

Learn to Trade Online

Free Education Package

Trading in forex and Contracts for Difference (CFDs) is highly speculative and involves a significant risk of loss.



MARKETS.



Regulatory Story

Go to market news section ↗ 📄

Company	Westmount Energy Limited
TIDM	WTE
Headline	Final Results
Released	07:00 19-Nov-2012
Number	3711R07

RNS Number : 3711R
 Westmount Energy Limited
 19 November 2012

Westmount Energy Limited ("Westmount" or the "Company") Final Results

The Company is pleased to announce its Final Results for the year ended 30 June 2012. A copy of the results is available on the Company's website, www.westmountenergy.com, and will be posted to shareholders by 23 November 2012.

Notice is hereby given that the Annual General Meeting of Westmount will be held at 47 Esplanade, St. Helier, Jersey, JE1 0BD, Channel Islands on Wednesday 19 December 2012 at 2:30pm.

CHAIRMAN'S REVIEW

As I wrote in my review in August 2011 your board had been investigating various alternatives that would create an opportunity for your Company to expand its interests in the energy field and with this in mind in November 2011 we appointed Gerry Walsh and Tom O'Gorman to the board. They both have had considerable experience in identifying and facilitating the development of energy assets, with substantial benefit to shareholders. In addition they each subscribed for 1.1 Million shares at 20p each in our Company, and thus have substantial holdings.

Interest rates continue to be very low so the return on our cash remains minimal. During the year we made a number of changes to our existing portfolio of holdings. We have reduced our holdings in Desire Petroleum plc and Sterling Energy Plc whose share price performances have been disappointing and added two small holdings in the exploration field, being Falkland Oil & Gas Limited and Pancontinental Oil & Gas NL both of which have drilled one well this year, and have additional wells being drilled now and in 2013 respectively.

You will notice that there has been a considerable increase in the administrative expenses for the year. This is entirely due to accounting for the options granted in November 2011 and is a non-cash item but a requirement under the IFRS rules of accounting for options. The actual cash expenditure for the year is marginally less than the previous year and we continue to control the expenditure of maintaining your Company

The board under the guidance of our two new Directors, are actively seeking new significant investment opportunities and we will advise the shareholders on any developments as and when they arise.

Mervyn Bradlow

MERVYN BRADLOW
 Chairman
 16 November 2012

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	<i>Notes</i>	<i>30 June 2012</i> £	<i>(Restated)</i> <i>30 June 2011</i> £
Realised (loss)/gain on disposal of investments		(1,371,884)	1,499,314
Unrealised gain/(loss) on financial assets at fair value through profit or loss		1,513,407	(4,488,522)
Administrative expenses		<u>(480,914)</u>	<u>(277,528)</u>
Operating loss		(339,391)	(3,266,736)
Interest receivable		<u>205</u>	<u>4,429</u>
Loss before tax		(339,186)	(3,262,307)
Taxation	3	<u>-</u>	<u>-</u>
Comprehensive loss for the year		<u>(339,186)</u>	<u>(3,262,307)</u>
Basic loss per share (pence)	4	<u>(3.85)</u>	<u>(45.27)</u>
Diluted loss per share (pence)	4	<u>-</u>	<u>-</u>

All results are derived from continuing operations.

The Company has no items of other comprehensive income.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

		<i>As at</i> 30 June 2012	<i>(Restated)</i> <i>As at</i> 30 June 2011
	<i>Notes</i>	<i>£</i>	<i>£</i>
ASSETS			
Non Current Assets			
Financial assets at fair value through profit or loss	5	<u>1,464,718</u>	<u>1,298,215</u>
Current Assets			
Trade and other receivables	6	7,430	7,228
Cash and cash equivalents	7	<u>251,471</u>	<u>291,519</u>
		<u>258,901</u>	<u>298,747</u>
Total assets		<u><u>1,723,619</u></u>	<u><u>1,596,962</u></u>
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	8	<u>98,067</u>	<u>278,302</u>
EQUITY			
Share capital	9	1,946,060	1,506,060
Share premium account	10	480,295	451,341
Share option account	10	305,235	128,111
Retained Earnings		<u>(1,106,038)</u>	<u>(766,852)</u>
Total equity		<u>1,625,552</u>	<u>1,318,660</u>
Total liabilities and equity		<u><u>1,723,619</u></u>	<u><u>1,596,962</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 16 November 2012 and were signed on its behalf by:

