

Registered number: 04109347 (England and Wales)

SILVERWELL ENERGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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SILVERWELL ENERGY LIMITED

COMPANY INFORMATION

Directors	D P Johnson J M M Sutherland
Registered number	04109347
Registered office	Pioneer House Vision Park Histon Cambridge CB24 9NL
Independent auditor	BDO LLP First Floor Franciscan House 51 Princes Street Ipswich IP1 1UR

SILVERWELL ENERGY LIMITED

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SILVERWELL ENERGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Dividends

The directors do not recommend payment of a dividend (2021 - £nil).

Directors' responsibilities statement

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 Generally Accepted 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 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; 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website.

Directors

The directors who served during the year and since the year end were:

D P Johnson
J M M Sutherland

Net liabilities

As at 31 December 2022, the Company had net liabilities of £34,823,141 (2021 - £33,105,322).

SILVERWELL ENERGY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

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 on 21 December 2023 and signed on its behalf.



J M M Sutherland
Director

SILVERWELL ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERWELL ENERGY LIMITED

Qualified opinion on the financial statements

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

We have audited the financial statements of Silverwell Energy Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position 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 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)¹.

Basis for qualified opinion

Due to stock being in transit at the end of 31 December 2020 we were not able to observe the counting of physical inventories at the end of the year 31 December 2020. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 December 2020 which were included in the Statement of Financial Position at £100,868, by using other audit procedures. Consequently, we were unable to determine whether there was any consequential effect of the cost of sales for the year ended 31 December 2021. Our audit opinion on the financial statements for the year ended 31 December 2021 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures for cost of sales and related balances and the corresponding figures.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

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.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates the company will require additional funding in the next twelve months and that there is no certainty that the necessary funding will be secured. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

SILVERWELL ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERWELL ENERGY LIMITED

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 Directors Report, 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.

As described in the basis for qualified opinion section of our report, where the other information refers to cost of sales or related balances the current year and corresponding figures may not be comparable.

Other Companies Act 2006 reporting

- the information given in the 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.

Except for the possible effects of the matter described in the basis for qualified opinion section

of our report, 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 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 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, 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

SILVERWELL ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERWELL ENERGY LIMITED

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations; and

we considered the significant laws and regulations to be United Kingdom Accounting Standards (Financial Reporting Standard 102, and applicable law (the Companies Act 2006 and tax legislation).

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the laws surrounding UK employment and data protection legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

SILVERWELL ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERWELL ENERGY LIMITED

- Ensuring that the audit engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the posting of journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation
- Challenging assumptions used by management in their significant accounting estimates, including, but not limited to, estimation of intercompany debtor recoverability and the respective impairment charged;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

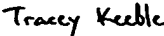
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

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Tracey Keeble (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Ipswich

Date: 22 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SILVERWELL ENERGY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		-	95,651
Cost of sales		-	(94,850)
Gross profit		-	801
Research and development expenses		(122,993)	(135,784)
Administrative expenses	4	(1,588,063)	(1,596,983)
Other operating income	6	-	11,952
Operating loss before tax		(1,711,056)	(1,720,014)
Interest payable and similar expenses		(6,763)	(15,000)
Loss before taxation		(1,717,819)	(1,735,014)
Tax on loss	7	-	-
Loss for the financial year		(1,717,819)	(1,735,014)

The result is from continuing operations.

There was no other comprehensive income for 2022 (2021: £nil).

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

SILVERWELL ENERGY LIMITED
Registered number: 04109347 (England and Wales)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	8		-	166,652	
			<hr/>	<hr/>	
			-	166,652	
Current assets					
Debtors: amounts falling due within one year	9	3,926,058	3,809,412		
Bank and cash balances		13,276	24,372		
		<hr/>	<hr/>		
		3,939,334	3,833,784		
Creditors: amounts falling due within one year	10	(38,762,475)	(37,105,758)		
		<hr/>	<hr/>		
Net current liabilities			(34,823,141)	(33,271,974)	
			<hr/>	<hr/>	
Total assets less current liabilities			(34,823,141)	(33,105,322)	
			<hr/>	<hr/>	
Net liabilities			(34,823,141)	(33,105,322)	
			<hr/>	<hr/>	
Capital and reserves					
Called up share capital			1	1	
Profit and loss account			(34,823,142)	(33,105,323)	
			<hr/>	<hr/>	
			(34,823,141)	(33,105,322)	
			<hr/>	<hr/>	

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 on 21 December 2023 and were signed on its behalf.



J M M Sutherland
Director

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

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Silverwell Energy Limited ("the Company") is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is Pioneer House, Vision Park, Histon, Cambridge, CB24 9NL.

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 preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies as stated in Note 3.

The following principal accounting policies have been applied:

2.2 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. The directors have prepared annual budgets and cash flow projections that extend beyond twelve months from the date of approval of the financial statements. The Company will require further funding in the next twelve months and there is no certainty that the necessary funding can be secured within this timescale. A material uncertainty therefore exists concerning the Company's ability to continue as a going concern.

Silverwell Energy Limited is a wholly owned subsidiary of Silverwell Technology Limited ("STL") which continues to support the Company. In March 2021, STL secured an \$8.0 million loan facility from Sir Lloyd Dorfman and connected parties and this was fully drawn in September 2021. As disclosed in Note 14, a further loan facility of \$1.5 million was entered into with the same lenders in February 2022 and this was fully drawn in February 2022. Also, as disclosed in Note 14, additional advances have been obtained from these same lenders since March 2022. Further funding is needed over the next twelve months to ensure that the Group remains a going concern for at least the next twelve months following approval of the financial statements. Discussions regarding further funding are continuing, but there is no certainty that the funding will be secured within the necessary timescale.

