

Third Energy EBT Trustee Limited

Annual Report and
Financial Statements

for the year ended 30 April 2018



Company Registration No. SC446812

Third Energy EBT Trustee Limited

Contents of the Financial Statements

for the year ended 30 April 2018

	Page
Company Information	1
Directors' Report	2
Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements.	4
Independent auditor's report to the members of Third Energy EBT Trustee Limited	5
Profit and Loss account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the financial statements	10

Third Energy EBT Trustee Limited

Company information

for the year ended 30 April 2018

Directors	R Valand DJ Robottom P Savage	(resigned 28th March 2017) (appointed 2 May 2018)
Secretary	Pinsent Masons Secretarial Limited	
Registered office	13 Queens Road Aberdeen AB15 4YL	
Registered number	SC446812	
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL	

Third Energy EBT Trustee Limited

Directors' report

The directors submit their report and the financial statements of Third Energy EBT Trustee Limited for the year ended 30 April 2018.

Principal activities

The company is trustee of the Third Energy Employee Benefit Trust.

Review of the business

The Company has taken advantage of the small companies exemption not to prepare a strategic report.

The results for the year are shown on page 7 and are summarised as follows:

	2018	2017
	£	£
Turnover	-	-
Loss for the financial year	(1,749)	(1,472)

These results are in line with the directors' expectations.

The directors do not recommend the payment of a dividend.

Going concern

As explained below, the Directors do not consider the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

Net current liabilities of the Company as at 30 April 2018 were £6,247 (2017: £4,498) and the loss for the year was £1,749 (2017: £1,472). Included within this figure is an amount of £4,098 owed to the parent company, Third Energy Holdings Limited (2017: £3,500) and the Company meets its day-to-day working capital requirements through this loan and is dependent on this loan not being recalled. At the time of approval of these financial statements this loan had increased to £5,000.

In assessing the Company's ability to continue as a going concern, the Directors have prepared base and sensitised cash flow forecasts for the Group for a period in excess of 12 months from the date of authorisation of these financial statements. The Group has disposed of its Offshore business and is in the process of disposing of its Onshore business which will leave the parent company reliant on income from its interests arising from the sale of those operating subsidiaries in order to support the activities of the Company. The Directors have considered the base case forecasts and the impact of the plausible risks to the Company arising from their reliance on these interests and, whilst they believe there will be income arising, it is not guaranteed and the timing of any potential income is uncertain. In addition, the parent company is reliant on the continued support of the Group's finance provider who has indicated, on a non-reliance basis, that it intends to provide support to the Group on a short term basis for so long as the finance provider believes, in its sole discretion, that there is a reasonable prospect of a commercially acceptable outcome to the current process of disposing of the Onshore activities of the Group. The directors can have no certainty regarding the future plans for the Company following the disposal of the Onshore business and they may have no alternative but to liquidate the Company or cease operations.

As a consequence, the directors consider it appropriate that these financial statements reflect the adjustments and classification of assets, liabilities, revenue and expenses which would be necessary if the Company were unable to continue as a going concern.

Third Energy EBT Trustee Limited

Directors' report

Directors

The directors who have held office since 1st May 2017 are set out below:

Mr R Valand	
Mr DJ Robottom	(resigned 28th March 2017)
Mr PV Savage	(appointed 2nd May 2018)

Political contributions

The Company made no political donations and did not incur any political expenditure during the year.

Disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



Rasik Valand
Director

8th May 2019
13 Queens Road
Aberdeen
AB15 4YL

Third Energy EBT Trustee Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements.

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Third Energy EBT Trustee Limited

Opinion

We have audited the financial statements of Third Energy EBT Trustee Limited, ("the Company") for the year ended 30 April 2018 which comprise the statement of Profit and loss account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of the loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty leading to the non-adoption of going concern

We draw attention to note 2 of the financial statements which indicates that the future of the Company is uncertain following the completion of disposal of the fellow offshore and onshore subsidiaries and, as a consequence, the directors have not adopted the going concern basis in the preparation of the financial statements.

Our opinion is not modified in respect of this matter.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of those depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK and, at the date of this report, its effects are subject to unprecedented levels of uncertainty of outcomes, with full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that directors' report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Third Energy EBT Trustee Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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
- prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

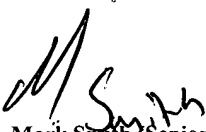
Auditors' responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our work and to whom we owe our responsibilities

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.



