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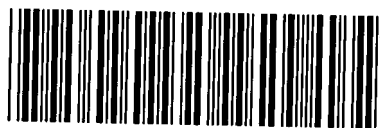
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SENERGY (GB) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2014

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COMPANIES HOUSE

SENERGY (GB) LIMITED



COMPANY INFORMATION

DIRECTORS

N M Campbell
J McCallum
A Buchanan
D J Mitchell (appointed 4 March 2015)

COMPANY SECRETARY

N M Campbell

REGISTERED NUMBER

SC125513

REGISTERED OFFICE

15 Bon Accord Crescent
Aberdeen
AB11 6DE

INDEPENDENT AUDITORS

Anderson Anderson & Brown LLP
9 Queens Road
Aberdeen
AB15 4YL

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**STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

INTRODUCTION

The principal activity of the company is the provision of engineering and consultancy services to the oil and gas industry.

BUSINESS REVIEW

The company has had a successful trading year in all its activities with growth being driven by the successful positioning of the company's services in the market and activity levels in the Oil & Gas sector in general. The majority of revenue relates to work performed in the UK with growing revenue streams from both Africa and the Middle East. The company has a strengthening working capital and net assets position including being cash positive.

The company continues to invest in all areas of its operations in both the UK, Africa and Middle East.

The directors are confident for the future prospects for the company albeit mindful of the short term prospects given the current low commodity oil price and its impact on activity levels in the Global Oil & Gas market.

Subsequent to the year end the directors recognise that LR Senergy Limited, a company registered in England, to be the ultimate holding company. This is due to a significant investment on 2 September 2013 from Lloyds Register Group Limited to assist in the continued development and growth of the Senergy Group of Companies.

PRINCIPAL RISKS AND UNCERTAINTIES

As the business grows it faces inherent risk in terms of people retention, recruitment and in contractual terms and conditions it negotiates with customers. This risk is successfully managed through appropriate corporate governance, QHSE control and assessment procedures and staff development.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the key financial performance indicators to be turnover, gross profit and profit after tax whilst it also monitors the utilisation of its personnel.

For the period ended 30 June 2014, the company generated £12,044,410 (2013 - £9,828,136) in gross profit, on £53,465,417 (2013 - £41,659,877) in turnover.


Profit on ordinary activities before taxation was £3,816,001 (2013 - £1,189,308 loss) or 7.13% (2013 – 2.85%) of turnover in the period ended 30 June 2014.

**STRATEGIC REPORT (continued)
FOR THE PERIOD ENDED 30 JUNE 2014**

FUTURE OUTLOOK

The company foresees challenging trading conditions in the short term due to market conditions and is in the process of developing other markets both internationally and domestically. The directors are confident for the prospects of the company albeit given the challenging market conditions which are expected as a result of the lower oil commodity price which is being experienced and which is expected to continue through the year to 30 June 2015.

This report was approved by the board and signed on its behalf.


.....
N M Campbell
Director

Date: 27/3/15

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

The directors present their report and the financial statements for the period ended 30 June 2014.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £995,659 (2013 - loss £926,251).

No dividends were paid during the year (2013 - £nil).

DIRECTORS

The directors who served during the period were:

N M Campbell
J McCallum
A Buchanan

EMPLOYEES

The business has been supported by growth in employee numbers and the continued focus on the development of our people to ensure that the company's reputation of delivering quality and performance in everything that it does is maintained.

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

AUDITORS

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
N M Campbell
Director

Date: 27/3/15



**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2014**

The directors are responsible for preparing the Strategic report, 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 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SENERGY (GB) LIMITED**

We have audited the financial statements of Senergy (GB) Limited for the period ended 30 June 2014, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its profit for the period 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

SENERGY (GB) LIMITED



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SENERGY (GB) LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date: *27 March 2015*

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2014**

| | | 13 months ended 30 June 2014 £ | Year ended 31 May 2013 £ |
|---|------|--|-----------------------------------|
| | Note | | |
| TURNOVER | 1,2 | 53,465,417 | 41,659,877 |
| Cost of sales | | (41,421,007) | (31,831,741) |
| GROSS PROFIT | | 12,044,410 | 9,828,136 |
| Administrative expenses | | (7,904,996) | (6,909,414) |
| Exceptional administrative expenses | | - | (3,920,006) |
| Total administrative expenses | | (7,904,996) | (10,829,420) |
| OPERATING PROFIT/(LOSS) | 3 | 4,139,414 | (1,001,284) |
| Interest receivable and similar income | | 196 | 290 |
| Interest payable and similar charges | 6 | (323,609) | (188,314) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 3,816,001 | (1,189,308) |
| Tax on profit/(loss) on ordinary activities | 8 | (2,820,342) | 263,057 |
| PROFIT/(LOSS) FOR THE FINANCIAL PERIOD | | 995,659 | (926,251) |

All amounts relate to continuing operations.


