

Registered No: SC 206333(SCOTLAND)

## **Target Energy Group Limited**

Consolidated financial statements

31 December 2017

**Registered Office**  
28 Albyn Place  
Aberdeen  
United Kingdom  
AB10 1FW





# **Target Energy Group Limited**

## **Consolidated financial statements**

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AB12 4YA

### Director's Report

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#### **Company's Activity and results for the Year ended December 31, 2017**

The Directors submit to the shareholders the statement of financial position as at December 31, 2017 together with the statement of comprehensive income for the year ended on that date.

The Company's turnover is GBP 5 Million which is higher than the previous year and the loss for the year is GBP 784 Thousand. The revenues were generated from both ongoing contracts as well as from new businesses secured during the period from customers both within and outside of United Kingdom.

#### **Net Worth:**

The total net worth of the company as on December 31, 2017 is GBP (1.4) Million.

**For and on behalf of Board of Directors**

**CHAIRMAN**

Date: 08/09/2018  
**ABDULLA NASSER HUWAILLEEL AL MANSOORI**



## Strategic Report

For the Year Ended 31 December 2017

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### **Principal activities**

Target Energy Group Limited is the holding company for a group of companies whose principal activity is the provision of well placement services, primarily directional drilling, measurement while drilling, logging while drilling and surveying services to the oil and gas industry. The Group operates in Europe and Africa.

### **Business review, key performance indicators, current and future developments**

The Group's key financial performance indicators include revenue, profit/(loss) for the year and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). Revenue in the year was £5m, an increase of £1.8m, (56%) from 2016. The loss for the year amounted to £784k (2016: loss of £2.9m). Net liabilities as at 31 December 2017 were £2m (2016: £1.8m).

The Group recorded negative EBITDA from continuing operations of £17k compared to negative EBITDA of £1.9m in 2016. A comparison of EBITDA performance is summarised below:


	2017 £	2016 £
Loss for the year	(784)	(2,979)
Tax charge	202	397
Depreciation	501	679
Finance costs	64	46
(Reversal)/accrual of reserve for slow moving inventories	-	(16)
Withholding tax and VAT receivable provided	-	(45)
<b>EBITDA</b>	<b>(17)</b>	<b>(1,918)</b>

The directors expect a significant increase in the activity levels, for both the Group and the industry, in the forthcoming year with main element of the Group's increase coming from recently awarded projects in Kazakhstan and Azerbaijan. In addition the directors also expect an increase in activity levels in UK and Europe.

### **Principal risks and uncertainties**

Principal risks faced by the Group include changing oil prices, changing legislation and the undertaking of operations in various overseas and remote jurisdictions. The oil and gas industry is in the midst of a prolonged worldwide downturn in commodity prices, which has an indirect effect on the Group. The directors expect the Group to continue trading profitably by diversifying into the steam energy industry and expanding to new markets. The directors monitor changes in law and seek relevant advice for each country of operation. Regular reviews of health and safety requirements, employment law and environmental law are undertaken to ensure procedures remain appropriate and relevant.


ON BEHALF OF THE BOARD:

  
Nabil Abdulla Yahya Al Alawi -  
Director

Date: 08/09/2018

  
Helal Mubarak Fissa Al Mansoori -  
Director

Date: .....

  
Abdulla Nasser Huwaileel Al Mansoori  
- Director

Date: .....





## **Independent Auditors' Report**

To the Shareholders of Target Energy Group Limited

### **Report on the Audit of the consolidated financial statements**

#### *Opinion*

We have audited the consolidated financial statements of Target Energy Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2017, the company statement of financial position, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to note 2 (a) of the consolidated financial statements, which indicates that the Group incurred a net loss of GBP 784 thousand for the year ended 31 December 2017 (2016: GBP 2,979 thousand) and, as of that date, the Group's current liabilities exceeded its total assets by GBP 1,381 thousand (2016: GBP 597 thousand). As stated in note 2 (a), these events or conditions, along with other matters as set forth in note 2 (a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Other matter*

The consolidated financial statements of Target Well Control Limited as at and for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements in their report.