These conditions indicate a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern and, therefore, its ability to realise its assets and discharge its liabilities in the normal course of business. While acknowledging this material uncertainty, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

The directors have considered events in Ukraine and note that these have no effect on the going concern and operations of the Company.

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

The Company's functional and presentational currency is Pound Sterling

2.3.2 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.

2.4 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:

2.4.1 Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4.2 Accrued and deferred income

Accrued income is recognised in current assets on the statement of financial position and income is recognised as earned for sales where goods or services are supplied to a customer but not yet invoiced. Deferred income is recognised in current liabilities on the statement of financial position when payment is received from a customer for goods or services to be supplied in the future.

2.5 Government grants

Grant income, such as government Coronavirus Job Retention Scheme ("furlough") receipts, is recognised in other operating income in the periods in which the costs for which the grant is intended to compensate are recognised.

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

Research and development expenditure is expensed in the year in which it is incurred. If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only. Claims for research and development tax reliefs or expenditure credits are recognised at the full amount of the claim in the year to which the claim relates.

2.8 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.

2.9 Taxation

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.

2.10 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.

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Tangible Fixed Assets (continued)

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:

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

2.11 Stocks

Purchased stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a standard cost basis, with variances from the standard cost being taken to the income statement in the year. Finished goods and work-in-progress are stated at their standard cost, which includes labour and attributable overheads. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 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 non-puttable ordinary shares. At the end of each reporting period financial assets, including loans to subsidiaries, are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at a market rate of interest. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal amount is limited such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have determined whether there are indicators of impairment of amounts owed by group undertakings. Factors taken into consideration in reaching such a decision include the economic viability of the individual subsidiaries and the future ability to repay the cost of investment. The directors have reviewed the value of amounts owed by group undertakings at the year end and where appropriate, impaired the carrying value in the Company.

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Administrative expenses

Administrative expenses include £115,239 (2021: £131,065) impairment charge against loans to subsidiaries.

The auditors remuneration is borne by Silverwell Technology Limited, the parent company. A detailed analysis of audit fees has not been disclosed in accordance with exemption available to businesses which are included in consolidated accounts.

5. Employees

The average monthly number of employees, including directors, during the year was 4 (2021 - 5).

6. Other operating income

Other operating income comprises grant income received from the government Coronavirus Job Retention Scheme (furlough scheme).

	2022	2021
	£	£
Job Retention Scheme income	<u>-</u>	<u>11,952</u>

Factors affecting tax charge for the year

None.

Factors that may affect future tax charges

The Company has tax losses of approximately £31 million (2021 - approximately £30 million) carried forward which are available for relief against suitable future taxable profits. The Company has a potential deferred tax asset of £7,725,300 (2021 - £7,500,000) in respect of trading losses, measured at a rate of 25% (2021 - 25%), which has not been recognised as it is not probable that they will be recovered against the reversal of deferred tax liabilities or over future taxable profits.

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Fixed assets

	Tangible		
	Leasehold property improvements	Other fixed assets	Total
	£	£	£
Cost			
At 1 January 2022	265,522	18,168	283,690
Disposals	(265,522)	(18,168)	(283,690)
At 31 December 2022	-	-	-
Depreciation			
At 1 January 2022	106,211	10,827	117,038
Charge for the year	53,104	6,243	59,347
Disposals	(159,315)	(17,070)	(176,385)
At 31 December 2021	-	-	-
Net book value	-	-	-
At 31 December 2022	-	-	-
At 31 December 2021	159,311	7,341	166,652

9. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	13,962	17,144
Prepayments and accrued income	60,806	184,951
Amounts owed by group undertakings	3,851,290	3,607,317
	3,926,058	3,809,412

No interest was charged on amounts owed by group undertakings. Loans are repayable on demand.

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade Creditors	59,348	119,092
Amounts owed to group undertakings	38,596,008	36,751,867
Other taxation and social security	96,596	204,360
Accruals and deferred income	10,523	30,439
	<u>38,762,475</u>	<u>37,105,758</u>

Amounts owed to group undertakings are interest free and repayable on demand.

11. Pension commitments

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £23,618 (2021 - £27,729). Contributions totalling £nil (2021 - £Nil) were payable to the fund at the balance sheet date.

12. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	-	138,123
Later than 1 year and not later than 5 years	-	-
	<u>-</u>	<u>138,123</u>

13. Related party transactions

The smallest group in which the results of the Company are consolidated is that headed by Silverwell Technology Limited, whose registered office address is the same as that of the Company.

The directors did not receive any dividends during 2022 (2021 - £nil).

The total remuneration paid to directors for services to the Company was £601,000 (2021 - £643,283).

14. Subsequent events

The Company is a wholly owned subsidiary of Silverwell Technology Limited ("STL") which continues to support the Company.

In February 2022, STL entered into a new secured loan facility for an amount of up to \$1.5 million with Sir Lloyd Dorfman and connected parties. The loan carries interest at 6% per annum and it was repayable in February 2022 or such later date as the lenders may decide. The loan has a repayment premium of 200% of the amount drawn. The loan was fully drawn in February 2022.

SILVERWELL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Subsequent events (continued)

Since then, commencing in February 2022, the Company has received further loans from the same lenders totalling \$24.4 million to date, of which \$13.3 million was advanced after the year end date. The terms of these loans have not been finalised.

From November 2023, the same lenders provided sales invoice financing for the Group, with interest of 2% per month payable for the duration of the invoice advance. The amount funded is \$1.3 million to date.