There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

**BALANCE SHEET
AS AT 30 JUNE 2014**

| | Note | £ | 30 June 2014 £ | £ | 31 May 2013 £ |
|--|------|-------------------|--------------------------|-------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | 1,551,420 | | 1,439,254 |
| Investments | 10 | | 2,527 | | 2,527 |
| | | | <u>1,553,947</u> | | <u>1,441,781</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 11 | 95,849,659 | | 57,042,634 | |
| Cash at bank and in hand | | 1,290,155 | | 1,718,415 | |
| | | <u>97,139,814</u> | | <u>58,761,049</u> | |
| CREDITORS: amounts falling due within one year | 12 | (72,444,592) | | (34,949,320) | |
| NET CURRENT ASSETS | | | <u>24,695,222</u> | | <u>23,811,729</u> |
| NET ASSETS | | | <u><u>26,249,169</u></u> | | <u><u>25,253,510</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 19,469 | | 19,469 |
| Share premium account | 15 | | 62,014 | | 62,014 |
| Capital redemption reserve | 15 | | 10,238 | | 10,238 |
| Profit and loss account | 15 | | 26,157,448 | | 25,161,789 |
| SHAREHOLDERS' FUNDS | | | <u><u>26,249,169</u></u> | | <u><u>25,253,510</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
N M Campbell
Director

Date: 27/3/15

The notes on pages 9 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

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:

| | | |
|---------------------|---|-------------------|
| Freehold property | - | 2% straight line |
| Fixtures & fittings | - | 25% straight line |
| Computer equipment | - | 33% straight line |
| Other fixed assets | - | 25% straight line |

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 Pensions

The company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

1.10 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.

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. TURNOVER

The whole of turnover is attributable to providing integrated project management and technical services to the Energy industry.

No analysis of turnover by geographic region is provided, as the directors believe such an analysis would be prejudicial to the company's best interests.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**
3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

| | 13 months ended 30 June 2014 £ | Year ended 31 May 2013 £ |
|--|--|-----------------------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 275,457 | 207,687 |
| Auditors' remuneration | 36,000 | 32,500 |
| Operating lease rentals: | | |
| - other operating leases | 1,204,046 | 573,432 |
| Difference on foreign exchange | 338,883 | (227,101) |
| Loss on sale of tangible fixed assets | - | 35,136 |
| | <u>1,854,386</u> | <u>821,654</u> |

During the period, no director received any emoluments (2013 - £NIL).

Auditors' remuneration of £36,000 has been borne by another group company.

4. STAFF COSTS

All UK employees are employed by Senergy Resources Limited, a fellow subsidiary of Senergy Group Limited. The staff numbers, staff costs and directors' remuneration disclosed relates to recharges from Senergy Resources Limited. Additionally, also included within wages and salaries are further recharges of staff costs, where the company has utilised staff from other fellow subsidiaries of Senergy Group Limited. Where the company has utilised staff from overseas companies within the Senergy group, such costs are also included within wages and salaries.

Staff costs were as follows:

| | 13 months ended 30 June 2014 £ | Year ended 31 May 2013 £ |
|-----------------------|--|-----------------------------------|
| Wages and salaries | 16,695,822 | 15,084,675 |
| Social security costs | 1,522,718 | 1,399,888 |
| Other pension costs | 1,288,855 | 944,249 |
| | <u>19,507,395</u> | <u>17,428,812</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**
4. STAFF COSTS (continued)

The average monthly number of employees, including the directors, during the period was as follows:

| | 13 months ended 30 June 2014 No. | Year ended 31 May 2013 No. |
|-------------------------------|--|-------------------------------------|
| Technical | 127 | 114 |
| Management and Administration | 19 | 23 |
| Directors | 1 | 3 |
| | <u>147</u> | <u>140</u> |

5. DIRECTORS' REMUNERATION

The directors were paid by other group companies. The directors do not believe it is practical to apportion these amounts between their services as directors of this company and their services as directors of other group companies. Directors' remuneration paid by other group companies totals £796,386 (2013 - £637,484). The value of the group's contributions paid to defined contribution pension schemes in respect of the directors amounted to £22,969 (2013 - £15,750).

