following basis:

| | |
|---|---|
| Wind turbine | - 5-10% straight line |

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.6 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.

### 2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.9 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

### 2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income statement on a straight line basis over the lease term.

### 2.11 Interest income

Interest income is recognised in the Income statement using the effective interest method.

### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

## 2. Accounting policies (continued)

### 2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 3. Employees

Staff costs were as follows:

The Company has no employees other than the directors, who did not receive any remuneration *(2016 - £NIL).*

The average monthly number of employees, including directors, during the year was 0 *(2016 - 0).*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 4. Tangible fixed assets

| | Wind Turbine |
|---|---|
| | £ |
| **Cost or valuation** | |
| At 1 October 2016 | **835,144** |
| At 30 September 2017 | **835,144** |
| **Depreciation** | |
| At 1 October 2016 | **73,021** |
| Charge for the year on owned assets | **62,636** |
| At 30 September 2017 | **135,657** |
| **Net book value** | |
| At 30 September 2017 | **699,487** |
| ***At 30 September 2016*** | *762,123* |

## 5. Debtors

| | 2017 | *2016* |
|---|---|---|
| | £ | *£* |
| Prepayments and accrued income | **30,366** | *16,296* |
| | **30,366** | *16,296* |

## 6. Creditors: Amounts falling due within one year

| | 2017 | *2016* |
|---|---|---|
| | £ | *£* |
| Trade creditors | **146** | *454* |
| Amounts owed to group undertakings | **75** | *75* |
| Other taxation and social security | **690** | *1,024* |
| Other creditors | **818,216** | *822,734* |
| Accruals and deferred income | **14,169** | *1,500* |
| | **833,296** | *825,787* |

## 7. Deferred taxation

| | 2017 |
|---|---|
| | £ |
| Charged to profit or loss | **(17,552)** |
| **At end of year** | **(17,552)** |

The deferred taxation balance is made up as follows:

| | 2017 | *2016* |
|---|---|---|
| | £ | *£* |
| Accelerated capital allowances | **(26,672)** | *-* |
| Tax losses carried forward | **9,120** | *-* |
| | **(17,552)** | *-* |

## 8. Related party transactions

At the year ended 30 September 2017 the controlling party was owed £818,216 *(2016 - £822,734)* by way of a loan account.

## 9. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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