

Registered number: SC350040

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**SENERGY SURVEY
& GEOENGINEERING LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015



SENERGY SURVEY & GEOENGINEERING LIMITED



COMPANY INFORMATION

DIRECTORS

N M Campbell (resigned 30 September 2015)
J G McCallum
D J Mitchell (appointed 4 March 2015)

COMPANY SECRETARY

G Megginson

REGISTERED NUMBER

SC350040

REGISTERED OFFICE

7 Bon Accord Square
Aberdeen
AB11 6DJ

INDEPENDENT AUDITORS

Anderson Anderson & Brown LLP
9 Queens Road
Aberdeen
AB15 4YL

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

The directors present their report and the financial statements for the year ended 30 June 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,035,320 (2014 - £713,938).

No dividends were paid or proposed during the year (2014 - £nil).

DIRECTORS

The directors who served during the year were:

N M Campbell (resigned 30 September 2015)
J G McCallum
D J Mitchell (appointed 4 March 2015)

PRINCIPAL RISKS AND UNCERTAINTIES

The business faces risk due to the uncertainty associated with a sustained period of low oil prices. This risk is successfully managed through systematic and thorough analysis of market and opportunities, tracking of pipeline and business development activity, and active management of cost base.

DISCLOSURE OF INFORMATION TO AUDITORS

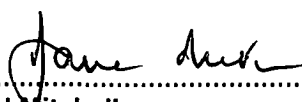
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as 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 relevant audit information and to establish that the company's auditors are aware of that information.

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.


.....
D J Mitchell
Director

Date: 23/3/16

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

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 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 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 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 SURVEY & GEOENGINEERING LIMITED**

We have audited the financial statements of Senergy Survey & Geoengineering Limited for the year ended 30 June 2015, set out on pages 5 to 15. 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 Directors' responsibilities statement, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2015 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.

EMPHASIS OF MATTER

In forming our opinion we have considered the net current liabilities. The accounts are prepared on a going concern basis and as detailed in Note 1, the parent company and fellow subsidiaries have confirmed their continuing support for the company and also that the loan balance will not be repaid in advance of other creditors. In view of the significance of this, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SENERGY SURVEY & GEOENGINEERING LIMITED**

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.

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 directors' 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

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date:

23 March 2016

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015**

		30 June 2015 £	13 months ended 30 June 2014 £
	Note		
TURNOVER	1,2	3,806,118	5,851,971
Cost of sales		(3,083,555)	(4,059,596)
		<hr/>	<hr/>
GROSS PROFIT		722,563	1,792,375
Administrative expenses		(837,012)	(845,490)
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT	3	(114,449)	946,885
Income from other fixed asset investments		3,131,054	-
Interest payable and similar charges	6	-	(6,446)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,016,605	940,439
Tax on profit on ordinary activities	7	18,715	(226,501)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	13	<u>3,035,320</u>	<u>713,938</u>

All amounts relate to continuing operations.

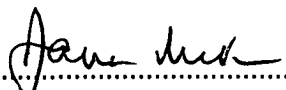
There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 7 to 15 form part of these financial statements.

**BALANCE SHEET
AS AT 30 JUNE 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	8		11,011,473		11,011,473
CURRENT ASSETS					
Debtors	9	1,870,574		6,741,770	
CREDITORS: amounts falling due within one year	10	(6,654,766)		(14,561,282)	
NET CURRENT LIABILITIES			(4,784,192)		(7,819,512)
NET ASSETS			<u>6,227,281</u>		<u>3,191,961</u>
CAPITAL AND RESERVES					
Called up share capital	12		1		1
Other reserves	13		12,000		12,000
Profit and loss account	13		<u>6,215,280</u>		<u>3,179,960</u>
SHAREHOLDERS' FUNDS	14		<u>6,227,281</u>		<u>3,191,961</u>

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


D J Mitchell
Director

Date: 23/3/16

The notes on pages 7 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

At 30 June 2015 the company has net current liabilities of £4,784,192. Included within these liabilities are amounts due to the parent company and fellow subsidiaries of £6,285,450. The financial statements are prepared on a going concern basis, which assumes that the company will continue to meet its liabilities as they fall due. The parent company and its subsidiaries have confirmed they shall not seek repayment of amounts due to the detriment of other creditors. Furthermore the parent company and its subsidiaries have confirmed they shall continue to support the company to facilitate its ability to continue trading as a going concern for the foreseeable future.

1.3 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.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 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 30 JUNE 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Pensions

The company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.8 Turnover

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

1.9 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.

2. TURNOVER

No analysis of turnover by geographic region is provided, as the directors believe such an analysis would be prejudicial to the company's best interests.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**
3. OPERATING (LOSS)/PROFIT

The operating profit is stated after charging:

	30 June 2015 £	13 months ended 30 June 2014 £
Depreciation of tangible fixed assets:		
- owned by the company	-	830
Difference on foreign exchange	(30,207)	10,382
	<u>(30,207)</u>	<u>10,382</u>

Auditors remuneration of £7,500 (2014 - £8,500) was borne by a fellow group company.

4. STAFF COSTS

All UK employees are employed by Senergy Resources Limited, a fellow subsidiary of Senergy Group Limited. The staff numbers, staff costs and directors' remuneration disclosed relates to recharges from Senergy Resources Limited. Additionally, also included within wages and salaries are further recharges of staff costs, where the company has utilised staff from other fellow subsidiaries of Senergy Group Limited. Where the company has utilised staff from overseas companies within the Senergy group, such costs are also included within wages and salaries.