Mark Smith (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

8 May 2019

Third Energy EBT Trustee Limited

Profit and loss account and Other Comprehensive Income

for the year ended 30 April 2018

	<i>Notes</i>	2018	2017
		£	£
Turnover	3	-	-
Cost of sales		-	-
Gross Profit		<u>-</u>	<u>-</u>
Administration expenses		(1,749)	(1,449)
Operating loss	4	<u>(1,749)</u>	<u>(1,449)</u>
Interest receivable and similar income		-	-
Loss on ordinary activities before taxation		<u>(1,749)</u>	<u>(1,449)</u>
Tax on loss on ordinary activities	5	-	(23)
Loss for the financial year	10	<u><u>(1,749)</u></u>	<u><u>(1,472)</u></u>

The result for the period arises from the Company's continuing operations.

The Company has no items of other comprehensive income or expense in the periods being reported upon.

The notes on pages 10 to 14 form part of these financial statements.

Third Energy EBT Trustee Limited

Balance Sheet

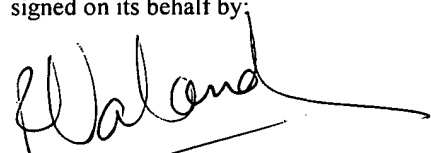
30 April 2018

Company Registration No. SC446812

	Notes	2018 £	2017 £
Current Assets			
Debtors	6	138	138
Investments	7	284	284
Cash at bank and in hand		29	30
		<u>451</u>	<u>452</u>
Creditors: Amounts falling due within one year	8	(6,698)	(4,950)
Net Current Liabilities		<u>(6,247)</u>	<u>(4,498)</u>
Net Liabilities		<u>(6,247)</u>	<u>(4,498)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(6,248)	(4,499)
Shareholder's deficit	11	<u>(6,247)</u>	<u>(4,498)</u>

The notes on pages 10 to 14 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 8th May 2019 and are signed on its behalf by:



Rasik Valand
Director

Third Energy EBT Trustee Limited

Statement of Changes in Equity

30 April 2018

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 1 May 2016	1	(3,027)	(3,026)
(Loss) for the financial year	-	(1,472)	(1,472)
At 30 April 2017	<u>1</u>	<u>(4,499)</u>	<u>(4,498)</u>
(Loss) for the financial year	-	(1,749)	(1,749)
At 30 April 2018	<u><u>1</u></u>	<u><u>(6,248)</u></u>	<u><u>(6,247)</u></u>

Third Energy EBT Trustee Limited

Notes to the financial statements
for the year ended 30 April 2018

1 General information

Third Energy EBT Trustee Limited is a private company incorporated, domiciled and registered in Scotland. The registered number is SC446812 and the registered address is 13 Queens Road, Aberdeen, AB15 4YL.

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company's ultimate parent undertaking, Third Energy Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Third Energy Holdings Limited are available to the public and may be obtained from 4th Floor, 87-91 Newman Street, London W1T 3EY. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

As explained below, the Directors do not consider the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

Net current liabilities of the Company as at 30 April 2018 were £6,247 (2017: £4,498) and the loss for the year was £1,749 (2017: £1,472). Included within this figure is an amount of £4,098 owed to the parent company, Third Energy Holdings Limited (2017: £3,500) and the Company meets its day-to-day working capital requirements through this loan and is dependent on this loan not being recalled. At the time of approval of these financial statements this loan had increased to £5,000.

Third Energy EBT Trustee Limited

Notes to the financial statements
for the year ended 30 April 2018

2 Accounting policies (continued)

In assessing the Company's ability to continue as a going concern, the Directors have prepared base and sensitised cash flow forecasts for the Group for a period in excess of 12 months from the date of authorisation of these financial statements. The Group has disposed of its Offshore business and is in the process of disposing of its Onshore business which will leave the parent company reliant on income from its interests arising from the sale of those operating subsidiaries in order to support the activities of the Company. The Directors have considered the base case forecasts and the impact of the plausible risks to the Company arising from their reliance on these interests and, whilst they believe there will be income arising, it is not guaranteed and the timing of any potential income is uncertain. In addition, the parent company is reliant on the continued support of the Group's finance provider who has indicated, on a non-reliance basis, that it intends to provide support to the Group on a short term basis for so long as the finance provider believes, in its sole discretion, that there is a reasonable prospect of a commercially acceptable outcome to the current process of disposing of the Onshore activities of the Group. The directors can have no certainty regarding the future plans for the Company following the disposal of the Onshore business and they may have no alternative but to liquidate the Company or cease operations.