P J RICHARDSON

Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	<i>Share capital Account</i> £	<i>Share Premium Account</i> £	<i>Share Option Account</i> £	<i>Retained Earnings</i> £	<i>Total Equity</i> £
As at 1 July 2010 (as previously reported)	1,396,060	261,682	277,210	5,862,505	7,797,457
Effect of change in accounting for adjustments (Note 16)	-	-	53,718	(53,718)	-
As at 1 July 2010 (as Restated)	<u>1,396,060</u>	<u>261,682</u>	<u>330,928</u>	<u>5,808,787</u>	<u>7,797,457</u>
Comprehensive Income					
Loss for the year ended 30 June 2011	-	-	-	(3,262,307)	(3,262,307)
Transaction with owners					
Issue of ordinary shares through exercise of share option	110,000	-	-	-	110,000
Premium on ordinary shares issued through exercise of share option	-	292,067	(202,817)	-	89,250
Issue of B shares	75,303	(75,303)	-	-	-
Redemption of B shares	(75,303)	-	-	(3,313,332)	(3,388,635)
Redemption costs	-	(27,105)	-	-	(27,105)
	<u>110,000</u>	<u>189,659</u>	<u>(202,817)</u>	<u>(3,313,332)</u>	<u>(3,216,490)</u>
At 30 June 2011 (as Restated)	<u>1,506,060</u>	<u>451,341</u>	<u>128,111</u>	<u>(766,852)</u>	<u>1,318,660</u>
Comprehensive Income					
Loss for the year ended 30 June 2012	-	-	-	(339,186)	(339,186)
Transaction with owners					
Issue of ordinary shares	440,000	-	-	-	440,000
Expired redemption of B shares not taken up	-	28,954	-	-	28,954
Cost of share options	-	-	177,124	-	177,124
	<u>440,000</u>	<u>28,954</u>	<u>177,124</u>	<u>-</u>	<u>646,078</u>
At 30 June 2012	<u>1,946,060</u>	<u>480,295</u>	<u>305,235</u>	<u>(1,106,038)</u>	<u>1,625,552</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	<i>Note</i>	<i>30 June 2012</i> £	<i>Restated</i> <i>30 June 2011</i> £
Cash Flows from operating activities			
Total comprehensive loss for the year		(339,186)	(3,262,307)
Adjustment for interest income		(205)	(4,429)
Adjustment for net unrealised (gain)/loss on investments at fair value through profit or loss		(1,513,407)	4,488,522
Adjustment for costs attributable to share options		177,124	-
Adjustment for realised losses/(gains) on investments at fair value through profit or loss		1,371,884	(1,499,314)
(Increase) in prepayments and accrued income		(202)	(213)
(Decrease)/increase in creditors and accrued expenses		(180,235)	67,795
Net cash outflows from operating activities		<u>(484,227)</u>	<u>(209,946)</u>
Cash Flows from investment activities			
Purchase of investments		(623,973)	(1,024,786)
Sale of investments		598,993	2,222,713
Interest received		205	4,429
Net cash (used) / generated from investing activities		<u>(24,775)</u>	<u>1,202,356</u>
Cash flows from financing activities			
Ordinary shares issued		440,000	199,250
Redemption of B class shares		-	(3,415,740)
Expired redemption of B shares not taken up		28,954	-
Net cash generated / (used) in financing activities		<u>468,954</u>	<u>(3,216,490)</u>
Net decrease in cash and cash equivalents		<u>(40,048)</u>	<u>(2,224,080)</u>
Cash and cash equivalents at beginning of year		<u>291,519</u>	<u>2,515,599</u>
Cash and cash equivalents at end of year	7	<u>251,471</u>	<u>291,519</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****1. GENERAL INFORMATION AND STATEMENTS OF COMPLIANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION**

Westmount Energy Limited (the "Company") operates solely as an energy investment company. The investment strategy of the Company is to provide seed capital to small companies that are identified as having significant growth possibilities.