*Other Information*

Management is responsible for the other information. The other information comprises the Directors' report set out on page 1.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group's or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements  
(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG

Date: 26 September 2018

Richard Ackland



## Target Energy Group Limited

### Consolidated statement of profit or loss and other comprehensive income For the year ended 31 December

	Note	2017 GBP'000	2016 GBP'000
Revenue		5,026	3,219
Cost of sales	7	(4,449)	(4,434)
<b>Gross profit</b>		<b>577</b>	<b>(1,215)</b>
Administrative expenses	8	(1,224)	(1,336)
Other income, net	9	129	-
<b>Results from operating activities</b>		<b>(518)</b>	<b>(2,551)</b>
Net finance costs		(64)	(45)
<b>Profit before tax</b>		<b>(582)</b>	<b>(2,596)</b>
Tax expense	18	(202)	(383)
<b>Loss for the year</b>		<b>(784)</b>	<b>(2,979)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<b>(784)</b>	<b>(2,979)</b>

The notes on pages 10 to 29 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 to 5.



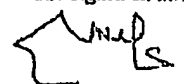
## Target Energy Group Limited

### Consolidated statement of financial position

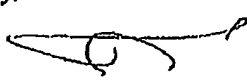
As at 31 December

	Note	2017 GBP'000	2016 GBP'000
<b>Assets</b>			
Property and equipment	11	702	1,184
Non-current assets		<u>702</u>	<u>1,184</u>
Inventories	12	580	565
Trade and other receivables	13	2,324	2,973
Amounts due from related parties	14	-	158
Cash in hand and at banks	15	1,446	7
Current assets		<u>4,350</u>	<u>3,704</u>
<b>Total assets</b>		<u><u>5,052</u></u>	<u><u>4,888</u></u>
<b>Equity</b>			
Share capital	16(a)	5	5
Share premium		5,005	5,005
Foreign currency translation reserve		1,528	1,528
Accumulated losses		(8,475)	(7,691)
Non - equity shares	16(b)	(1,937)	(1,153)
<b>Total equity</b>		<u><u>(1,381)</u></u>	<u><u>(597)</u></u>
<b>Current Liabilities</b>			
Trade and other payables	17	1,946	2,239
Amounts due to related parties	14	1,358	1,017
Bank overdraft	15	3,129	2,229
<b>Total current liabilities</b>		<u><u>6,433</u></u>	<u><u>5,485</u></u>
<b>Total liabilities</b>		<u><u>6,433</u></u>	<u><u>5,485</u></u>
<b>Total equity and liabilities</b>		<u><u>5,052</u></u>	<u><u>4,888</u></u>

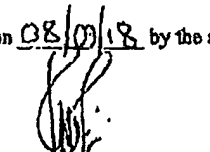
These financial statements were approved and authorised for issue on 08/01/18 by the shareholders and signed on their behalf by:



Chairman  
ABDULLA NASSER



Director  
NEBAL MUBARAK



Director  
NABIL AL ALAWI

The notes on pages 10 to 29 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 to 5.



## Target Energy Group Limited

### Consolidated statement of changes in equity For the year ended 31 December

	Share Capital GBP'000 (note 16)	Accumulated losses GBP'000	Share premium GBP'000	Other reserve GBP'000	Total GBP'000
At 1 January 2016	5	(4,712)	5,005	1,528	1,826
<i>Total comprehensive Loss for the year</i>	-	(2,979)	-	-	(2,979)
At 31 December 2016	<u>5</u>	<u>(7,691)</u>	<u>5,005</u>	<u>1,528</u>	<u>(1,153)</u>
At 1 January 2017	5	(7,691)	5,005	1,528	(1,153)
<i>Total comprehensive Loss for the year</i>	-	(784)	-	-	(784)
At 31 December 2017	<u>5</u>	<u>(8,475)</u>	<u>5,005</u>	<u>1,528</u>	<u>(1,937)</u>

The notes set out on pages 10 to 29 form an integral part of these consolidated financial statements.