6. INTEREST PAYABLE

| | 13 months ended 30 June 2014 £ | Year ended 31 May 2013 £ |
|-----------------------|--|-----------------------------------|
| Bank interest payable | 248,047 | 188,314 |
| Other interest | 75,562 | - |
| | <u>323,609</u> | <u>188,314</u> |

7. EXCEPTIONAL ITEM

In financial year 2013, as a result of external legislative change, an overseas contract to which a subsidiary is a party was terminated by the client. Amounts due by the client under that contract are being pursued under contract, however, in the circumstances an exceptional provision was made for those amounts which will be released on recovery.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

8. TAXATION

| | 13 months ended 30 June 2014 £ | Year ended 31 May 2013 £ |
|---|--|-----------------------------------|
| Analysis of tax charge in the period/year | | |
| Current tax (see note below) | | |
| UK corporation tax (credit)/charge on profit/loss for the period/year | (172,900) | - |
| Adjustments in respect of prior periods | (3,117) | (107,786) |
| | <u>(176,017)</u> | <u>(107,786)</u> |
| Foreign tax on income for the period/year | 2,552,939 | 275,768 |
| Total current tax | <u>2,376,922</u> | <u>167,982</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 355,705 | - |
| Transfer from deferred taxation | - | (435,284) |
| Adjustments in respect of prior periods | 87,715 | 4,245 |
| Total deferred tax (see note 13) | <u>443,420</u> | <u>(431,039)</u> |
| Tax on profit/(loss) on ordinary activities | <u>2,820,342</u> | <u>(263,057)</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

8. TAXATION (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.54% (2013 - 23.83%). The differences are explained below:

| | 13 months ended 30 June 2014 £ | Year ended 31 May 2013 £ |
|---|--|-----------------------------------|
| Profit/(loss) on ordinary activities before tax | 3,816,001 | (1,189,308) |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.54% (2013 - 23.83%) | 860,097 | (288,281) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 40,203 | 5,477 |
| Depreciation in excess of capital allowances | 13,331 | 27,031 |
| Fixed asset differences | 24,384 | 8,289 |
| Permanent differences | - | (65,723) |
| Adjustments to tax charge in respect of prior periods | (3,117) | (107,786) |
| Additional deduction for R&D expenditure | (113,948) | (111,220) |
| Foreign tax credits | 1,728,896 | 275,768 |
| Repayment for loss c/b to 2012 | (188,080) | - |
| Additional CT liability for 2011 enquiry | 15,180 | - |
| Unrelieved losses | - | 424,427 |
| Tax credits | (24) | - |
| Current tax charge for the period/year (see note above) | 2,376,922 | 167,982 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

9. TANGIBLE FIXED ASSETS

| | Freehold property £ | Fixtures & fittings £ | Computer equipment £ | Other fixed assets £ | Total £ |
|-----------------------|---------------------------|-----------------------------|----------------------------|----------------------------|------------|
| Cost | | | | | |
| At 1 June 2013 | 1,148,315 | 715,050 | 1,213,394 | 11,188 | 3,087,947 |
| Additions | - | 234,010 | 136,704 | 16,909 | 387,623 |
| At 30 June 2014 | 1,148,315 | 949,060 | 1,350,098 | 28,097 | 3,475,570 |
| Depreciation | | | | | |
| At 1 June 2013 | 207,454 | 311,539 | 1,119,633 | 10,067 | 1,648,693 |
| Charge for the period | 26,597 | 118,088 | 129,300 | 1,472 | 275,457 |
| At 30 June 2014 | 234,051 | 429,627 | 1,248,933 | 11,539 | 1,924,150 |
| Net book value | | | | | |
| At 30 June 2014 | 914,264 | 519,433 | 101,165 | 16,558 | 1,551,420 |
| At 31 May 2013 | 940,861 | 403,511 | 93,761 | 1,121 | 1,439,254 |

10. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ |
|---------------------------------|--|
| Cost or valuation | |
| At 1 June 2013 and 30 June 2014 | 2,527 |
| Net book value | |
| At 30 June 2014 | 2,527 |
| At 31 May 2013 | 2,527 |

Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name | Class of shares | Holding |
|----------------------------------|-----------------|---------|
| Interactive Petrophysics Limited | Ordinary | 100% |
| Ternan Limited | Ordinary | 100% |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

10. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 30 June 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|----------------------------------|--|--------------------|
| Interactive Petrophysics Limited | 5,217 | - |
| Ternan Limited | 480,851 | 103,796 |
| | <u>486,068</u> | <u>103,796</u> |

11. DEBTORS

| | 30 June 2014 £ | 31 May 2013 £ |
|------------------------------------|----------------------|---------------------|
| Trade debtors | 3,045,511 | 4,522,992 |
| Amounts owed by group undertakings | 82,447,643 | 45,861,689 |
| Other debtors | 1,876,481 | 339,478 |
| Prepayments and accrued income | 6,686,454 | 5,191,914 |
| Corporation tax repayable | 1,793,570 | 683,141 |
| Deferred tax asset (see note 13) | - | 443,420 |
| | <u>95,849,659</u> | <u>57,042,634</u> |

**12. CREDITORS:
Amounts falling due within one year**

| | 30 June 2014 £ | 31 May 2013 £ |
|------------------------------------|----------------------|---------------------|
| Trade creditors | 1,690,148 | 1,469,592 |
| Amounts owed to group undertakings | 65,563,890 | 31,255,468 |
| Corporation tax | 2,380,039 | 1 |
| Other taxation and social security | 187,754 | - |
| Other creditors | 1,103,855 | 245,991 |
| Accruals and deferred income | 1,518,906 | 1,978,268 |
| | <u>72,444,592</u> | <u>34,949,320</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

13. DEFERRED TAXATION

| | 30 June 2014 £ | 31 May 2013 £ |
|--|----------------------|---------------------|
| At beginning of period/year | 443,420 | 12,381 |
| (Charge for)/released during period/year (P&L) | (443,420) | 431,039 |
| At end of period/year | - | 443,420 |

The deferred taxation balance is made up as follows:

| | 30 June 2014 £ | 31 May 2013 £ |
|--------------------------------|----------------------|---------------------|
| Accelerated capital allowances | - | 443,420 |

14. SHARE CAPITAL

| | 30 June 2014 £ | 31 May 2013 £ |
|---|----------------------|---------------------|
| Allotted, called up and fully paid | | |
| 194,690 Ordinary shares of £0.10 each | 19,469 | 19,469 |

15. RESERVES

| | Share premium account £ | Capital redempt'n reserve £ | Profit and loss account £ |
|---------------------------------|----------------------------------|--------------------------------------|---------------------------------|
| At 1 June 2013 | 62,014 | 10,238 | 25,161,789 |
| Profit for the financial period | - | - | 995,659 |
| At 30 June 2014 | 62,014 | 10,238 | 26,157,448 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**
16. OTHER FINANCIAL COMMITMENTS

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-------------------------|--------------------|---------|---------|--------|
| | 30 June | 31 May | 30 June | 31 May |
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Within 1 year | 181,226 | 478,494 | - | - |
| Between 2 and 5 years | 776,157 | - | - | - |
| After more than 5 years | - | 181,146 | - | - |

The annual commitments for the year of £155,259 (2013 - £144,786) are recharged to Senergy Survey & Geoengineering Limited £48,327 (2013 - £25,000) and Senergy Holdings Limited £106,932 (2013 - £119,786) with the charge being disclosed in the financial statements of these companies.

17. RELATED PARTY TRANSACTIONS
Control

Throughout the period the company was controlled by the directors.

Transactions

As the company is a wholly owned subsidiary of Senergy Group Limited, it has taken advantage of the exemption set out in paragraph 3(c) of Financial Reporting Standard 8 which allows exemption from disclosure of related party transactions with other group companies. The company had the following transactions with other related parties:

| Related party | Transaction | £ | Balance at period end £ |
|---|--------------------|---------------------|----------------------------|
| Senergy International Bdn Sdh, a fellow subsidiary company | Sales Purchases | 282,382 (69,513) | 379,350 |
| LR Consulting Limited, a fellow subsidiary company | Purchases | (16,473) | - |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Senergy Oil & Gas Limited, a company registered in Scotland.

With effect from 2 September 2013, the company's ultimate parent company was Lloyd's Register Foundation, a company registered in England. Prior to that date the ultimate holding company was Senergy Group Limited, a company registered in Scotland.

The largest group in which the results of the company are consolidated is that headed by Lloyd's Register Foundation. The smallest group in which the results of the company are consolidated is that headed by Senergy Group Limited. The financial statements of Senergy Group Limited are available from its registered office at 15 Bon Accord Crescent, Aberdeen.