

Reg.

Registered number: SC231439

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**SENERGY WELLS LIMITED  
(FORMERLY KNOWN AS XCAVO LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2010**

FRIDAY



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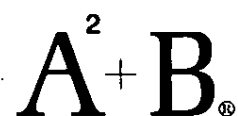
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COMPANIES HOUSE

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**SENERGY WELLS LIMITED**

**COMPANY INFORMATION**



**DIRECTORS**

D Reed (resigned 20 September 2010)  
J G McCallum  
P Pavy  
I Williamson (resigned 20 September 2010)

**COMPANY SECRETARY**

N M Campbell

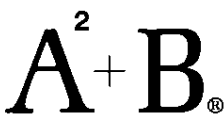
**COMPANY NUMBER**

SC231439

**REGISTERED OFFICE**

15 Bon Accord Crescent  
Aberdeen

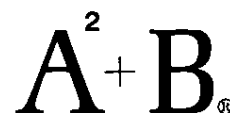
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## **SENERGY WELLS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2010**



The directors present their report and the financial statements for the year ended 31 May 2010.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the company is the provision of well operations and wells engineering consultancy to the oil and gas industry.

The company commenced trading on 5 March 2010.

#### **RESULTS**

The profit for the year, after taxation, amounted to £130,280 (2009 - £NIL).

#### **DIRECTORS**

The directors who served during the year were:

D Reed (resigned 20 September 2010)  
J G McCallum  
P Pavy  
I Williamson (resigned 20 September 2010)

#### **CHANGE OF NAME**

On 5 March 2010, Senergy Wells Limited changed name from Xcavo Limited.

#### **GOING CONCERN**

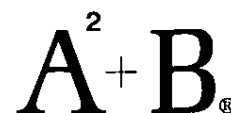
The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MAY 2010**



**AUDITORS**

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

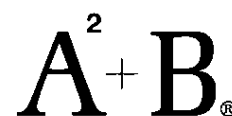
This report was approved by the board and signed on its behalf.

A handwritten signature in dark ink, appearing to read 'P Pavy', is written over a horizontal dotted line.

**P Pavy**  
Director

Date: 5/7/11

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 MAY 2010**



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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SENERGY WELLS LIMITED**



We have audited the financial statements of Senergy Wells Limited for the year ended 31 May 2010, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SENERGY WELLS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SENERGY WELLS LIMITED

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Anderson Anderson & Brown LLP*

Robert Gordon (Senior statutory auditor)

for and on behalf of

**Anderson Anderson & Brown LLP**

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date: 7 JULY 2011



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2010**

**A<sup>2</sup> + B<sup>®</sup>**

	Note	2010 £	2009 £
<b>TURNOVER</b>	1	582,910	-
Cost of sales		(401,940)	-
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		180,970	-
Administrative expenses		(26)	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		180,944	-
Tax on profit on ordinary activities	4	(50,664)	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	8	130,280	-
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 MAY 2010**

**A<sup>2</sup> + B<sup>®</sup>**

	Note	£	2010 £	£	2009 £
<b>CURRENT ASSETS</b>					
Debtors	5	615,824		3	
Cash at bank		22,904		-	
		<u>638,728</u>		<u>3</u>	
<b>CREDITORS:</b> amounts falling due within one year	6	(508,445)		-	
		<u></u>		<u></u>	
<b>NET CURRENT ASSETS</b>			130,283		3
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>130,283</u>		<u>3</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		3		3
Profit and loss account	8		130,280		-
			<u></u>		<u></u>
<b>SHAREHOLDERS' FUNDS</b>	9		<u>130,283</u>		<u>3</u>

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



**P Pavy**  
Director

Date:

5/7/11

The notes on pages 8 to 12 form part of these financial statements.

## 1. ACCOUNTING POLICIES

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

### 1.3 Turnover

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

### 1.4 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

Deferred tax assets and liabilities are not discounted.

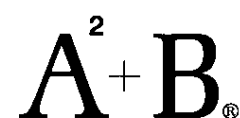
### 1.5 Foreign currencies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2010



2. PROFIT

During the year, no director received any emoluments (2009 - £NIL).

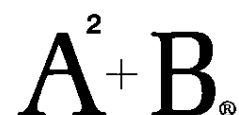
3. STAFF COSTS

Staff costs were as follows:

	2010 £	2009 £
Wages and salaries	226,322	-
Social security costs	22,697	-
	<u>249,019</u>	<u>-</u>

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

	2010 No.	2009 No.
Management	<u>5</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2010

## 4. TAXATION

	2010 £	2009 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	30,785	-
	<hr/>	<hr/>
	30,785	-
Group taxation relief	19,879	-
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	<b>50,664</b>	<b>-</b>
	<hr/>	<hr/>

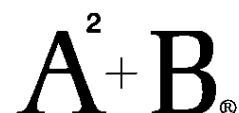
**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2009 - the same as) the standard rate of corporation tax in the UK of 28% (2009 - 28%) as set out below:

	2010 £	2009 £
Profit on ordinary activities before tax	180,944	-
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	50,664	-
<b>Effects of:</b>		
Group relief claimed before payment	(19,878)	-
Payment for group relief	19,878	-
	<hr/>	<hr/>
<b>Current tax charge for the year (see note above)</b>	<b>50,664</b>	<b>-</b>
	<hr/>	<hr/>

## 5. DEBTORS

	2010 £	2009 £
Trade debtors	335,557	3
Amounts owed by group undertakings	280,267	-
	<hr/>	<hr/>
	615,824	3
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2010

## 6. CREDITORS:

## Amounts falling due within one year

	2010 £	2009 £
Trade creditors	78,665	-
Amounts owed to group undertakings	98,375	-
Corporation tax	30,786	-
Social security and other taxes	90,293	-
Accruals and deferred income	210,326	-
	<u>508,445</u>	<u>-</u>

The company's bankers hold a bond and floating charge over the assets of the company.

The company is part of a group banking facility and there is a cross guarantee with its holding company and subsidiaries. The group borrowings are £12,107,644.

## 7. SHARE CAPITAL

	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
300 Ordinary shares of 1p each	<u>3</u>	<u>3</u>

## 8. RESERVES

	Profit and loss account £
Profit for the year	130,280
At 31 May 2010	<u>130,280</u>

## 9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	3	-
Profit for the year	130,280	-
Shares issued during the year	-	3
Closing shareholders' funds	<u>130,283</u>	<u>3</u>

**10. RELATED PARTY TRANSACTIONS**

**Control**

During the period the company was controlled by the directors.

**Transactions**

During the year, the company was a wholly owned subsidiary of Senergy Oil and Gas Limited, which in turn is a wholly owned subsidiary of Senergy Holdings Limited. The results of the company are included within the consolidated financial statements of Senergy Holdings Limited. The company has taken advantage of paragraph 3(c) within FRS 8 (Related Party Disclosures) which allows exemption from disclosure of related party transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

**11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate holding company is Senergy Oil and Gas Limited, a company registered in Scotland.

The company's ultimate holding company is Senergy Holdings Limited, a company registered in Scotland. The results of Senergy Wells Limited are included in the consolidated accounts of Senergy Holdings Limited.