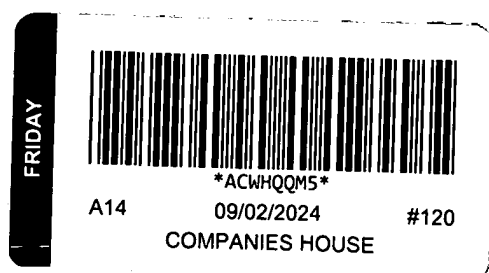


Annual Report and Financial Statements
**EUROPA OIL & GAS (NEW VENTURES)
LIMITED**

For the Year Ended 31 July 2023
Company registration number 07259142



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Directors and advisers

Directors

S Oddie (resigned 30 November 2023)
B O’Cathain
W Holland (appointed 4 October 2022)
A Stuart (appointed 17 July 2023)

Secretary

M Johnson (resigned 31 May 2023)
L Armstrong (appointed 31 May 2023)

Registered office

30 Newman Street
London
W1T 1PT

Bankers

Royal Bank of Scotland plc
1 Albyn Place
Aberdeen
AB10 1BR

Auditors

PKF Littlejohn LLP
15 Westferry Circus
London
E14 4HD

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Company’s registered number

07259142

Directors' report

The directors present their report and the audited financial statements for the year to 31 July 2023.

Principal activities

The principal activity of the company is to explore potential exploration licences.

Results for the year and dividends

The loss for the year after taxation was £1,697,729 (2022: £25,642 profit). The directors do not recommend the payment of a dividend (2022: £nil).

Directors and their interests

The directors who served during the year were S Oddie and B O'Cathain. W Holland was appointed as a director on 4 October 2022 and A Stuart was appointed as a director on 17 July 2023. S Oddie resigned as director on 30 November 2023.

None of the directors had an interest in the share capital of the Company during the period. The interest of each of the directors in the share capital of Europa Oil & Gas (Holdings) plc, the ultimate parent undertaking, is disclosed in the accounts of that company.

Going concern

Comments on going concern are included in the note 1.

Post reporting date events

A description of post reporting date events are included in note 14.

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the Company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

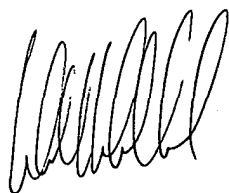
Auditors

PKF Littlejohn LLP was appointed as auditors on 2 June 2023.

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

The Company, due to its size, has taken advantage of the exemption not to present a Strategic Report in accordance with section 414B of the Companies Act 2006.

Approved by the Board of directors and signed on behalf of the Board on 6 February 2024.



W Holland
Director

Statement of directors' responsibilities

The Directors are responsible for preparing the annual 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 Company financial statements in accordance with UK adopted International Accounting Standards. 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 year.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- 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 requirements of 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.

Report of the independent auditors

Independent Auditor's Report to members of Europa Oil & Gas (New Ventures) Limited

Opinion on the financial statements

We have audited the financial statements of Europa Oil and Gas (New Ventures) Limited ("the Company") for the year ended 31 July 2022 which comprise Statement of Comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International, Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted International, Accounting Standards; 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 Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Europa Oil & Gas (New Ventures) Limited

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 have 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

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, 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.

Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Europa Oil & Gas (New Ventures) Limited

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of our cumulative audit knowledge and expertise in the sector;
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Anti Money Laundering Legislation, Local Tax laws and regulations and International Financial Reporting Standards;
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to a review of board minutes throughout the year and post year end, a review of general ledger transactions and discussions with management;
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the carrying value of the assets held to be an area of potential for management bias. Whilst the carrying value of the assets are held at historical cost, management must consider the impairment indicators under IAS 36 and the potential need to conduct a formal impairment review. Being the key balance within these financial statements, and the key driver for the business, this gives rise to an increased risk of material misstatement as a result of management bias. Supporting evidence has been obtained for an appropriate sample of additions throughout the year, and a detailed impairment assessment has been undertaken by management against those indicators as set out per IAS 36 and ensured that the carrying value is appropriate. We reviewed estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias; and
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 auditor's 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.



Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP, Statutory Auditor
London, UK

6 February 2024

PKF Littlejohn LLP is a limited liability partnership registered in England and Wales (with registered number OC342572).

Statement of comprehensive income

For the year ended 31 July

	Note	2023 £	2022 £
<i>Continuing operations</i>			
Exploration & Appraisal write-off	6	(1,685,671)	-
Administrative expense		(20,892)	(7,340)
Finance income	4	8,834	32,982
(Loss)/ profit before taxation	3	(1,697,729)	25,642
Taxation	5	-	-
Total comprehensive (loss)/ profit for the year		(1,697,729)	25,642

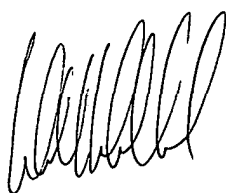
The accompanying accounting policies and notes form part of these financial statements.