## Target Energy Group Limited

### Consolidated statement of cash flows

For the year ended 31 December

	Notes	2017 GBP'000	2016 GBP'000
<b>Cash flows from operating activities</b>			
Loss for the year		(784)	(2,979)
<i>Adjustments for:</i>			
Depreciation	11	501	679
Provision for slow and obsolete moving inventory ( <i>net</i> )	12	39	(16)
Gain on disposal of property and equipment	9	(22)	10
Interest expense ( <i>net</i> )		64	45
Provision for tax expense	18	202	383
Provision for doubtful debts ( <i>net</i> )	13	(73)	143
Reclassification in property and equipment	11	-	28
		(73)	(1,707)
<b>Changes in:</b>			
Inventories	12	(53)	30
Trade and other receivables	13	722	502
Amounts due from related parties	14	158	-
Trade and other payables	17	(320)	(600)
Amounts due to related parties	14	341	1,053
<b>Cash generated from operations</b>		775	(722)
Tax paid	18	(175)	-
<b>Net cash generated from / (used in) operating activities</b>		600	(722)
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	11	(89)	-
Proceeds from disposal of property and equipment	11	92	-
<b>Net cash generated from investing activities</b>		3	-
<b>Cash flows from financing activities</b>			
Interest paid		(64)	(45)
<b>Net cash used in financing activities</b>		(64)	(45)
<b>Net increase / (decrease) in cash and cash equivalents</b>		539	(767)
Cash and cash equivalents at 1 January		(2,222)	(1,455)
<b>Cash and cash equivalents at 31 December</b>	15	(1,683)	(2,222)

The notes on pages 10 to 29 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 to 5.



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 1 Legal status and principal activities

Target Energy Group Limited (the "Company" together with its subsidiaries, the "Group") is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic Report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

### 2 Basis of preparation

#### (a) *Going concern*

These financial statements have been prepared on a going concern basis. The Company incurred a net loss of GBP 784 thousand during the year ended 31 December 2017 (2016: GBP 2,979 thousand) and at 31 December 2017, the Company had net current liabilities amounting to GBP 6,433 thousand (2016: GBP 5,485 thousand) and accumulated losses of GBP 8,475 thousand (2016: GBP 7,691 thousand) which exceed the share capital of the Company. The shareholders have resolved that the Company should continue its business operations. Consequently, these financial statements have been prepared on a going concern basis as the Company's shareholders have confirmed their intention to continue to provide financial support to the Company to enable it to meet its liabilities as they fall due and to continue to carry on its business without a significant curtailment of the Company's operations.

#### (b) *Statement of compliance*

The financial statements of Target Energy Group Limited are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared in accordance with IFRSs adopted by the European Union and therefore the Company and the Group financial statements comply with Article 4 of the EU IAS Regulation

#### (c) *Basis of measurement*

These consolidated financial statements have been prepared on the historical cost basis.

#### (d) *Functional and presentation currency*

The consolidated financial statements are presented in GBP, which is the Group's functional and reporting currency. All financial information presented in GBP has been rounded to the nearest thousand. Items included in the financial statements of each of the Group's overseas subsidiaries are measured using the currency of the primary economic environment in which they operate and are translated in accordance with the policies stated in note 3 (b) (ii).

#### (e) *Use of estimates and judgements*

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all the years presented in these consolidated financial statements and have been applied consistently by Group entities.

#### (a) *Basis of consolidation*

##### (i) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### (ii) *Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for at the date that the transfer occurred. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The components of equity of the acquired entities are added to the same components within Group equity. Any cash paid for the acquisition is recognised directly in equity.

##### (iii) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interest and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

##### (iv) *Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (b) *Foreign currency*

##### (i) *Foreign currency transactions*

Amounts expressed in foreign currencies are retranslated into sterling at the average market rate of exchange ruling at the close of business at the period end. Transactions during the period are translated at the average market rates prevailing at the dates of the transactions. Exchange gains or losses arising are included in the consolidated statement of profit or loss.



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 3 Significant accounting policies (continued)

#### (b) Foreign currency (continued)

##### (ii) Foreign operations

The assets and liabilities of foreign operations are translated to GBP at exchange rates at the reporting date. The income and expenses of foreign operations are translated to GBP at average exchange rate for the year.

Foreign currency differences are recognised directly in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes off only part of its investment in an associate or joint venture which includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### (c) Financial instruments

##### *Non-derivative financial assets and financial liabilities*

Non-derivative financial assets comprise trade and other receivables, amounts due from related parties, cash and cash equivalents.

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### 3 Significant accounting policies (continued)

##### (c) Financial instruments (continued)

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand and at banks in current and deposit accounts that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the consolidated statements of cash flows.

