

Company Registration No. 08100687 (England and Wales)

SHIRE OAK ENERGY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
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 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	4	964,147		1,162,510	
Cash at bank and in hand		13,826		38,528	
		<u>977,973</u>		<u>1,201,038</u>	
Creditors: amounts falling due within one year	5	<u>(1,939,388)</u>		<u>(1,991,265)</u>	
Net current liabilities			<u>(961,415)</u>		<u>(790,227)</u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			<u>(961,416)</u>		<u>(790,228)</u>
Total equity			<u>(961,415)</u>		<u>(790,227)</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 2019 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 23 December 2020 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 2019

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 Fourth Floor, 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, certain related undertakings and the ultimate controlling party have 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 2019

1 Accounting policies

(Continued)

1.4 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.

1.5 Cash and cash equivalents

Cash and cash equivalents 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.

1.6 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 the asset's original effective interest rate. 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 is 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SHIRE OAK ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 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.

1.8 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.

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.

SHIRE OAK ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.9 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.

1.10 Retirement benefits

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

1.11 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 in the period are included in profit or loss.

1.12 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.

1.13 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 2019

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	16	9

3 Fixed asset investments

	2019 £	2018 £
Shares in group undertakings	-	-
Other investments	-	-
	-	-

Movements in fixed asset investments

	Shares in group undertakings £	Other investments £	Total £
Cost or valuation			
At 1 January 2019	70,197	40,000	110,197
Additions	35,625	-	35,625
Disposals	(2,945)	-	(2,945)
At 31 December 2019	102,877	40,000	142,877
Impairment			
At 1 January 2019	70,197	40,000	110,197
Provision for year	35,625	-	35,625
Disposals	(2,945)	-	(2,945)
At 31 December 2019	102,877	40,000	142,877
Carrying amount			
At 31 December 2019	-	-	-
At 31 December 2018	-	-	-

SHIRE OAK ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	141,760	278,709
Amounts owed by group undertakings	733,564	829,879
Other debtors	88,823	53,922
	<u>964,147</u>	<u>1,162,510</u>

5 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans	400,000	400,000
Trade creditors	15,726	9,198
Amounts owed to group undertakings	100	2,950
Taxation and social security	130,266	259,270
Other creditors	1,393,296	1,319,847
	<u>1,939,388</u>	<u>1,991,265</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

As at the balance sheet date, the company had total commitments, guarantees and contingencies of £Nil (2018: £14,376).

SHIRE OAK ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 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	
	2019	2018
	£	£
Entities over which the entity has control, joint control or significant influence	252,394	894,500
The following amounts were outstanding at the reporting end date:		
	2019	2018
	£	£
Amounts due to related parties		
Director's loan account	571,861	599,349
Unpaid interest accrued on director's loan account		
	309,726	220,365
Unpaid director's emoluments	485,180	485,180

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.

Other information

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 (2018: £400,000).

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 (2018: £400,000).

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.