The Company was incorporated in Jersey on 1 October 1992 under the Companies (Jersey) Law 1991, as amended, and is a public company with registered number 53623. The Company is listed on the London Stock Exchange Alternative Investment Market ("AIM").

Basis of Preparation

The financial statements have been prepared under the historical cost convention with the exception of investments measured at fair value and are in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, including standards and interpretations issued by the International Accounting Standards Board ("IASB").

The financial statements for the year ended 30 June 2012 (including comparatives) were approved by the Board of Directors on 16 November 2012.

**2. ACCOUNTING
POLICIES**

The significant accounting policies that have been applied in the preparation of these financial statements are summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

At the date of the authorisation of these financial statements, the following new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. The standards below are not expected to affect the financial position of the Company, however they will require additional disclosure in the future financial statements.

- IAS 1 Presentation of Items of Other Comprehensive Income - Amendments to revise the way other comprehensive income is presented, effective for annual periods beginning on or after 1 July 2012
- IFRS 9 (revised April 2009) Financial Instruments - Classification and Measurement, effective for annual periods beginning on or after 1 January 2015
- IFRS 10 Consolidated Financial Statements, effective for annual period beginning on or after 1 January 2013
- IFRS 12 Disclosure of interests in other entities, effective for annual period beginning on or after 1 January 2013
- IFRS 13 Fair Value Measurement, effective for annual period beginning on or after 1 January 2013.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and exercise of judgement by the management while applying the Company's accounting policies in relation to the value of options issued, as set out in note 10. These estimates are based on the management's best knowledge of the events which existed at the date of issue and the balance sheet date however, the actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2012****2. ACCOUNTING POLICIES (Continued)*****Foreign currency*****a) Functional and presentational currency**

The functional currency of the Company is United Kingdom Sterling, the currency of the primary economic environment in which the Company operates. The presentation currency of the Company for accounting purposes is also United Kingdom Sterling ("Sterling").

b) Transactions and balances

Foreign currency monetary assets and liabilities balances are translated into Sterling at the rate of exchange ruling on the last day of the Company's financial year. Foreign currency transactions are translated at the exchange rate ruling on the date of the transaction. Gains and losses arising on the currency translation are

included in administrative expenses in the statement of comprehensive income in the year in which they arise.

Financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss; and
- loans and receivables

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

The Company designates its financial assets as at fair value through profit or loss (FVTPL) as the financial assets are managed on and their performance is evaluated on a fair value basis. Financial assets carried at fair value through profit or loss are initially recognised at fair value and any transactions costs are recognised in the statement of comprehensive income. Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the investment.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Any gains or losses on derecognition of investments is calculated after setting the proceeds against the fair value and, in respect of a part disposal, against the fair value at the date of sale. The surplus or loss on realisation is transferred to the statement of comprehensive income.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are presented in the statement of comprehensive income in the period in which they arise.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets and are stated at cost, which is equivalent to their fair value. The Company's loans and receivables comprise 'trade and other receivables'.

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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of the Statement of Cash Flows, cash and cash equivalents are considered to be all highly liquid investments with maturity of three months or less at inception.

Trade and other payables

Trade and other payables are not interest bearing and are stated at their cost, which is equivalent to fair value.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 30 JUNE 2012

2. ACCOUNTING POLICIES *(Continued)*

Equity, reserves and dividend payments

Ordinary shares are classified as equity. Share premium includes any premiums received on issue of share capital. Transaction costs associated with the issuing of shares are deducted from share premium. Retained earnings include all current and prior period retained profits.

Revenue Recognition

Revenue comprises interest income from short term deposits and is recognised on an accruals basis.

Expenditure

The expenses of the Company are recognised on an accruals basis in the Statement of Comprehensive Income.

Share options

Awards of share options are recorded under IFRS 2: 'Share-based Payment'. The cost of the share options are ascribed a fair value at grant date and accounted for as an administration expense of the Company with an equal Share Option Reserve being created in the statement of changes in equity. The cost is recognised in the statement of comprehensive income over the vesting period of the award.