Non-derivative financial liabilities include trade and other payables, loans and borrowings and amounts due to related parties.

Non derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

##### (d) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue from a contract to provide services is recognised by reference to contractual rates and multiplied by days worked, labour hours once such are delivered and direct expenses incurred. Revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Revenue from the sale of rental tools either lost in hole or damaged beyond repair is recognised once all the significant risks were transferred to customers and amount of such could be measured reliably, with the associated un-depreciated cost of the asset being included within cost of sales.

##### (e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### 3 Significant accounting policies (continued)

##### (f) Finance costs

Finance costs comprise interest expense on borrowings, bank charges and foreign currency gains or losses. Interest expense is recognised in profit or loss using the effective interest method.

##### (g) Property, plant and equipment

###### Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income / (expense) in profit or loss.

###### Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

###### Depreciation

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Provision for depreciation of property, plant and equipment is made in equal annual instalments over their estimated useful economic lives, over the following periods:

Plant and equipment	5 – 10
Vehicles	4
Fixtures and fittings	5

##### (h) Borrowing costs

Borrowing costs comprise interest expense on borrowings. Borrowing costs that are directly attributable to qualifying assets are capitalised. Other borrowing costs are recognised in profit or loss as incurred using the effective interest method.



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### (3) Significant accounting policies (*continued*)

##### (i) *Impairment*

###### *Non-derivative financial assets*

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor and indications that a debtor or issuer will enter bankruptcy.

The Group considers evidence of impairment for financial assets at amortised cost at both a specific asset and collective level. All individually significant receivables are assessed for impairment. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics. In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The carrying amounts of the Group's non-financial assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

##### (k) *Inventories*

Inventories are stated at the lower of cost or net realisable value. Cost is calculated using the weighted average method. Net realisable value is based on estimated selling price less anticipated further costs to disposal. Reserve is recognised for obsolete, slow moving and defective stocks.



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### 3 Significant accounting policies (continued)

##### (k) Retirement benefits

The Group makes contributions to personal defined contribution pension plans for eligible employees. The assets of the scheme are held separately from those of the Group. The pension cost charge represents contributions payable by the Group to these plans and amounted to GBP 56 thousand (2016: GBP 68 thousand). No contributions were outstanding at 31 December 2017 (2016: GBP nil).

##### (m) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### *Current tax*

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

###### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except when it relates to items



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 3 Significant accounting policies (continued)

#### (m) *Taxation (continued)*

Charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### (n) *New Standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

##### *IFRS 9 Financial Instruments*

IFRS 9 published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is currently in the process of completion its assessment of the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

##### *IFRS 15 Revenue from contract with customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is currently in the process of completion its assessment of the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

##### *IFRS 16 Leases*

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. The Group is currently in the process of completion its assessment of the potential impact on its consolidated financial statements resulting from the application of IFRS 16.



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 4 Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the method and the assumption made in determining fair values and is disclosed in the notes specific to that asset or liability.

### 5 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the

Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect any changes in the conditions and the activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

#### *Trade and other receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss

component established for groups of similar assets in respect of losses that are estimated to be incurred but not yet individually identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### 5 Financial risk management (*continued*)

##### (ii) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations from financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

##### (iii) *Market risk*

Market risk, comprising currency risk and interest rate risk, is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### *Foreign exchange risk*

The Company's transactions are principally in USD. Management considers exposure to foreign exchange risk to be minimal.

##### *Interest rate risk*

Interest rate risk is the risk that arises from timing difference in the maturity and re-pricing of the Group's interest bearing assets and liabilities. The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and liabilities mature or re-price at different times or in differing amounts. The Group is exposed to interest rate risk in respect of loans and borrowings and deposits with banks. Other financial assets and liabilities are non-interest bearing.



