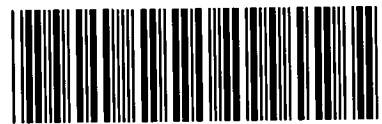

SILVERWELL ENERGY LIMITED

ABBREVIATED ACCOUNTS

FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2016

FRIDAY



L6G0UYKZ

LD2

29/09/2017

#371

COMPANIES HOUSE



LAKIN ROSE

CHARTERED ACCOUNTANTS

SILVERWELL ENERGY LIMITED

**INDEPENDENT AUDITORS' REPORT TO SILVERWELL ENERGY LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Silverwell Energy Limited for the 13 month period ended 31 December 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with the regulations made under that section.



Christopher Dougherty (senior statutory auditor)

for and on behalf of
Lakin Rose Limited

Chartered Accountants
Statutory Auditors

Pioneer House
Vision Park
Histon
Cambridge
CB24 9NL

Date: 29th September 2017

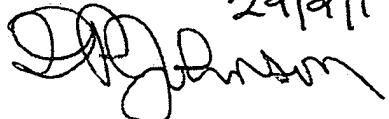
SILVERWELL ENERGY LIMITED
REGISTERED NUMBER: 04109347

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	31 December 2016 £	30 November 2015 £
FIXED ASSETS			
Tangible assets	2	111,061	119,030
CURRENT ASSETS			
Stocks		322,494	328,153
Debtors		260,502	461,440
Cash at bank		74,573	190,130
		<u>657,569</u>	<u>979,723</u>
CREDITORS: amounts falling due within one year		<u>(412,609)</u>	<u>(136,151)</u>
NET CURRENT ASSETS		<u>244,960</u>	<u>843,572</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>356,021</u>	<u>962,602</u>
CREDITORS: amounts falling due after more than one year		<u>(15,379,325)</u>	<u>(12,972,127)</u>
NET LIABILITIES		<u>(15,023,304)</u>	<u>(12,009,525)</u>
CAPITAL AND RESERVES			
Called up share capital	3	1	1
Profit and loss account		<u>(15,023,305)</u>	<u>(12,009,526)</u>
SHAREHOLDERS' DEFICIT		<u>(15,023,304)</u>	<u>(12,009,525)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on

29/12/17



D P Johnson
 Director

The notes on pages 3 to 5 form part of these financial statements.

SILVERWELL ENERGY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue as a going concern for the foreseeable future.

Silverwell Energy Limited is a wholly owned subsidiary of Silverwell Technology Limited ("STL"). The company continues to be supported by STL through its funding arrangements with KI Corporation Limited. In August 2015, STL signed a US\$6 million Loan Agreement with KI Corporation Limited, one of its major shareholders. In June 2017 an Amendment Agreement was signed which increased the loan to \$15.714 million, of which \$12.7mn had been advanced to STL by 20 September 2017. Having prepared detailed cashflow forecasts, the directors are of the opinion that further funds, above the remaining \$3 million, will be required. KI Corporation Limited, together with Lord Young of Graffham and Mr Danny Chapchal, have confirmed that, in the absence of investment from a new shareholder, they will continue to provide financial support to STL for at least the next 12 months i.e. to at least 30 September 2018, in order that the company may meet its liabilities as they fall due.

1.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	20% straight line
Plant and machinery	-	15% - 20% straight line
Fixtures and fittings	-	10% - 20% straight line
Computer equipment	-	10% - 33% straight line

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.

SILVERWELL ENERGY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.8 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.

1.9 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.10 Pensions

The company contributes to personal pension plans for employees and the pension charge represents the amount payable by the company to such plans in respect of the period.

SILVERWELL ENERGY LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2016**

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 December 2015	242,412
Additions	35,116
Disposals	(24,249)
At 31 December 2016	<u>253,279</u>
Depreciation	
At 1 December 2015	123,382
Charge for the 13 month period	38,642
On disposals	(19,806)
At 31 December 2016	<u>142,218</u>
Net book value	
At 31 December 2016	<u>111,061</u>
At 30 November 2015	<u>119,030</u>

3. SHARE CAPITAL

	31 December 2016 £	30 November 2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

4. CONTROLLING PARTY

The company's ultimate parent undertaking is Silverwell Technology Limited, a company registered in England and Wales.

The controlling party is Lord Young of Graffham by virtue of his 52.76% holding of the ordinary share capital in the parent company.