Statement of financial position

As at 31 July

	Note	2023 £	2022 £
Assets			
Non-current assets			
Intangible assets	6	-	1,385,884
Total non-current assets		-	1,385,884
Current assets			
Restricted cash	7	-	262,713
Total current assets		-	262,713
Total assets		-	1,648,597
Liabilities			
Total current liabilities		-	-
Non-current liabilities			
Long term borrowing	8	(1,874,300)	(1,825,168)
Total non-current liabilities		(1,874,300)	(1,825,168)
Total liabilities		(1,874,300)	(1,825,168)
Net liabilities		(1,874,300)	(176,571)
Capital and reserves attributable to equity holders of the company			
Share capital	9	100	100
Retained deficit		(1,874,400)	(176,671)
Total equity		(1,874,300)	(176,571)

These financial statements have been prepared under the small company's accounting regime and were approved by the Board of directors on 6 February 2024 and signed on its behalf by:



W Holland
Director
Company registration number 07259142

The accompanying accounting policies and notes form part of these financial statements.

Statement of changes in equity

	Share capital £	Retained deficit £	Total equity £
Balance at 1 August 2021	100	(202,313)	(202,213)
Total comprehensive profit for the year	-	25,642	25,642
Balance at 31 July 2022	<u>100</u>	<u>(176,671)</u>	<u>(176,571)</u>

	Share capital £	Retained deficit £	Total equity £
Balance at 1 August 2022	100	(176,671)	(176,571)
Total comprehensive loss for the year	-	(1,697,729)	(1,697,729)
Balance at 31 July 2023	<u>100</u>	<u>(1,874,400)</u>	<u>(1,874,300)</u>

The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows

For the year ended 31 July

	2023	2022
	£	£
Cash flows from operating activities	-	-
Net cash used in operating activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

There were no cash flows during the current or prior year.

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1

Accounting Policies

General information

Europa Oil & Gas (New Ventures) Limited is a company incorporated and domiciled in England and Wales with registered number 07259142. The address of the registered office is 30 Newman Street, London, W1T 1PT.

The nature of the Company's operations and its principal activities are set out in the Directors' report.

The functional and presentational currency of the Company is Sterling (UK£).

Basis of accounting

The financial statements have been prepared in accordance with applicable UK adopted International Accounting Standards under the historical cost convention.

The accounting policies that have been applied in the opening statement of financial position have also been applied throughout all periods presented in these financial statements. These accounting policies comply with each UK adopted IAS that is mandatory for accounting periods ending on 31 July 2023.

Going Concern

Forecasts have been prepared for the Company which show that the Company is dependent on the Parent Company providing further financial support and in not calling in the intercompany loan. The Parent Company has provided a letter of support. The Directors of the Parent Company have prepared their assessment for a period of at least twelve months from the date of approval of these financial statements, which considers the continuing and forecast cash inflow from the Group's producing assets, the cash held by the Group, less administrative expenses and planned capital expenditure and ensured that they have the ability to support the Company and the wider group.

The Directors, who are also the Directors of the Parent Company, have concluded, at the time of approving these financial statements, that there is a reasonable expectation, based on the Group's cash flow forecasts, that the forecasts are achievable and accordingly that the Parent Company will be able to provide further financial support and in not calling in the intercompany loan. Thus these financial statements have been prepared on a going concern basis.

Non-current assets

Oil and gas interests

The financial statements with regard to oil and gas exploration and appraisal expenditure have been prepared under the full cost basis. This accords with IFRS 6 which permits the continued application of a previously adopted accounting policy.

Pre-production assets

Pre-production assets are classified as intangible assets on the statement of financial position. Pre-licence expenditure is expensed as directed by IFRS 6. Expenditure on licence acquisition costs, geological and geophysical costs, costs of drilling exploration, appraisal and development wells, and an appropriate share of overheads (including directors' costs) are capitalised and accumulated in cost pools on a geographical basis. These costs which relate to the exploration, appraisal and development of oil and gas interests are initially held as intangible non-current assets pending determination of commercial viability. On commencement of production these costs are tested for impairment prior to transfer to production assets.

Taxation

Current tax is the tax payable based on taxable profit/(loss) for the year.

Foreign currency

The Company prepares its financial statements in Sterling.

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Europa Oil & Gas (New Ventures) Limited

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the statement of comprehensive income in the period in which they arise.

Europa Oil and Gas (New Ventures) Limited is domiciled in the UK, which is its primary economic environment and the Company's functional currency is Sterling.

Financial instruments

The Company classifies its financial assets and liabilities into categories based on the purpose for which the asset or liability was acquired. The accounting policy for each category is as follows:

Cash and cash equivalents

Cash and cash equivalents are carried at cost and include all highly liquid investments with a maturity of three months or less. Restricted cash are those amounts held by third parties on behalf of the Company and are not available for the Company's use; these are accounted for separately from cash and cash equivalents.

Other financial liabilities

Includes amounts owed to Group companies, trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Critical accounting judgements and key sources of estimation uncertainty

Carrying value of intangible assets (note 7) – carrying values are justified with reference to indicators of impairment as set out in IFRS 6. On 23 November 2022 the extension to the Initial Period of the Inezgane Licence ("Inezgane") came to an end and the Company decided not to progress to the First Extension Period. All costs relating to the licence were written off in the year totalling £1,686k (2022: £Nil).