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 6 Subsidiaries

#### *Group structure*

Details of the Group's shareholding in its subsidiaries is -Target Well Control Limited 100%

### 7 Cost of sales

	2017 GBP'000	2016 GBP'000
Staff costs	2,014	2,181
Rental and operating cost	1,583	968
Depreciation	475	626
Insurance and Regulatory fees	45	290
Business promotion travel	332	369
	<u>4,449</u>	<u>4,434</u>

### 8 Administrative expenses

	2017 GBP'000	2016 GBP'000
Staff costs	299	273
Corporate overheads	89	93
Office / Operating support expenses	267	376
Business promotion travel	47	68
Insurance and Regulatory fees	386	399
Depreciation	26	53
Rental and operating cost	31	12
Bad debts & others	79	62
	<u>5,582</u>	<u>1,336</u>

### 9 Other income, net

	2017 GBP'000	2016 GBP'000
Loss / gain on disposal of property and equipment	22	-
Miscellaneous income	107	-
	<u>129</u>	<u>-</u>



# Target Energy Group Limited

Notes to the consolidated financial statements

## 10 Investments

	2017 GBP'000	2016 GBP'000
Cost and net book value	60	60
	<u>60</u>	<u>60</u>

1. Target Well Control Ltd -100%

## 11 Property and equipment

Details of property and equipment are set out in Schedule 1 on page 29.

## 12 Inventories

	2017 GBP'000	2016 GBP'000
Stores and spares	1,025	972
Provision for obsolete and slow moving inventory	(445)	(406)
	<u>580</u>	<u>566</u>

Movement of provision is as follows:

	2017 GBP'000	2016 GBP'000
At 1 January	406	406
Provision during the year	39	-
	<u>445</u>	<u>406</u>

## 13 Trade and other receivables

	2017 GBP'000	2016 GBP'000
Trade receivables	2,473	2,949
Provision for doubtful debts	(431)	(504)
	<u>2,042</u>	<u>2,445</u>
Prepayments	43	32
Other receivable	17	4
Other advances	13	-
Advance to suppliers	-	-
Accrued income	209	491
Deposits	-	-
	<u>2,324</u>	<u>2,972</u>



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### 13 Trade and other receivables (continued)

Movement of provision for impairment is as follows:

At 1 January	504	361
Provision during the year	34	143
Written off during the year	(107)	-
	<hr/>	<hr/>
At 31 December	431	504
	<hr/>	<hr/>

#### 14 Related parties transaction and balances

##### Identity of related parties

Related parties comprise the Shareholders of the Company, directors, key management personnel and such other entities over which the Company or its Shareholders can exercise significant influence or can be significantly influenced by those entities. In the ordinary course of business the Company provides goods and services to, receives goods and services from such parties at terms agreed upon by management.

##### Transactions with key management personnel

Compensation to key management included within staff costs is as follows:

	2017 GBP'000	2016 GBP'000
Short term employee benefits	96	192
Staff terminal benefits	6	12
	<hr/>	<hr/>
	102	204
	<hr/>	<hr/>

##### Other related party transactions

	2017 GBP'000	2016 GBP'000
Services rendered	161	401
Services received	181	401
Corporate and Country overheads recharged	113	105
Transfer of property and equipment from related parties	118	373
	<hr/>	<hr/>

In addition to the above, certain contracts with the customers and the related invoices are in the name of the Subsidiary.



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 14 Related parties transaction and balances

#### *Related parties balances*

#### *Amounts due from related parties*

	2017 GBP'000	2016 GBP'000
Al Mansoori Directional Drilling Services LLC	-	158
	<u>-</u>	<u>158</u>

#### *Amounts due to related parties*

	2017 GBP'000	2016 GBP'000
Al Mansoori Petroleum Services LLC - UAE	1,257	1,017
Al Mansoori Directional Drilling Services LLC	101	-
	<u>1,358</u>	<u>1,017</u>

### 15 Cash in hand and at bank

	2017 GBP'000	2016 GBP'000
Cash in hand	1	1
Cash at bank - current accounts	1,445	6
	<u>1,446</u>	<u>7</u>
Bank overdraft	(3,129)	(2,229)
Cash and cash equivalents	<u>(1,683)</u>	<u>(2,222)</u>

### 16 Share capital and non - equity shares

#### (a) *Share capital*

	2017 GBP'000	2016 GBP'000
Authorised, issued and fully paid: 4,790,480 shares of GBP 0.001 each:	<u>5</u>	<u>5</u>



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### 16 Share capital and non – equity shares (continued)

The share capital of the Company is allocated as follows:

	Percentage of holding	2017 GBP'000	2016 GBP'000
Al Mansoori Petroleum Services LLC	99%	550	550
Al Mansoori Specialized Engineering Company LLC	1%	11	11
	<u>100%</u>	<u>561</u>	<u>561</u>

The Company has not purchased any shares during the year ended 31 December 2017.