3. TAXATION

The Company is subject to income tax at a rate of 0%.

The Company is registered as an International Services Entity under the Goods and Services Tax (Jersey) Law 2007 and a fee of £200 has been paid, which has been included in administrative expenses.

4. EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is based on the comprehensive loss for the year of £339,186 (2011: £3,262,307). The weighted average number of shares in issue during the year was 8,808,108 (2011: 7,206,327). As explained in note 10 there are share options in issue over the Company's ordinary shares. The options would decrease the basic loss per share and as a result no dilution effect on the earnings per share.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012	2011
	£	£
Desire Petroleum plc ("Desire")	435,000	423,115
Sterling Energy plc ("Sterling")	175,000	592,500
Argos Resources plc ("Argos")	153,800	282,600
Falkland Oil & Gas plc ("Falkland")	348,000	-
Pancontinental Oil & Gas NL ("Pancontinental")	352,918	-
Total investments	<u>1,464,718</u>	<u>1,298,215</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2012

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Investments at fair value through profit or loss at 30 June 2012

	Cost	Unrealised gain / (loss)	Fair value
	£	£	£
Desire Petroleum plc ("Desire")	874,643	(439,643)	435,000
Sterling Energy plc ("Sterling")	863,064	(688,064)	175,000
Argos Resources plc ("Argos")	310,775	(156,975)	153,800
Falkland Oil & Gas plc ("Falkland")	182,772	165,228	348,000
Pancontinental Oil & Gas NL ("Pancontinental")	393,246	(40,328)	352,918
	<u>2,624,500</u>	<u>(1,159,782)</u>	<u>1,464,718</u>

Investments at fair value through profit or loss at 30 June 2011

	Cost	Unrealised gain/(loss)	Fair value
	£	£	£
Desire Petroleum plc ("Desire")	1,071,438	(648,323)	423,115
Sterling Energy plc ("Sterling")	2,589,191	(1,996,691)	592,500
Argos Resources plc ("Argos")	310,775	(28,175)	282,600
	<u>3,971,404</u>	<u>(2,673,189)</u>	<u>1,298,215</u>

On 30 June 2012 the market value of the Company's holding of 2,000,000 (2011: 2,450,000) ordinary fully paid shares in Desire, representing 0.58% (2011: 0.72%) of the issued share capital of the company was £435,000 (2011: £423,115) (21.75p per share (2011: 17.27p per share)). During the year, the Company disposed of 450,000 (2011: 1,668,450) ordinary shares in Desire, realising a loss of £100,303 (2011: profit £1,668,450) (after expenses) which is included in the Statement of Comprehensive Income.

On 30 June 2012 the market value of the Company's holding of 500,000 (2011: 1,500,000) ordinary fully paid shares in Sterling representing 0.23% (2011: 0.68%) of the issued share capital was £175,000 (2011: £592,500) (35.00p per share, (2011: 39.50p per share)). During the year, the Company disposed of 1,000,000 (2011: nil) ordinary shares in Sterling, realising a loss of £1,326,225 (2011: £nil) (after expenses) which is included in the Statement of Comprehensive Income

On 30 June 2012 the market value of the Company's holding of 1,000,000 (2011: 1,000,000) ordinary fully paid shares in Argos, representing 0.46% (2011: 0.46%) of the issued share capital of the company was £153,800 (2011: £282,600) (15.38p per share, (2011: 28.26p per share)).

On 30 June 2012 the market value of the Company's holding of 400,000 (2011: nil) ordinary fully paid shares in Falkland representing 0.13% (2011: nil) of the issued share capital was £348,000 (2011: £nil) (87.00p per share, (2011: nil)). During the year, the Company disposed of 105,000 (2011: nil) ordinary shares in Falkland, realising a profit of £54,644 (2011: £nil) (after expenses) which is included in the Statement of Comprehensive Income.

On 30 June 2012 the market value of the Company's holding of 3,000,000 (2011: nil) ordinary fully paid shares in Pancontinental, representing 0.27% (2011: nil) of the issued share capital of the company was £352,918 (2011: £nil) (11.76p per share, (2011: nil per share)).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2012

6. TRADE AND OTHER RECEIVABLES

	2012	2011
	£	£
Prepayments	<u>7,430</u>	<u>7,228</u>

The carrying value of trade and other receivables is considered to be a reasonable approximation of its fair value.

