

Registered number: 08619726

Soma Oil & Gas Exploration Limited

Unaudited

Financial statements

Information for filing with the registrar

For the year ended 31 December 2020

Statement of financial position
As at 31 December 2020

	Note	2020 \$000	2019 \$000
Current assets			
Debtors: amounts falling due after more than one year	5	34,597	33,985
Debtors: amounts falling due within one year	5	-	20
Cash at bank and in hand		25	59
		34,622	34,064
Creditors: amounts falling due within one year	6	(46,044)	(45,451)
Net current liabilities		(11,422)	(11,387)
Total assets less current liabilities		(11,422)	(11,387)
Net liabilities		(11,422)	(11,387)
Capital and reserves			
Profit and loss account	8	(11,422)	(11,387)
		(11,422)	(11,387)

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2021.

William Richard Anderson
Director

The notes on pages 2 to 6 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2020

1. General information

Soma Exploration is a Company limited by shares and was incorporated in England and Wales on 22 July 2013 under the Companies Act 2006 and is domiciled within the United Kingdom. The address of the registered office and principal place of business is given on the company information page and the principal activity of the company is given in the Directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. Despite the company reporting net current liabilities and net liabilities of \$10.892m (2019: \$11.387m) as at 31 December 2020, the financial statements have been prepared on a going concern basis. Included within Creditors: amounts due within one year is an amount of \$44.741m (2019: \$44.741m) due to the parent undertaking, Soma Oil & Gas Holdings Limited, who have provided a letter confirming that they will not call for repayment of this sum until the company has sufficient cash reserves to do so, without prejudice to the company's other creditors, and for a period of at least twelve months from the date of approval of the financial statements.

While the impact of the Covid-19 virus has been assessed by the director, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade. However, taking into consideration the UK Government's response and the company's planning, the director has a reasonable expectation that the company will continue in operational existence for the foreseeable future.

For these reasons, the director continues to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

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.

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

2.4 Taxation

Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

2.5 Property, plant and equipment

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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-
	3 to 5 years
Computer equipment	-
	3 years

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 profit or loss.

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.

2.8 Creditors

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

2.9 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

Notes to the financial statements
For the year ended 31 December 2020

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2019 - 0).

4. Tangible fixed assets

	Fixtures and fittings \$000	Computer equipment \$000	Total \$000
Cost			
At 1 January 2020	64	6	70
At 31 December 2020	64	6	70
Depreciation			
At 1 January 2020	64	6	70
At 31 December 2020	64	6	70
Net book value			
At 31 December 2020	-	-	-
At 31 December 2019	-	-	-

5. Debtors

	2020 \$000	2019 \$000
Due after more than one year		
Other debtors	34,597	33,985
	<u>34,597</u>	<u>33,985</u>
Due within one year		
Other debtors	-	20
	<u>-</u>	<u>20</u>

Notes to the financial statements
For the year ended 31 December 2020

6. Creditors: Amounts falling due within one year

	2020 \$000	2019 \$000
Amounts owed to group companies	44,741	44,741
Amounts owed to related undertakings	1,297	703
Corporation tax	4	4
Accruals and deferred income	2	3
	<u>46,044</u>	<u>45,451</u>

7. Share capital

	2020 \$	2019 \$
Authorised		
1,000 (2019 - 1,000) Ordinary shares shares of \$0.00001 each	<u>-</u>	<u>-</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

8. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Share capital

This represents the nominal value of shares that have been issued by the company.

9. Related party transactions

During the year, the amount owed to Old Sycamore Management Limited, a company with a common director, was transferred to be owed to Soma Oil & Gas Holdings Limited, the parent company, of \$Nil (2019: \$34,564,305). Old Sycamore Management Limited made payments to the company of \$Nil (2019: \$850,000) and charged management fees of \$592,000 (2019: \$559,000). The company made payments on behalf of Old Sycamore Management Limited of \$Nil (2019: \$5,586). Old Sycamore Management Limited made payments on behalf of the company totalling \$1,183 (2019: £Nil). As at the balance sheet date, the company owed Old Sycamore Management Limited \$1,296,597 (2019: \$703,414). This balance is non-interest bearing and is included within Note 6 'Creditors: Amounts falling due within one year'.

During the year, Soma Oil & Gas Holdings Limited, the parent company, took on an amount owed to Old Sycamore Management Limited, a company with a common director, of \$Nil (2019: \$34,564,305). The company met expenditure on behalf of Soma Oil & Gas Holdings Limited totalling \$Nil (2019: \$6,543). Soma Oil & Gas Holdings Limited is owed at the year end \$44,741,262 (2019: \$44,741,262). This balance is non-interest bearing and is included within Note 6 'Creditors: Amounts falling due within one year'.

Notes to the financial statements
For the year ended 31 December 2020

10. Controlling party

The Company's immediate parent company is Soma Oil & Gas Holdings Limited, a Company incorporated in the UK.

At 31 December 2020 Winter Sky, a company incorporated in the British Virgin Islands, owned 167,090,230 of the issued Ordinary shares representing 65.39% (2019: 65.39%) giving the entity ultimate control of the Group.

Consolidated accounts are not prepared for the group as the group is classified as small.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.