Registered number: SC273506

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SENERGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

SENERGY LIMITED

COMPANY INFORMATION

Directors	A I Buchanan (appointed 1 July 2016) D J Mitchell J G McCallum (resigned 1 July 2016) P A Pavy (resigned 1 July 2016) A M Pearce (appointed 1 July 2016, resigned 1 July 2016) I B Williamson (resigned 30 June 2017)
Company secretary	G Megginson
Registered number	SC273506
Registered office	Lloyd's Register Kingswells Causeway Prime Four Business Park Kingswells Aberdeen AB15 8PU
Independent auditors	Anderson Anderson & Brown LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

SENERGY LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Results and dividends

The loss for the year, after taxation, amounted to £115,106 (2016 - profit £1,370,520).

There were no dividends paid in the year (2016 - £NIL).

Directors

The directors who served during the year were:

A I Buchanan (appointed 1 July 2016)
D J Mitchell
J G McCallum (resigned 1 July 2016)
P A Pavy (resigned 1 July 2016)
A M Pearce (appointed 1 July 2016, resigned 1 July 2016)
I B Williamson (resigned 30 June 2017)

Disclosure 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 the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

....

D J Mitchell
Director

Date: 15.03.18

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting 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 to 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 LIMITED

Opinion

We have audited the financial statements of Senergy Limited for the year ended 30 June 2017, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SENERGY LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' report.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 15 March 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017 £	2016 £
Turnover	1,849,316	2,470,573
Cost of sales	(1,691,370)	(364,745)
Gross profit	157,946	2,105,828
Administrative expenses	(416,277)	(306,139)
Operating (loss)/profit	(258,331)	1,799,689
Interest receivable and similar income	152,545	386
Interest payable and expenses	-	(5,559)
(Loss)/profit before tax	(105,786)	1,794,516
Tax on (loss)/profit	(9,320)	(423,996)
(Loss)/profit for the financial year	(115,106)	1,370,520

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 9 to 16 form part of these financial statements.

SENERGY LIMITED
REGISTERED NUMBER:SC273506

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BALANCE SHEET
AS AT 30 JUNE 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	4		336,465		345,566
			336,465		345,566
Current assets					
Debtors: amounts falling due within one year	5	4,296,172		5,747,093	
Cash at bank and in hand	6	1,624,065		1,152,776	
		5,920,237		6,899,869	
Creditors: amounts falling due within one year	7	(1,821,840)		(2,695,467)	
Net current assets			4,098,397		4,204,402
Total assets less current liabilities			4,434,862		4,549,968
Net assets			4,434,862		4,549,968
Capital and reserves					
Called up share capital			6		6
Profit and loss account			4,434,856		4,549,962
			4,434,862		4,549,968

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

....
D J Mitchell
Director

Date: 15.03.18

The notes on pages 9 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	6	4,549,962	4,549,968
Comprehensive income for the year			
Loss for the year	-	(115,106)	(115,106)
At 30 June 2017	6	4,434,856	4,434,862

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	6	3,179,442	3,179,448
Comprehensive income for the year			
Profit for the year	-	1,370,520	1,370,520
At 30 June 2016	6	4,549,962	4,549,968

The notes on pages 9 to 16 form part of these financial statements.

1. General information

Senergy Limited is a limited liability company incorporated in Scotland. The registered office is Lloyd's Register, Kingswells Causeway, Prime Four Business Park, Kingswells, Aberdeen, AB15 8PU.

The principal activity of the company is the provision of subsurface and wells engineering services to the oil and gas industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FRS 102 exemptions

The company satisfies the criteria of being a qualifying company as defined in FRS 102 section 1.12. Its financial statements are consolidated into the financial statements of Lloyds Register Group Limtied, which can be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

a) No cash flow statement has been presented for the company.

b) Disclosures in respect of financial instruments have not been presented.

c) Disclosures in respect of related party transactions with fellow group companies have not been presented.

2.3 Going concern

The directors, having made due and careful enquiry and preparing forecasts, 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.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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 provided on the following basis:

Land & buildings	- 2% straight-line
Computer and office equipment	- 20% straight-line
Other fixed assets	- 10-50% 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 Statement of comprehensive income.

2.6 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.

2.7 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. Accounting policies (continued)

2.8 Financial instruments

The company only enters into basic financial instruments 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

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

2.10 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2. Accounting policies (continued)

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 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 Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet 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 Balance sheet 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 balance sheet date.

3. Average number of employees

The average monthly number of employees, including the directors, during the year was 2 (2016 - 4).

4. Tangible fixed assets

	Freehold property £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 July 2016	455,034	266,824	1,045,034	700,254	2,467,146
At 30 June 2017	455,034	266,824	1,045,034	700,254	2,467,146
Depreciation					
At 1 July 2016	109,468	266,824	1,045,034	700,254	2,121,580
Charge for the year on owned assets	9,101	-	-	-	9,101
At 30 June 2017	118,569	266,824	1,045,034	700,254	2,130,681
Net book value					
At 30 June 2017	336,465	-	-	-	336,465
At 30 June 2016	345,566	-	-	-	345,566

5. Debtors

	2017 £	2016 £
Trade debtors	133	567,551
Amounts owed by group undertakings	3,255,718	5,033,312
Other debtors	13,825	98,080
Prepayments and accrued income	994,494	6,828
Deferred taxation	32,002	41,322
	4,296,172	5,747,093

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,624,065	1,152,776
	1,624,065	1,152,776

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	84,409	1,781
Amounts owed to group undertakings	1,640	38,258
Corporation tax	-	408,257
Other creditors	1,507,529	2,247,171
Accruals and deferred income	228,262	-
	1,821,840	2,695,467

8. Deferred taxation

	2017 £	2016 £
At beginning of year	41,322	-
Charged to profit or loss	(9,320)	41,322
At end of year	32,002	41,322

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	32,002	41,322
	32,002	41,322

9. Related party transactions

Control

Throughout the period the company was controlled by the directors.

Transactions

As the company is a wholly owned subsidiary of Senergy Holdings Limited, it has taken advantage of the exemption within FRS 102, section 1AC.35 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.

10. Controlling party

The immediate parent company is Senergy Oil and Gas Limited, a company registered in Scotland.

The company's ultimate parent company is Lloyd's Register Foundation, a company registered in England & Wales and a registered charity.

The smallest group in which the results of the company are consolidated is that headed by Lloyd's Register Group Limited. The largest group in which the results of the company are consolidated is that headed by Lloyd's Register Foundation. These financial statements are available from its registered office at 71 Fenchurch Street, London, EC3M 4ES.