7. CASH AND CASH EQUIVALENTS

	2012	2011
	£	£
Cash at bank	<u>251,471</u>	<u>291,519</u>

Cash and cash equivalents are considered to be highly liquid, so that book cost is considered equivalent to fair value.

8. TRADE AND OTHER PAYABLES

	2012	2011
	£	£
Amounts due to shareholders from returns of capital	66,319	149,827
Accrued expenses	<u>31,748</u>	<u>128,475</u>
	<u>98,067</u>	<u>278,302</u>

The carrying value of trade and other payables is considered to be a reasonable approximation of their fair value.

9. SHARE CAPITAL

	2012	2011	2012	2011
	£	£	£	£
Authorised:				
200,000,000 (2011: 10,000,000) ordinary shares of 20p each	<u>40,000,000</u>	<u>2,000,000</u>		
200,000,000 (2011: 15,100,000) redeemable "B" shares of 1p each	<u>2,000,000</u>	<u>151,000</u>		
Allotted, called up, fully-paid:	2012 No.	2011 No.	2012 £	2011 £
	'000	'000		
In issue:				
Ordinary shares	<u>9,730.3</u>	<u>7,530.3</u>	<u>1,946,060</u>	<u>1,506,060</u>
"B" Class shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Movement			Ordinary shares No.	Ordinary shares £
Balance at 30 June 2011			<u>7,530,300</u>	<u>1,506,060</u>
Ordinary shares issued			<u>2,200,000</u>	<u>440,000</u>
Balance at 30 June 2012			<u>9,730,300</u>	<u>1,946,060</u>

On 20 February 2012 the Company increased the authorised share capital from £2,151,000 divided into 10,000,000 ordinary shares of 20p each and 15,100,000 redeemable "B" shares of 1p each to £42,000,000 divided into 200,000,000 ordinary shares of 20p each and 200,000,000 redeemable "B" shares of 1p each.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2012

9. SHARE CAPITAL (continued)

On 29 November 2011, 2,200,000 ordinary shares were issued to G Walsh and T P O'Gorman, both Directors for the Company, at a price of 20 pence per share.

On 31 January 2011, 550,000 ordinary shares were issued as a result of the exercise of options arising from the share options granted to the Directors on 19 December 2007 and 22 December 2005. The Directors exercised

their share options with an exercise price of 38.5p for 450,000 shares and 26p for 100,000 shares. Following the exercise of share options, ordinary shares on issue totalled 7,530,300.

On 1 February 2011 following sales of the Company's shares in Desire Petroleum plc, together with the proceeds from the exercise of the share options, the Company issued 7,530,300 fully paid redeemable "B" shares of 1p to each existing ordinary shareholder on the Company's register at 31 January 2011, with each share ranking parri passu with existing shareholdings to enable the return of capital to shareholders of the Company equivalent to 45p per ordinary share (£3,388,635 in aggregate). These "B" shares were redeemed on 2 February 2011.

10. SHARE PREMIUM AND SHARE OPTIONS

	Share Premium Account £	Share option Account £
<i>1 July 2010 (as Restated)</i>	<u>261,682</u>	<u>330,928</u>
Premium on ordinary shares issued through exercise of share options	292,067	(202,817)
B Class shares issued	(75,303)	-
Redemption costs	(27,105)	-
<i>At 30 June 2011 (as Restated)</i>	<u>451,341</u>	<u>128,111</u>
Cost of share options	-	177,124
Expired redemption of B shares not taken up	28,954	-
<i>At 30 June 2012</i>	<u>480,295</u>	<u>305,235</u>

As at 30 June 2012, options were outstanding over 1,750,000 (2011: 250,000) ordinary 20p shares, with a weighted average exercise price of 20p (2011: 17p). The options are exercisable at the election of the option holder, expiring 31 December 2016. The share options are ascribed a total expense for the year ended 30 June 2012 of £177,124 (2011: £nil).