Staff costs were as follows:

	30 June 2015 £	13 months ended 30 June 2014 £
Wages and salaries	1,709,773	2,376,562
Social security costs	257,274	330,862
Other pension costs	214,354	236,746
	<u>2,181,401</u>	<u>2,944,170</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4. STAFF COSTS (continued)

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

	30 June 2015 No.	13 months ended 30 June 2014 No.
Technical	29	38
Management and Administration	6	2
Directors	3	3
	<u>38</u>	<u>43</u>

5. DIRECTORS' REMUNERATION

The directors of this company were paid by other group companies during the year. The directors do not believe it is practical to apportion these amounts between their services as directors of this company and their services as directors of other group companies. Directors' remuneration paid by other group companies to the directors of this company totals £665,183 (2014 - £686,281). The value of the group's contributions paid to defined contribution pension schemes in respect of the directors amounted to £40,426 (2014 - £26,768).

6. INTEREST PAYABLE

	30 June 2015 £	13 months ended 30 June 2014 £
Bank loans	<u>-</u>	<u>6,446</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**
7. TAXATION

	30 June 2015 £	13 months ended 30 June 2014 £
Analysis of tax (credit)/charge in the year/period		
Current tax (see note below)		
Adjustments in respect of prior periods	4,108	-
	<hr/> 4,108	<hr/> -
Group taxation relief	(31,484)	213,697
	<hr/> (27,376)	<hr/> 213,697
Foreign tax on income for the year/period	4,991	18,069
Group relief in respect of prior periods	-	(10)
	<hr/> 4,991	<hr/> 18,059
Total current tax	<hr/> (22,385)	<hr/> 231,756
Deferred tax		
Origination and reversal of timing differences	3,670	(3,322)
Accelerated capital allowances	-	(1,933)
	<hr/> 3,670	<hr/> (5,255)
Total deferred tax (see note 11)	<hr/> 3,670	<hr/> (5,255)
Tax credit on loss on ordinary activities	<hr/> (18,715)	<hr/> 226,501

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**
7. TAXATION (continued)
Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.54%). The differences are explained below:

	30 June 2015 £	13 months ended 30 June 2014 £
Profit on ordinary activities before tax	3,016,605	940,439
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 - 22.54%)	625,946	211,968
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	881	867
Capital allowances for year/period in excess of depreciation	(361)	1,184
Higher rate taxes on overseas earnings	-	(10)
Adjustments to tax charge in respect of prior periods	4,108	-
Short term timing difference leading to an increase in taxation	(3,447)	3,744
Group income not taxable	(649,694)	-
Research and development expenditure credits	(3,773)	-
Group relief surrendered	31,484	-
Receipt of group relief	(31,484)	-
Other permanent differences	(1,036)	(4,072)
Group relief	-	6
Foreign tax credits	4,991	18,069
Current tax (credit)/charge for the year/period (see note above)	(22,385)	231,756

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2014 and 30 June 2015	11,011,473
Net book value	
At 30 June 2015	11,011,473
At 30 June 2014	11,011,473

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

8. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Floyd and Associates Holdings Limited	Ordinary	100%
Floyd and Associates Limited*	Ordinary	100%
ISIS Energy Limited	Ordinary	100%
*held by Floyds and Associates Holdings Limited.		

9. DEBTORS

	2015 £	2014 £
Trade debtors	278,321	651,785
Amounts owed by group undertakings	1,209,008	5,518,027
Other debtors	45,595	-
Prepayments and accrued income	336,065	566,703
Deferred tax asset (see note 11)	1,585	5,255
	<u>1,870,574</u>	<u>6,741,770</u>

**10. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Bank loans and overdrafts	109,645	52,235
Trade creditors	138,697	288,702
Amounts owed to group undertakings	6,285,450	14,085,434
Other creditors	-	3,119
Accruals and deferred income	120,974	131,792
	<u>6,654,766</u>	<u>14,561,282</u>

11. DEFERRED TAX ASSET

	2015 £	2014 £
At beginning of year/period	5,255	-
(Charge for)/released during year/period (P&L)	(3,670)	5,255
	<u>1,585</u>	<u>5,255</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**
11. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	1,585	(1,933)
Short term timing differences	-	(3,322)
	<u>1,585</u>	<u>(5,255)</u>

12. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

13. RESERVES

	Capital contribution reserve £	Profit and loss account £
At 1 July 2014	12,000	3,179,960
Profit for the financial year		3,035,320
At 30 June 2015	<u>12,000</u>	<u>6,215,280</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	3,191,961	2,478,023
Profit for the financial year/period	3,035,320	713,938
Closing shareholders' funds	<u>6,227,281</u>	<u>3,191,961</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**
15. OPERATING LEASE COMMITMENTS

At 30 June 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within 1 year	12,000	-
After more than 5 years	-	45,000
	<u>12,000</u>	<u>45,000</u>

16. RELATED PARTY TRANSACTIONS
Control

Throughout the year the company was controlled by the directors.

Transactions

As the company is a wholly owned subsidiary of Senergy Group Limited, it has taken advantage of the exception set out in paragraph 3(c) of Financial Reporting Standard 8 which allows exemption from disclosure of related party transactions with other group companies. The company had the following transactions with group companies that are not 100% owned and other related parties:

Related party	Transaction	£	Balance at year end
			£
Senergy International Sdn Bhd, a subsidiary company	Sales	20,826	23,112
LR Drilling Integrity Services Inc, a fellow subsidiary	Purchases	11,237	-

17. ULTIMATE PARENT COMPANY

The immediate parent company is Senergy Holdings Limited, a company registered in Scotland.

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

The largest group in which the results of the company are consolidated is that headed by Lloyd's Register Foundation. The smallest group in which the results of the company are consolidated is that headed by Senergy Group Limited. The financial statements of Senergy Group Limited are available from its registered office at 7 Bon Accord Square, Aberdeen.