#### (b) Non- Equity Shares

*Allotted, issued and fully paid:*

190,000 Ordinary shares of GBP 1 each	190	190
860,000 A Ordinary shares 0.10 each	86	86
Share Premium	280	280
	<u>556</u>	<u>556</u>

#### (b) Non- Equity Shares (continued)

##### *Dividends*

The profits available for distribution shall be applied as follows:

- Firstly, in distributing to the holders of 'A' ordinary shares a participating dividend calculated on the basis set out in the articles of association.
- Secondly, a compensatory dividend to the ordinary shareholders, calculated on the basis set out in the articles of association.

##### *Capital*

On winding up, the shares rank as follows; first in paying the holders of the 'A' ordinary shares 10p per share, together with any arrears of dividends, second in paying the holders of ordinary shares GBP 1 per share together with any arrears of dividends. Any balance remaining shall be distributed among the holders of the 'A' ordinary shares and ordinary shares pari passu as if one class of share.

##### *Voting*

The holders of the 'A' ordinary shares and ordinary shares are entitled to one vote per share.



## Target Energy Group Limited

### Notes to the consolidated financial statements

#### 17 Trade and other payables

	2017 GBP'000	2016 GBP'000
Trade payables	803	1,169
Provision for tax ( <i>refer note 18</i> )	267	240
Advances and other payables	876	830
	<u>1,946</u>	<u>2,239</u>

#### 18 Tax expense

The movement in the provision for tax is as follows:

	2017 GBP'000	2016 GBP'000
At 1 January	240	-
Provision made during the year	202	383
Refundable from third party	-	-
Payment made during the year	(175)	(143)
	<u>267</u>	<u>240</u>
At 31 December	267	240

#### 19 Contingent liabilities and capital commitments

The Company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. In the ordinary course of business, the value of guarantees given amounted to Nil (2016: Nil). Capital commitments outstanding at the year-end Nil (2016: Nil).



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 20 Financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company's business.

#### Credit risk

##### Exposure to credit risk

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		2017 GBP'000	2016 GBP'000
Trade and other receivables	13	2,281	2,940
Amounts due from a related parties	14	-	158
Cash at bank	15	1,445	6
		<u>3,726</u>	<u>3,104</u>

#### Impairment losses

The ageing of trade receivables at the reporting date was:

In GBP thousand	Gross 2017	Provision for impairment 2017	Gross 2016	Provision for impairment 2016
Not Past Due	434	-	38	-
Past due 0-60 days	312	-	36	-
Past due 61-120 days	194	-	308	-
Past due 121-360 days	3	-	575	-
More than 1 year	1,530	431	1,992	504
	<u>2,473</u>	<u>431</u>	<u>2,949</u>	<u>504</u>



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 20 Financial instruments (continued)

#### Liquidity risk

The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

#### 31 December 2017

	Note	Carrying Value GBP'000	Contractual cash outflows GBP'000	1 year or less GBP'000	1 to 5 years GBP'000
Amounts due to related parties	14	1,358	(1,358)	(1,358)	-
Trade and other payables	17	1,946	(1,946)	(1,946)	-
Bank overdraft	15	3,129	(3,129)	(3,129)	-
		<u>6,433</u>	<u>(6,433)</u>	<u>(6,433)</u>	<u>-</u>

#### 31 December 2016

	Note	Carrying value GBP'000	Contractual cash flows GBP'000	1 year or less GBP'000	1 to 5 years GBP'000
Amounts due to related parties	14	1,017	(1,017)	(1,017)	-
Trade and other payables	17	2,239	(2,239)	(2,239)	-
Bank overdraft	15	2,229	(2,229)	(2,229)	-
		<u>5,485</u>	<u>(5,485)</u>	<u>(5,485)</u>	<u>-</u>

#### Market risk

##### Currency risk

The Company's transactions are primarily carried out in USD or GBP.

