

Registration number 03080778

# Cirque Energy (UK) Limited

Unaudited abbreviated accounts

for the year ended 31 December 2012

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**Cirque Energy (UK) Limited**  
**(Registration number: 03080778)**

**Abbreviated balance sheet at 31 December 2012**

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Intangible fixed assets	2	<u>385,617</u>	<u>256,357</u>
<b>Current assets</b>			
Stock		5,190	1,230
Debtors		97,461	111,286
Cash at bank and in hand		<u>36,717</u>	<u>87,826</u>
		139,368	200,342
<b>Creditors, amounts falling due within one year</b>		<u>(3,700,926)</u>	<u>(3,825,665)</u>
<b>Net current liabilities</b>		<u>(3,561,558)</u>	<u>(3,625,323)</u>
<b>Total assets less current liabilities</b>		(3,175,941)	(3,368,966)
Provisions for liabilities		<u>(146,715)</u>	<u>(133,377)</u>
<b>Net liabilities</b>		<u>(3,322,656)</u>	<u>(3,502,343)</u>
<b>Capital and reserves</b>			
Called up share capital	3	100	100
Profit and loss account		<u>(3,322,756)</u>	<u>(3,502,443)</u>
<b>Shareholders' deficit</b>		<u>(3,322,656)</u>	<u>(3,502,343)</u>

For the year ended 31 December 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Approved by the board on 16/09/13 and signed on its behalf by



Mr S Bushell  
Director

## **Cirque Energy (UK) Limited**

### **Notes to the abbreviated accounts for the year ended 31 December 2012**

#### **1 Accounting policies**

##### **Basis of preparation**

The full financial statements, from which these abbreviated accounts have been extracted, are prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" issued by the Oil Industry Accounting Committee incorporating and updating guidance set out in the SORP issued January 2000 and any subsequent Guidance Notes

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement

##### **Going concern**

The financial statements have been prepared on a going concern basis

##### **Turnover**

Turnover represents the total invoice value, excluding value added tax and trade discounts, of sales made during the year and derives from the provision of goods and services falling within the company's ordinary activities

##### **Oil exploration and development costs**

Oil exploration and development costs are accounted for in accordance with the full cost method. Expenditures are capitalised, to the extent that they relate directly to the cost of oil exploration and development. Where exploration expenditures so capitalised are not subsequently considered likely to result in the commercial exploitation of hydrocarbons, such expenditures are written off in full against income in the year that this view arises, following an annual review of all capitalised exploration expenditures by management.

Capitalised expenditures are classified as an intangible asset and are stated at cost less provision for impairment. The carrying value of capitalised oil exploration and development costs is assessed annually by way of ceiling tests, having regard to estimated reserves to determine whether the value is excessive. Provision is made for any permanent impairments so identified.

Capitalised expenditures are depleted on the unit-of-production method using estimated gross proven petroleum and natural gas reserves as determined by management. Costs of acquiring and evaluating unproven properties are excluded from the depletion calculation until it is determined whether or not proven reserves are attributable to the properties or impairment occurs.

Proceeds from the sale of petroleum and natural gas properties and related equipment are applied against capitalised costs with any excess being credited to the profit and loss account.

##### **Future decommissioning costs**

The company follows the recommendations of FRS 12 for the determination of future decommissioning costs. This standard requires the recognition and measurement of liabilities related to the legal obligation to abandon and reclaim property, plant and equipment incurred upon acquisition, construction, development and/or normal use of the asset. The initial liability is measured at fair value and subsequently adjusted for the unwinding of discount and changes in the fair value. Future decommissioning costs are capitalised as part of oil exploration and development costs and depleted into earnings on the unit-of-production method. Actual costs incurred upon settlement of the obligations are charged against the liability.

## **Cirque Energy (UK) Limited**

### **Notes to the abbreviated accounts for the year ended 31 December 2012**

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#### **Site restoration**

The company is obliged to restore the site to its original condition upon cessation of oil extraction and accordingly the directors have estimated the costs of removing equipment from the site and restoring the field on an undiscounted basis. The company's oil extraction licence agreement ceases on 30 March 2026 and this is the anticipated date the costs will crystallize.

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stock. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are discounted.

#### **Foreign currency**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transactions. All exchange differences are taken to the profit and loss account.

#### **Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

## Cirque Energy (UK) Limited

### Notes to the abbreviated accounts for the year ended 31 December 2012

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#### 2 Fixed assets

	<b>Intangible assets £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2012	4,210,386	4,210,386
Additions	<u>217,260</u>	<u>217,260</u>
At 31 December 2012	<u>4,427,646</u>	<u>4,427,646</u>
<b>Impairment</b>		
At 1 January 2012	3,954,029	3,954,029
Charge for the year	<u>88,000</u>	<u>88,000</u>
At 31 December 2012	<u>4,042,029</u>	<u>4,042,029</u>
<b>Net book value</b>		
At 31 December 2012	<u>385,617</u>	<u>385,617</u>
At 31 December 2011	<u>256,357</u>	<u>256,357</u>

#### 3 Share capital

##### Allotted, called up and fully paid shares

	<b>No.</b>	<b>2012 £</b>	<b>No.</b>	<b>2011 £</b>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 4 Going concern

The shareholders' deficit at 31 December 2012 is £(3,322,656) (2011 - £(3,502,343)) The directors are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future, being not less than one year from the approval of these abbreviated accounts. The four investing companies have undertaken to continue to give such financial support as the company requires to enable it to continue to trade in the foreseeable future. For this reason the directors have adopted a going concern basis in preparing the financial statements.