On 5 December 2011 the Company granted a further 1,500,000 share options at a strike price of 20p per share. The fair value of those options granted was £177,124 and was calculated using the Finnerty valuation model where a discount of 13% for the blocking period for disposing of the shares has been used. The share options are ascribed an expense for the year ended 30 June 2012 of £177,124. In addition the Board has resolved to re-price the previous option granted from 17p to 20p in order to be at the same level as the nominal share price of an ordinary share in the Company.

The options granted in September 2009, were re-priced by a deduction of 45 pence from the original grant price to take into account the return of capital made to shareholders by the issue and redemption of B shares made during the financial year. The deduction of 45 pence accorded with the advice received by the Board from its legal advisors.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

10. SHARE PREMIUM AND SHARE OPTIONS (Continued)

Share options were granted during the year ended 30 June 2010 over 250,000 shares at a weighted average price of 62p, now adjusted to 20p as discussed above. The fair value of those options granted was £128,111 and was calculated using the Black Scholes valuation model. At the date of grant the volatility of the Company was estimated as 40.2651% and was calculated as the standard deviations of daily historical continuously compounded returns over a period commensurate with the expected life of the options, back from the date of grant, and annualised by the factor of square root 252, assuming 252 trading days per year. The risk-free rate was 2.81815% and is the yield to maturity on the date of grant of a UK Gilt Strip, with term to maturity equal to the life of the option. The expected life of the options is 5.14 years and is estimated as the mid-point between the date of grant and the date of expiry of the option.

11. FINANCIAL RISK

The Company's investment activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a) Market Risk

i) Foreign exchange risk

The Company is not exposed directly to foreign exchange risk as it invests in companies listed on the London Stock Exchange, denominated in Sterling and has cash balances denominated in Sterling.

ii) Price Risk

Price risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company is exposed to price risk on the investments held by the Company and classified by the Company on the Statement of Financial Position as fair value through profit or loss. To manage its price risk management closely monitor the activities of the underlying investments.

The Company's exposure to price risk is as follows:

	Cost	Fair Value
Fair Value Through Profit or Loss, as at 30 June 2012	2,624,500	1,464,718
Fair Value Through Profit or Loss, as at 30 June 2011	3,971,404	1,298,215

The Company's investments are all publicly traded and listed on the Alternative Investment Market ("AIM"). The Company's sensitivity to a 15% increase/(decrease) in market price would be £219,708 / (£219,708) (2011: £194,732/ (£194,732)). A positive number indicates an increase in the net assets attributable to ordinary share holders and a negative number indicated a decrease. The 15% increase/(decrease) on the net assets attributable to ordinary share holders would have the same impact on the post tax profit for the year. 15% represents management's assessment of a reasonably possible change in the market prices.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

11. FINANCIAL RISK (Continued)

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risk as it does not have any borrowings, however, the Company does have short term (<3 months) cash deposits, which exposes the Company to effects of fluctuations in the prevailing levels of market interest rates on its cashflow.

An increase in the interest rates of 1% would cause the Company's net financial assets to increase by £1,852 (2011: £1,417). An equal change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount. 1% represents the management's assessment of a reasonably possible change in interest rates.

The following table summarises the Company's exposure to interest rate risks.

Interest rate risk profile

As at 30 June 2012

	Up to 1 year	Over 1 year	Non-interest bearing	Total £
Assets				
Trade and other receivables	-	-	7,430	7,430
Cash and cash equivalents	251,471	-	-	251,471
	<u>251,471</u>	<u>-</u>	<u>7,430</u>	<u>258,901</u>

Liabilities

Trade and other payables	66,319	-	31,748	98,067
-----------------------------	--------	---	--------	--------

As at 30 June 2011

	Up to 1 year	Over 1 year	Non-interest Bearing	Total £
Assets				
Trade and other receivables	-	-	7,228	7,228
Cash and cash equivalents	291,519	-	-	291,519
	<u>291,519</u>	<u>-</u>	<u>7,228</u>	<u>298,747</u>

Liabilities

Trade and other payables	149,827	-	128,475	278,302
-----------------------------	---------	---	---------	---------

b) Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The carrying amounts of the financial assets best represent the maximum credit exposure at the end of the reporting period. This also relates to the financial assets carried at cost, as they have a short term to maturity.

