

Cirque Energy (UK) Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

Cirque Energy (UK) Limited

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Cirque Energy (UK) Limited

Company Information

Directors	Mr S Bushell Mr S Polowick Mr R J J M Yanota Mr R Quigley Mr T L Lindquist
Company secretary	Mr S Bushell Jordan Company Secretaries Limited
Registered office	First Floor Templeback 10 Temple Back Bristol BS1 6FL
Accountants	Milsted Langdon LLP Chartered Accountants Winchester House Deane Gate Avenue Taunton Somerset TA1 2UH

Cirque Energy (UK) Limited
(Registration number: 03080778)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	<u>4</u>	325,155	359,155
Tangible assets	<u>5</u>	103	517
		<u>325,258</u>	<u>359,672</u>
Current assets			
Stocks	<u>6</u>	225	2,400
Debtors	<u>7</u>	41,614	26,544
Cash at bank and in hand		1,167	522
		43,006	29,466
Creditors: Amounts falling due within one year	<u>8</u>	<u>(3,642,047)</u>	<u>(3,576,843)</u>
Net current liabilities		<u>(3,599,041)</u>	<u>(3,547,377)</u>
Total assets less current liabilities		(3,273,783)	(3,187,705)
Provisions for liabilities		<u>(195,277)</u>	<u>(195,277)</u>
Net liabilities		<u>(3,469,060)</u>	<u>(3,382,982)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>(3,469,160)</u>	<u>(3,383,082)</u>
Total equity		<u>(3,469,060)</u>	<u>(3,382,982)</u>

The notes on pages 4 to 11 form an integral part of these financial statements.
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Cirque Energy (UK) Limited

(Registration number: 03080778)

Balance Sheet as at 31 December 2016

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 21 December 2017 and signed on its behalf by:

.....

Mr S Bushell

Company secretary and director

The notes on pages 4 to 11 form an integral part of these financial statements.

Cirque Energy (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

First Floor Templeback
10 Temple Back
Bristol
BS1 6FL
United Kingdom

The principal place of business is:

Fiskerton Airfield
Fiskerton
Lincoln
Lincolnshire
LN3 4HZ
United Kingdom

These financial statements were authorised for issue by the Board on 21 December 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. There have been no changes to accounting policies following the transition to the Financial Reporting Standard 102 Section 1A.

Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The comparative figures have also been prepared in accordance with the Financial Reporting Standard 102 Section 1A.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The shareholders' deficit at 31 December 2016 is £(3,469,060) (2015 - £(3,382,982)). 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 financial statements. 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.

Cirque Energy (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

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.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, less any estimated residual values, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	33.33% straight line

Cirque Energy (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Intangible assets

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.

Impairment

Intangible assets are impaired so as to write off the cost of assets, less any estimated residual values, over their estimated useful lives, as follows:

Asset class	Amortisation method and rate
Oil exploration and development costs	Full cost method

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell after due regard for obsolete and slow moving stock. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Cirque Energy (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has an obligation at the reporting date 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.

Future decommissioning costs

The company is required to recognise and measure 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.

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Recognition and measurement

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 Financial Statements for the Year Ended 31 December 2016

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 0 (2015 - 0).

4 Intangible assets

	Oil exploration and development costs £	Total £
Cost or valuation		
At 1 January 2016	4,534,184	4,534,184
At 31 December 2016	4,534,184	4,534,184
Impairment		
At 1 January 2016	4,175,029	4,175,029
Amortisation charge	34,000	34,000
At 31 December 2016	4,209,029	4,209,029
Carrying amount		
At 31 December 2016	325,155	325,155
At 31 December 2015	359,155	359,155

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2015 - £Nil).

Cirque Energy (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

5 Tangible assets

	Computer equipment £	Total £
Cost or valuation		
At 1 January 2016	1,240	1,240
At 31 December 2016	1,240	1,240
Depreciation		
At 1 January 2016	723	723
Charge for the year	414	414
At 31 December 2016	1,137	1,137
Carrying amount		
At 31 December 2016	103	103
At 31 December 2015	517	517

6 Stocks

	2016 £	2015 £
Other inventories	225	2,400

7 Debtors

	2016 £	2015 £
Trade debtors	31,115	13,051
Other debtors	10,499	13,493
Total current trade and other debtors	41,614	26,544

8 Creditors

	Note	2016 £	2015 £
Due within one year			
Trade creditors		185,887	183,534
Amounts owed to associated undertakings	9	3,456,160	3,386,978
Accruals and deferred income		-	6,331
		3,642,047	3,576,843

Cirque Energy (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

9 Related party transactions

Key management personnel

Directors

Summary of transactions with other related parties

Companies owned by the directors and shareholders and companies in which the directors are shareholders

Expenditure with and payables to related parties

	Other related parties
	£
2016	
Purchase of goods	26,588
Rendering of services	53,043
	79,631
Amounts payable to related party	95,783
	Other related parties
	£
2015	
Purchase of goods	29,015
Rendering of services	52,263
	81,278
Amounts payable to related party	65,788

Loans from related parties

	Key management	Other related parties
	£	£
2016		
At start of period	5,214	3,377,876
Advanced	409	62,791
	5,623	3,440,667
At end of period	5,623	3,440,667
	Key management	Other related parties
	£	£
2015		
At start of period	5,926	3,393,211
Repaid	(712)	(15,335)
	5,214	3,377,876
At end of period	5,214	3,377,876

10 Non adjusting events after the financial period

The company sold its oil production site as a going concern on 27 October 2017. The company continues to trade.

Cirque Energy (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

11 Transition to FRS 102

There have been no numerical changes to the financial statements or to previous periods in respect of the Financial Reporting Standard 102 Section 1A. The company transitioned to the Financial Reporting Standard 102 Section 1A on 1 January 2015.

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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.