

Company Registration No. 08100687 (England and Wales)

**SHIRE OAK ENERGY LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**PAGES FOR FILING WITH REGISTRAR**

# SHIRE OAK ENERGY LIMITED

## CONTENTS

---

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

---

# SHIRE OAK ENERGY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Current assets</b>					
Debtors	4	1,162,510		922,337	
Cash at bank and in hand		38,528		16,219	
		<u>1,201,038</u>		<u>938,556</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(1,991,265)</u>		<u>(1,036,710)</u>	
<b>Net current liabilities</b>			<u>(790,227)</u>		<u>(98,154)</u>
<b>Capital and reserves</b>					
Called up share capital			1		1
Profit and loss reserves			<u>(790,228)</u>		<u>(98,155)</u>
<b>Total equity</b>			<u>(790,227)</u>		<u>(98,154)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2019 and are signed on its behalf by:

Mr P J Carter

**Director**

**Company Registration No. 08100687**

# SHIRE OAK ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **1 Accounting policies**

#### **Company information**

Shire Oak Energy Limited is a private company limited by shares incorporated in England and Wales. The registered office is Pillar & Lucy House, Merchants Road, Gloucester, Gloucestershire, England, GL2 5RG.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

The company is a member of a group whose financial position is closely linked to the status and funding of other group undertakings and related parties. Whilst the company has made losses in both the current and prior year, the shareholder and ultimate controlling party has confirmed their current intention to continue to support the company as required. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, taking account of anticipated support to be provided by the shareholder and ultimate controlling party.

Whilst we believe the going concern basis is appropriate, the nature of other group and related entities' activities mean that there continues to be inherent uncertainty over the timing of certain future cash flows and the availability of alternative finance, should this be required.

However, after making enquiries and considering the uncertainties described above, the directors confirm that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and will continue to operate within funds available to it.

In light of the above, the directors have therefore adopted the going concern basis of accounting in preparing the financial statements. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amounts and to provide for any further liabilities that may arise.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover represents the value of work carried out to date, including the provision of professional services on a consultant by consultant basis in respect of current projects.

# SHIRE OAK ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Investments in subsidiaries are accounted for at cost less accumulated impairment losses.

Other investments are accounted for at cost less accumulated impairment losses.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# SHIRE OAK ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SHIRE OAK ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **1.15 Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **1.16 Exceptional items**

Exceptional items are those which are separately identified by virtue of their size or nature to allow a full understanding of the underlying performance of the company.

# SHIRE OAK ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 9 (2017 - 8).

### 3 Fixed asset investments

	2018 £	2017 £
Shares in group undertakings	-	-
Other investments	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

#### Movements in fixed asset investments

	Shares in group undertakings £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	70,197	-	70,197
Additions	-	40,000	40,000
	<u>70,197</u>	<u>40,000</u>	<u>110,197</u>
At 31 December 2018	70,197	40,000	110,197
<b>Impairment</b>			
At 1 January 2018	70,197	-	70,197
Provision for year	-	40,000	40,000
	<u>70,197</u>	<u>40,000</u>	<u>110,197</u>
At 31 December 2018	70,197	40,000	110,197
<b>Carrying amount</b>			
At 31 December 2018	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

### 4 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	278,709	154,966
Amounts owed by group undertakings	829,879	739,165
Other debtors	53,922	28,206
	<u>1,162,510</u>	<u>922,337</u>

# SHIRE OAK ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Debtors

(Continued)

The company has not recognised a deferred tax asset in respect of taxable timing differences at the balance sheet date due to uncertainties around the timing of their potential reversal. The estimated value of these taxable timing differences at the balance sheet date is £120,000.

### 5 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	400,000	-
Trade creditors	9,198	22,685
Amounts owed to group undertakings	2,950	2,951
Taxation and social security	259,270	26,247
Other creditors	1,319,847	984,827
	<u>1,991,265</u>	<u>1,036,710</u>

Bank loans are secured by a fixed charge against freehold land and property in a subsidiary undertaking.

### 6 Financial commitments, guarantees and contingent liabilities

Commitments in respect of operating leases are disclosed in the operating lease commitments note.

There were no other guarantees, contingencies or commitments as at the balance sheet date (2017: £Nil).

### 7 Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
	<u>14,376</u>	<u>41,470</u>

Commitments under operating leases relate to a leased property and are expected to be recovered in full from a related party.

### 8 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Provision against amounts owed by group and related undertakings	
	2018 £	2017 £
Entities over which the entity has control, joint control or significant influence	<u>894,500</u>	<u>3,571,732</u>

## SHIRE OAK ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 8 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
<b>Amounts due to related parties</b>		
Director's loan account	599,349	599,349
Unpaid interest accrued on director's loan account	220,365	138,758
Unpaid director's emoluments	485,180	241,770
	<u>          </u>	<u>          </u>

These balances are repayable on demand and interest is charged by the director to the company at 10% per annum on the director's loan account.

A director has given a personal guarantee over bank loans provided to the company. At the balance sheet date, the maximum amount guaranteed by the director in relation to these bank loans was £400,000 (2017: n/a).

A subsidiary undertaking has given a guarantee over bank loans provided to the company secured by a fixed charge over freehold land and property held. At the balance sheet date, the maximum amount guaranteed in relation to these bank loans was £400,000 (2017: n/a).

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.