The Directors do not believe the Company is subject to any significant credit risk exposure regarding investments and trade receivables. The credit risk for cash and cash equivalents is considered negligible, since

the counterparty is a reputable bank with high quality external credit ratings.

At the end of the reporting period, the Company's financial assets exposed to credit risk amounted to the following:

	2012 £	2011 £
Investments at Fair Value Through Profit or Loss	1,464,718	1,298,215
Trade receivables	7,430	7,228
Cash and cash equivalents	<u>251,471</u>	<u>291,519</u>
	<u>1,723,619</u>	<u>1,596,962</u>

The Company considers that all the above financial assets are not impaired or past due for each of the reporting dates under review and are of good credit quality.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2012

11. FINANCIAL RISK (Continued)

c) Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its liabilities as they fall due. The Company's primary source of liquidity consists of cash and cash equivalents and investments held at fair value through profit or loss. The Company's investments at fair value through profit or loss are publicly traded and are deemed highly liquid. During the year the Company issued additional share capital to facilitate the capital management of the Company.

The following table details the contractual, undiscounted cash flows of the Company's financial liabilities.

As at 30 June 2012

	Up to 3 months	Up to 1 year	Over 1 year	Total £
Financial liabilities				
Accrued expenses	31,748	-	-	31,748
Payable to shareholders	-	66,319	-	66,319
	<u>31,748</u>	<u>66,319</u>	<u>-</u>	<u>98,067</u>

As at 30 June 2011

	Up to 3 Months	Up to 1 year	Over 1 year	Total £
Financial liabilities				
Accrued expenses	102,225	26,250	-	128,475
Payable to shareholders	-	149,827	-	149,827
	<u>102,225</u>	<u>176,077</u>	<u>-</u>	<u>278,302</u>

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide optimum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares, return capital to shareholders or sell assets. The Company does not have any debt nor is the Company subject to any external capital requirements.

Fair Value Estimation

The Company has classified its financial assets as fair value through profit or loss and fair value is determined via one of the following categories.

Level I - An unadjusted quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available. As required by IFRS 7, the Company will not adjust the quoted price for these investments, (even in situations where it holds a large position and a sale could reasonably impact the quoted price).

Level II - Inputs are other than unadjusted quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III - Inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The investments held by the Company fall within Level 1 as they are valued by unadjusted quoted prices.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2012

12. DIRECTORS REMUNERATION

	2012	2012	2012
	Directors	Share Options	Total
	fees		

	£	£	£
P J Richardson	25,000	11,807	36,807
P R Anderson (resigned 20 December 2011)	37,500	-	37,500
D R King	7,500	-	7,500
G Walsh	14,760	59,042	73,802
T P O'Gorman	14,760	59,042	73,802
M Bradlow (Non-Executive Chairman)	50,000	47,233	97,233
	<u>149,520</u>	<u>177,124</u>	<u>326,644</u>

	2011	(As Restated) 2011	2011
	Directors fees	Share Options	Total
	£	£	£
P J Richardson	25,000	-	25,000
M S D Yates (resigned 30 June 2011)	25,000	-	25,000
P R Anderson	25,000	-	25,000
M Bradlow (Non-Executive Chairman)	50,000	-	50,000
	<u>125,000</u>	<u>-</u>	<u>125,000</u>

The Company does not employ any staff except for its Board of Directors. The Company does not contribute to the pensions or any other long-term incentive schemes on behalf of its Directors.

During the year 1,500,000 share options were granted to Directors (2011:nil). See note 10 for further information on share options. The Directors' remuneration is included within administration expenses in the statement of comprehensive income.

At the year end the Company owed £nil (2011: £1,250) to the Directors in respect of commissions on the sale of shares in Sterling Energy Limited and a further £3,750 (2011: £nil) in outstanding directors fees.

13. RELATED PARTIES

Company Secretary fees of £14,322 (2011: £34,668) were paid to Bedell Secretaries Limited, a company in which P R Anderson is a Director.