As a consequence, the directors consider it appropriate that these financial statements reflect the adjustments and classification of assets, liabilities, revenue and expenses which would be necessary if the Company were unable to continue as a going concern.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Third Energy EBT Trustee Limited

Notes to the financial statements
for the year ended 30 April 2018

2 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met are not provided for. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3 Turnover

Turnover represents amounts receivable from the sale of shares to employees of the Group. Turnover is stated net of trade discounts and VAT and is recognised in the month that the shares are transferred to the employee.

Turnover is wholly attributable to the principal activity of the Company and is generated within the United Kingdom.

4 Operating loss

	2018	2017
	£	£
Operating loss is stated after charging/(crediting):		
Auditor's remuneration in respect of the Company	<u>750</u>	<u>750</u>

There were no employees during the year other than the directors (2016: None).

The directors' remuneration is borne by Third Energy Holdings Limited. Given the size of the Group and the interconnected nature of each subsidiary company's activities, the directors do not believe it is practical to apportion the remuneration between their services to this company and their services as directors of the parent company and fellow subsidiary companies. The directors believe that the expense of the directors' remuneration related to this Company would be trivial.

Third Energy EBT Trustee Limited

Notes to the financial statements
for the year ended 30 April 2018

5 Taxation	2018	2017
	£	£
<i>Analysis of charge in the period</i>		
Current tax - UK corporation tax on profits for the period	-	-
Adjustments in respect of prior periods	(23)	-
Deferred tax - origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>(23)</u>	<u>-</u>
<i>Factors affecting tax charge in the period</i>		
Loss on ordinary activities before taxation	<u>(1,749)</u>	<u>(1,472)</u>
Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 20% (2016:20%).	(350)	(414)
Expenses not deductible for tax purposes	30	11
Losses generated in the period	260	403
Group relief adjustment re earlier years	(23)	-
Current tax charge	<u>(83)</u>	<u>-</u>

The company has a potential deferred tax asset of £887 (2016: £585) consisting of accumulated tax losses of £4,435 (2016: £3,081). This asset has not been recognised under FRS19 due to uncertainty that the Company will have sufficient taxable profits against which the asset can be utilised in the foreseeable future.

Reductions in the UK corporation tax rate were from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was substantively enacted on 6 September 2016 to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

6 Debtors	2018	2017
	£	£
Prepayments and other income	138	432
	<u>138</u>	<u>432</u>
7 Investments	2018	2017
	£	£
Investment in parent company shares	<u>284</u>	<u>284</u>

The Company has purchased the ordinary shares of three individuals who have left the employment of fellow group companies. These shares were sold to employees on the agreement that, if they left the group, the shares would be purchased at cost, ie with no gain or loss to the employee. There is no open market for these shares and these shares are valued at cost.

Third Energy EBT Trustee Limited

Notes to the financial statements
for the year ended 30 April 2018

8 Creditors: amounts falling due within one year	2018	2017
	£	£
Amounts owed to parent company	4,098	1,497
Accruals and deferred income	2,600	2,254
	<u>6,698</u>	<u>3,751</u>

The amounts owed to group companies are repayable on demand and no interest is charged on outstanding balances.

9 Called up share capital	2018	2017
	No	No
Ordinary shares of £1 each		
Authorised	<u>1</u>	<u>1</u>
	£	£
Allotted, issued and fully paid	<u>1</u>	<u>1</u>

10 Statement of movement on reserves	Profit and loss account
	£
Deficit at 1st May 2017	(3,027)
Loss for the financial year	(1,749)
Deficit at 30th April 2018	<u>(4,776)</u>

11 Reconciliation of movement in shareholder's funds	2018	2017
	£	£
Opening deficit on shareholder's funds	(4,498)	(3,026)
Loss for the financial year	(1,749)	(1,472)
Closing deficit on shareholder's funds	<u>(6,247)</u>	<u>(4,498)</u>

12 Guarantees and other financial commitments

The company is a member of a VAT group and the net potential liability under the group registration as of 30 April 2017 was £nil.

13 Related party transactions

The Company has taken advantage of the exemption under FRS 102.33.1A not to disclose transactions between itself and other wholly owned Group companies.

14 Ultimate parent company

The immediate parent is Third Energy Holdings Limited which is the smallest and largest group into which the Company is consolidated. Copies of the accounts of Third Energy Holdings Limited can be obtained from 4th Floor, 87-91 Newman Street, London W1T 3EY.

In the opinion of the directors, the ultimate parent company of Third Energy Holdings Limited is Barclays PLC. There is no ultimate controlling party.