2 Operating segment analysis

In the opinion of the directors the Company has one class of business, being oil and gas exploration appraisal and production, and one reportable segment being Morocco until Nov 2022.

3 Loss from operations

Auditor remuneration is borne by a fellow Group undertaking. The only employees of the company during the period were S Oddie, W Holland, B O'Cathain and A Stuart, all directors, who received no remuneration from the Company. The directors were remunerated through another Group company, and it is not possible to apportion the cost of this remuneration relevant to services rendered to Europa Oil & Gas (New Ventures) Limited.

4 Finance income

	2023	2022
	£	£
Interest received	199	18
Foreign exchange gains	8,635	32,964
	<u>8,834</u>	<u>32,982</u>

5 Taxation

	2023	2022
	£	£
Current tax credit	-	-
	<u>-</u>	<u>-</u>

UK corporation tax for small companies is calculated at 19% of the estimated (loss)/profit for the year. The Finance Act 2021 increased the UK corporation tax rate from 19% to 25% effective 1 April 2023 for companies with profits in excess of GBP 250,000.

	2023	2022
	£	£
(Loss)/profit before tax	<u>(1,697,729)</u>	<u>25,642</u>
Tax reconciliation		
(Loss)/profit multiplied by the standard rate of corporation tax in the UK 19% (2022: 19%)	<u>(322,569)</u>	<u>4,872</u>
Group relief	<u>(1,678)</u>	<u>(6,267)</u>
Deferred tax asset not recognised	<u>324,247</u>	<u>1,395</u>
Tax credit	<u>-</u>	<u>-</u>

The Company has an unprovided deferred tax asset which arises in relation to management and other pre-trading expenditure of £173,999 (2022: £186,082), that has not been recognised in the accounts as the timing of the utilisation of the losses is considered uncertain.

6 Intangible assets

	2023	2022
	£	£
At 1 August	1,385,884	660,672
Additions	299,787	725,212
Impairment	<u>(1,685,671)</u>	<u>-</u>
Total intangible assets	<u>-</u>	<u>1,385,884</u>

Intangible assets comprised of the company's pre-production expenditure on the Moroccan Inezgane licence. This licence expired in November 2022 and was not renewed and all costs were fully impaired in the year.

7 Restricted cash

	2023	2022
	£	£
Cash guarantee	-	262,713
	<u>-</u>	<u>262,713</u>

The guarantee that was required by the petroleum agreement with the National Office of Hydrocarbons and Mines ('ONHYM') in Morocco for \$315,000 (£263,000) (2022: \$315,000 (£263,000)) was released and transferred to the Group's unrestricted cash accounts during the year upon expiry of the licence. This account was treated as restricted cash in the prior year and resultantly the movement is not reflected in the statement of cash flows.

8 Long-term borrowing

	2023	2022
	£	£
Amounts due to Group companies	1,874,300	1,825,168
Total long term borrowing	<u>1,874,300</u>	<u>1,825,168</u>

Loans from Group companies are interest free with no fixed date of repayment..

9 Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
10,000 ordinary shares of 1p each	<u>100</u>	<u>100</u>

All the authorised and allotted shares are of the same class and rank pari passu.

The following describes the purpose of each reserve within owners' equity:

Reserve	Description and purpose
Retained deficit	Cumulative net losses recognised in the income statement.

10 Financial instruments

The Company's financial instruments comprise amounts owed to Group companies and trade payables which arise directly from its operations. The Company's activities are subject to a range of financial risks the main ones being liquidity, and capital management. These risks are managed through ongoing review taking into account the operational, business and economic circumstances at that time.

Liquidity risk

The Company monitors its levels of working capital to ensure it can meet liabilities as they fall due. The following tables show the contractual maturities of the Company's financial liabilities, all of which are measured at amortised cost.

	2023	2022
	£	£
Long term borrowing		
2-5 years	1,874,300	1,825,168
Total	<u>1,874,300</u>	<u>1,825,168</u>

Trade and other payables do not normally incur interest charges.

Capital risk management

The Company's capital is closely monitored by the directors in the light of the capital needs of the Europa Oil & Gas (Holdings) plc Group as a whole. Further details are disclosed in the Group Annual Report and Accounts which are publicly available.

11 Commitments

The company had no outstanding commitments at the end of the year.

12 Related party transactions

The Company received services to the value of £5,323 from its ultimate parent Europa Oil & Gas (Holdings) plc (2022: £19,387). In 2023 Europa Oil & Gas (Holdings) plc provided no funding (2022: nil), apart from the non-cash loan below.

At the end of the period the Company owed the following unsecured amounts to related parties:

At 31 July	2023	2022
	£	£
Europa Oil & Gas (Holdings) plc	1,044,936	1,190,025
Europa Oil & Gas Ltd	829,365	635,143
Total owed to Group companies	<u>1,874,300</u>	<u>1,825,168</u>

13 Ultimate parent undertaking

The parent company and ultimate controlling company is Europa Oil & Gas (Holdings) plc, a company registered in England and Wales, the accounts of which are available from 30 Newman Street, London, W1T 1PT.

14 Post reporting date events

S Oddie resigned as director on 30 November 2023.