The preparation of the financial statements of the Company and Company Secretary services are undertaken by Dominion Corporate Services Limited of which D R King is a Director and P J Richardson was a key employee until 28 February 2011. During the year fees totalling £26,763 (2011: £10,500), including D R King's Director fee, were paid to Dominion Corporate Services Limited of which £13,750 (2011: £5,500) was outstanding at the year end.

Fees paid to the Directors are disclosed in note 12.

14. CONTROLLING PARTY

In the opinion of the Directors the Company does not have a controlling party.

15. EVENTS AFTER THE REPORTING PERIOD

On the 6 September 2012, the Company sold 100,000 ordinary shares in Falkland Oil and Gas plc for total proceeds of £90,121. On the 12 September 2011, the Company sold a further 100,000 ordinary shares in Falklands Oil and Gas plc for total proceeds of £70,308. At 13 November 2012, the market value of the investment was £124,500 (62.25p per share).

At 13 November 2012, the market value of the investment in Argos Resources plc was £262,500 (26.25p per share), in Desire Petroleum plc was £427,500 (21.375p per share), in Sterling Energy plc was £198,750 (39.75p per share) and the market value of the investment in Pancontinental Oil & Gas NL was £169,500 (5.65p per share).

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

16. RESTATEMENT OF PRIOR YEAR BALANCES

The financial statements of the Company as of 30 June 2010 and 30 June 2011 were audited and the auditor's report dated 04 October 2010 and 16 November 2011 respectively, expressed an unqualified opinion on those statements. However, due to amendments to previously reported figures, these financial statements have been restated.

The description of the adjustments and reconciliation of the effects of adjustment of prior year figures as applicable to the Share premium account, Share option account and Retained earnings account at 30 June 2010 and 30 June 2011 are as follows:

Share premium, Share option and Retained earnings 30 June 2010

		Share option account	Retained earnings
		£	£
As previously reported		277,210	5,862,505
Effect of:			
Adjustment in Note A		95,264	(95,264)
amortisation of share options			
Adjustment in Note B		(41,546)	41,546
accounting for			

lapsed share option			
Restated balances		330,928	5,808,787
Share premium, Share option and Retained earnings 30 June 2011			
		Share premium account	Share option account
		£	£
As previously reported		248,524	334,205
Effect of:			
Adjustment relation to 2010 (see above)		-	53,718
Adjustment in accounting for Share option exercise in 2011	Note C	202,817	(202,817)
Adjustment in amortisation of share options	Note A	-	(56,995)
Restated balances		451,341	128,111
			(770,129)
			(53,718)
			-
			56,995
			(766,852)

Notes to the reconciliation of effect of prior year adjustments:

Adjustments were noted in 2010 and 2011 balances relating to:

Note A. In September 2009, the Company granted 250,000 share options to its Directors which were valued at £128,111 as at the grant date. The Company have amortised the recognition of these share options over a 3 year period, an amount of £32,847 was recognised as an expense in the 30 June 2010 accounts. However, as per the Share Option Agreement, these options are exercisable at any time before expiry date of 31 December 2016 accordingly should have been recognised in full as an expense at the time of the grant. An amount of £95,264 was adjusted on the share option account and retained earnings balances as at 30 June 2010. An amount of £56,995 which was previously reported as an expense in 30 June 2011 has been reversed.

Note B. Share options of £41,546 granted in 2005 to the former nominated advisor Ruegg & Co Limited lapsed in 2010, however these have not been accounted for in the financial statements on that year.

Note C. In 2011, 550,000 of the share options were exercised with a value of £202,817. The exercise has not been accounted for in the financial statements.

The adjustments were detected during the current financial year and in accordance with the requirement stated in FRS 18 "Accounting policies", these adjustments are corrected retrospectively and certain comparative figures have been restated.

Enquiries:

David King
Westmount Energy Limited Tel: 01534 835660

Adrian Hargrave
Cenkos Securities Plc Tel: 0207 397 8922

This information is provided by RNS
The company news service from the London Stock Exchange

END

FR BKADBPDDODD

CLOSE

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. Terms and conditions, including restrictions on use and distribution apply.