The Company's exposure to foreign currency risk is analysed below:

	2017 Euro'000	2016 Euro'000
Trade and other receivables	<u>517</u>	<u>762</u>
	<u>517</u>	<u>762</u>
	2017 GBP'000	2016 GBP'000
Trade and other payables	<u>374</u>	<u>591</u>



# Target Energy Group Limited

## Notes to the consolidated financial statements

### 21 Accounting estimates and judgments

The fair values of the financial assets and liabilities approximate their carrying values as stated in the statement of financial position. The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) *Impairment losses on receivables*

The Company reviews its receivables to assess impairment at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(ii) *Useful lives of property and equipment*

Management assigns useful lives and residual values to the items of property and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates.

(iii) *Provision for obsolete inventories*

The Company reviews its inventories to assess losses on account of obsolescence on a regular basis. In determining whether a provision for obsolescence should be recorded in the profit and loss, the Company makes judgments based on the ageing of the stocks and the past consumption of stocks, as to whether there is any observable data indicating whether individual products are saleable and indicating the net realisable value of such products. Accordingly, a provision for impairment is recorded where the net realisable value is less than cost, based on best estimates by the management.

(iv) *Provision for taxation*

Income tax is the expected tax payable on the taxable income for the year. In arriving at the tax expense for the year, management applies the tax rates enacted or substantially enacted at the reporting date to its best estimate of the taxable income in the respective countries of operation where the Company is liable to taxation. In arriving at the estimated taxable income, management considers the allowances and disallowances as per the income tax rules enacted or substantially enacted in the respective countries.



# Target Energy Group Limited

## Notes to the consolidated financial statements

### Schedule I

#### Property and equipment

	Tools and equipment GBP'000	Furniture, fixtures and office equipment GBP'000	Buildings and workshops GBP'000	Total GBP'000
<i>Cost</i>				
At 1 January 2016	14,209	109	46	14,364
Additions	450	-	-	450
Disposals	(374)	-	-	(374)
<b>At 31 December 2016</b>	<b>14,285</b>	<b>109</b>	<b>46</b>	<b>14,440</b>
At 1 January 2017	14,285	109	46	14,440
Additions	89	-	-	89
Transfers	(118)	-	-	(118)
Disposals	(416)	-	-	(416)
<b>At 31 December 2017</b>	<b>13,840</b>	<b>109</b>	<b>46</b>	<b>13,995</b>
<i>Accumulated depreciation</i>				
At 1 January 2016	12,878	63	-	12,941
Charge for the year	679	-	-	679
Disposals	(364)	-	-	(364)
<b>At 31 December 2016</b>	<b>13,193</b>	<b>63</b>	<b>-</b>	<b>13,256</b>
At 1 January 2017	13,193	63	-	13,256
Charge for the year	501	-	-	501
Disposals	(346)	-	-	(346)
Transfers	(118)	-	-	(118)
<b>At 31 December 2017</b>	<b>13,230</b>	<b>63</b>	<b>-</b>	<b>13,293</b>
<i>Carrying Amounts</i>				
	1,092	46	46	1,184
<b>At 31 December 2017</b>	<b>610</b>	<b>46</b>	<b>46</b>	<b>702</b>



## Target Energy Group Limited (Registered number SC206333)

### Company Statement of financial position

As at 31 December

	Note	2017 GBP'000	2016 GBP'000
<b>Assets</b>			
Investment		60	60
<b>Non-current assets</b>		<u>60</u>	<u>60</u>
<b>Current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u>60</u>	<u>60</u>
<b>Share capital</b>	16(a)	5	5
Share premium		5,005	5,005
Foreign currency translation reserve		1,528	1,528
Accumulated losses		(7,109)	(7,102)
		<u>(571)</u>	<u>(564)</u>
Non - equity shares	16(b)	556	556
<b>Total equity</b>		<u>(15)</u>	<u>(8)</u>
<b>Current Liabilities</b>			
Trade and other payables		75	68
<b>Total current liabilities</b>		<u>75</u>	<u>68</u>
<b>Total liabilities</b>		<u>75</u>	<u>68</u>
<b>Total equity and liabilities</b>		<u>60</u>	<u>60</u>

These financial statements were approved and authorised for issue on 15-09-2018 by the shareholders and signed on their behalf by:

Nabil Abdulla Fahy Al Alawi - Helal Mubarak Eissa Al Mansoori -

Director

Director

Abdulla Nasser Huwailiel Al Mansoori-

Director

Date: 15/9/2018

Date:

Date: