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

The Company is pleased to announce its Final Results for the year ended 30 June 2014. A copy of the results is available on the Company's website, www.westmountenergy.com, and will be posted to shareholders by 17 November 2014.

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 10 December 2014 at 3.00 pm.

CHAIRMAN'S REVIEW

When I reported to you for the first time last March the junior oil & gas sector had been out of favour for some time and valuations had fallen considerably. In spite of signs of life across the sector, with a pick up in fundraisings, corporate activity and IPOs, the recent fall in the oil price has resulted in further falls in company share prices and in some cases signs of capitulation. As a result some valuations are beginning to look interesting.

Since my appointment as chairman I have also reviewed our corporate costs and further reduced same, as far as possible, to reflect the reality of a company our size. With no income, the company is dependent on its investment portfolio to fund the corporate running costs. I as your chairman and director Mr Tom O'Gorman, continue to be unremunerated for our time and efforts and other directors' fees have been reduced, as far as possible. The position will be kept under review and further reviewed should a substantial transaction or investment be brought forward to shareholders.

Westmount together with its advisors continues to investigate new investment and acquisition proposals. During the period under review, I have looked at various proposals, many outside the energy sector which have taken considerable management time but have yet to result in a proposal to recommend to shareholders. Without ruling out opportunities outside the energy sector, I have recently refocused on the energy sector where some attractive valuations and potentially opportunistic situations are emerging. The process is ongoing and should a value enhancing proposal materialise of sufficient size, Westmount shareholders should be afforded the opportunity to follow their money.

Your Company has a modest portfolio of exploration shares which has suffered in line with the falls across the junior energy sector. However we have good exposure to the upcoming Falkland Islands drilling campaign which commences in Q1 2015. Our current largest holding in the portfolio is Falklands Oil & Gas Plc which has exposure to up to 5 exploration wells in both the North and South Falklands Island basins. The wells are predominately

carried by consortium partners and should provide plenty of news flow. With considerable cash balances, Falklands Oil & Gas Plc is well placed to benefit from a re-rating of its share price as well as from any exploration success. I am hopeful that our investment exposure to the Falklands could recover shareholder value over the coming year.

In summary, Westmount remains an attractive proposition as a quoted investment company, we continue to evaluate new investment and corporate transaction opportunities at little or no cost to shareholders. Meanwhile our existing portfolio should provide some near term exposure to exploration drilling and news flow.

Finally, my thanks to the board, our advisors and shareholders for their continued support and patience.

GERARD WALSH

Chairman

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	<i>Note</i>	<i>30 June 2014 £</i>	<i>30 June 2013 £</i>
Net loss on financial assets held at fair value through profit or loss		(63,287)	(558,114)
Administrative expenses		<u>(142,319)</u>	<u>(196,977)</u>
Operating loss		<u>(205,606)</u>	<u>(755,091)</u>
Loss before tax		<u>(205,606)</u>	<u>(755,091)</u>
Comprehensive loss for the year		<u><u>(205,606)</u></u>	<u><u>(755,091)</u></u>
Basic loss per share (pence)	4	<u>(2.10)</u>	<u>(7.72)</u>
Diluted loss per share (pence)	4	<u>(2.10)</u>	<u>(7.72)</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 2014**

	<i>Notes</i>	<i>As at 30 June 2014 £</i>	<i>As at 30 June 2013 £</i>
ASSETS			
Non Current Assets			
Financial assets at fair value through profit or loss	5	<u>682,888</u>	<u>746,175</u>
Current Assets			
Other receivables	6	7,607	7,642
Cash and cash equivalents	7	<u>76,866</u>	<u>226,565</u>
		<u>84,473</u>	<u>234,207</u>
Total assets		<u><u>767,361</u></u>	<u><u>980,382</u></u>
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	8	<u>57,831</u>	<u>89,921</u>
EQUITY			
Share capital	9	1,966,060	1,966,060
Share premium account	10	516,778	492,103
Share option account	10	293,427	293,427
Retained earnings		<u>(2,066,735)</u>	<u>(1,861,129)</u>
Total equity		<u>709,530</u>	<u>890,461</u>
Total liabilities and equity		<u><u>767,361</u></u>	<u><u>980,382</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 7 November 2014 and were signed on its behalf by:

D King

Director

Dated 14 November 2014

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	<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 2012	1,946,060	480,295	305,235	(1,106,038)	1,625,552
Comprehensive Income					
Loss for the year ended 30 June 2013	-	-	-	(755,091)	(755,091)
Transaction with owners					
Issue of ordinary shares	20,000	-	-	-	20,000
Redemption of shares	-	11,808	-	-	11,808
Cost of share options	-	-	(11,808)	-	(11,808)
At 30 June 2013	<u>1,966,060</u>	<u>492,103</u>	<u>293,427</u>	<u>(1,861,129)</u>	<u>890,461</u>
Comprehensive Income					
Loss for the year ended 30 June 2014	-	-	-	(205,606)	(205,606)
Transaction with owners					
Expired redemption of B shares not taken up	-	24,675	-	-	24,675
At 30 June 2014	<u>1,966,060</u>	<u>516,778</u>	<u>293,427</u>	<u>(2,066,735)</u>	<u>709,530</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	<i>Note</i>	<i>30 June 2014</i> £	<i>30 June 2013</i> £
Cash flows from operating activities			
Total comprehensive loss for the year		(205,606)	(755,091)
Adjustment for net loss on investments at fair value through profit or loss		63,287	558,114
Increase in prepayments and accrued income		35	(212)
Decrease in creditors and accrued expenses		(32,090)	(8,146)
Sale of investments		-	160,429
Net cash outflows from operating activities		<u>(174,374)</u>	<u>(44,906)</u>
Cash flows from financing activities			
Ordinary shares issued		-	20,000
Expired redemption of B shares not taken up		24,675	-
Net cash generated in financing activities		<u>24,675</u>	<u>20,000</u>
Net decrease in cash and cash equivalents		<u>(149,699)</u>	<u>(24,906)</u>

Cash and cash equivalents at beginning of year		<u>226,565</u>	<u>251,471</u>
Cash and cash equivalents at end of year	7	<u>76,866</u>	<u>226,565</u>

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

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").

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 balance sheet date 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 future financial statements. With the exception of IFRS 9, all have been EU Endorsed.

- IFRS 9 (revised April 2009) Financial Instruments - Classification and Measurement, effective for annual periods beginning on or after 1 January 2018
- Amendments to IFRS 10 Consolidated Financial Statements, effective for annual periods beginning on or after 1 January 2014
- Amendments to IFRS 12 Disclosures of Interests in Other Entities, effective for annual periods beginning on or after 1 January 2014
- Amendments to IAS 36 Impairment of Assets, effective for annual periods beginning on or after 1 January 2014

The Directors believe that the standards and amendments listed above, that have been issued but are not yet effective, will not have a material impact on the Company.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the Directors to use judgement and make estimates and assumptions that affect the application of policies and the financial statements. The actual outcome may differ significantly from the estimates.

(a) Judgements

In the process of applying the Company's accounting policies, the Directors have made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2014**

2. ACCOUNTING POLICIES (*Continued*)

Use of estimates and judgements (continued)

(a) Judgements (continued)

Impairment

The Company assessed at the reporting date whether there was any objective evidence that any financial asset was impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

If there is objective evidence that an impairment loss on a financial asset classified as loans and receivables has been incurred, the company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

(b) Estimates

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 of the financial statements and at the statement of financial position date however, the actual results may differ from these estimates.

Foreign currency

(a) Functional and presentational currency

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

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

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 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2014

2. ACCOUNTING POLICIES (Continued)

Financial assets (continued)

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.

Financial liabilities

Financial liabilities are trade and other payables and are financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the Company either receives services from another entity or purchases any security the settlement of which remains outstanding as at the statement of financial position date. Payables are recognised initially at fair value less transaction costs, if any. These are subsequently measured at amortised cost using the effective interest method. Given the short term nature of payables, (period between their origination and settlement), their amortised cost is considered a reasonable estimate of their fair value.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

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.

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

Equity-settled share based payment transactions are measured at the fair value of the goods and services received unless that cannot be reliably estimated, in which case they are measured at the fair value of the equity instruments granted. Fair value is measured at the grant date and is estimated using valuation techniques as set out in note 10. The fair value is recognised in the statement of comprehensive income, with a corresponding increase in equity via the share option account. When options are exercised, the relevant amount in the share option account is transferred to the share premium account.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2014

4. EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is based on the comprehensive loss for the year of £(205,606) (2013: (£755,091)). The weighted average number of shares in issue during the year was 9,830,300 (2013: 9,780,985). 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 there is no dilution effect on the earnings per share, therefore the diluted loss per share is the same as the basic loss per share.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014	2013
	£	£
Desire Petroleum plc ("Desire")	-	237,600
Sterling Energy plc ("Sterling")	148,150	176,250
Argos Resources Ltd ("Argos")	135,000	188,800
Falkland Oil & Gas Ltd ("Falkland")	361,650	53,000
Pancontinental Oil & Gas NL ("Pancontinental")	38,088	90,525
Total investments	<u>682,888</u>	<u>746,175</u>

On 5 December 2013 Falkland acquired a 100% stake in Desire for a consideration of £56.26 million. The acquisition was funded entirely by a share exchange. Shares held in Desire were exchanged for shares in Falkland at a rate of 1:0.6233. 1,246,600 ordinary shares were issued to the Company in exchange for 2,000,000 shares previously held by the Company in Desire. On 30 June 2014 the market value of the Company's holding of 1,446,600 (2013:200,000) ordinary fully paid shares in Falkland representing 0.27% (2013:0.06%) of the issued share capital was £361,650 (2013: £53,000) (25.00p per share, (2013:26.50p)).

On 30 June 2014 the market value of the Company's holding of 500,000 (2013:500,000) ordinary fully paid shares in Sterling representing 0.23% (2013:0.23%) of the issued share capital of the Company was £148,150 (2013:£176,250) (29.63p per share, (2013:35.25p per share)). No shares were disposed in the current or prior year.

On 30 June 2014 the market value of the Company's holding of 1,000,000 (2013:1,000,000) ordinary fully paid shares in Argos, representing 0.46% (2013:0.46%) of the issued share capital of the company was £135,000 (2013:£188,800) (13.50p per share, (2013:18.88p per share)). No shares were disposed in the current or prior year.

On 30 June 2014 the market value of the Company's holding of 3,000,000 (2013:3,000,000) ordinary fully paid shares in Pancontinental, representing 0.26% (2013:0.26%) of the issued share capital of the company was £38,088 (2013:£90,525) (1.27p per share, (2013:3.02p per share)). No shares were disposed in the current or prior year.

6. OTHER RECEIVABLES

	2014	2013
	£	£
Prepayments	<u>7,607</u>	<u>7,642</u>

7. CASH AND CASH EQUIVALENTS

2014	2013
£	£

Cash at bank	76,866	226,565
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Cash and cash equivalents are considered to be highly liquid, so that book cost is considered equivalent to fair value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2014

8. TRADE AND OTHER PAYABLES

	2014	2013
	£	£
Amounts due to shareholders from returns of capital	34,782	65,319
Accrued expenses	23,049	24,602
	<u>57,831</u>	<u>89,921</u>

9. SHARE CAPITAL

	2014	2013
	£	£
Authorised:		
200,000,000 (2013: 200,000,000) ordinary shares of 20p each	40,000,000	40,000,000
200,000,000 (2013: 200,000,000) redeemable "B" shares of 1p each	2,000,000	2,000,000
	<u> </u>	<u> </u>
Allotted, called up, fully-paid:		
	2014	2013
	No.	No.
	'000	'000
In issue:		
Ordinary shares	<u>9,830.3</u>	<u>9,830.3</u>
	1,966,060	1,966,060
	<u> </u>	<u> </u>
	Ordinary shares	Ordinary shares
	No.	£
Movement	<u>9,830,300</u>	<u>1,966,060</u>
Balance at 30 June 2013/30 June 2014	<u> </u>	<u> </u>

There were no redemptions or share issues during the year ended 30 June 2014.

10. SHARE PREMIUM AND SHARE OPTIONS

	Share Premium Account	Share option Account
	£	£
1 July 2012	<u>480,295</u>	<u>305,235</u>
Share option exercise	-	(11,808)
Premium on issue of option shares	11,808	-
At 30 June 2013	<u>492,103</u>	<u>293,427</u>
Expired redemption of B shares not taken up	24,675	-
At 30 June 2014	<u>516,778</u>	<u>293,427</u>

On 22 September 2009 the Company granted 250,000 share options at a weighted average exercise price of 20p per share. The fair value of those options granted was £128,111 using the Black Scholes valuation model.

On 5 December 2011 the Company granted 1,500,000 share options at a weighted average exercise 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 recorded as an expense for the year ended 30 June 2014 of £nil (2013:£nil).

NOTES TO THE FINANCIAL STATEMENTS (*Continued*) FOR THE YEAR ENDED 30 JUNE 2014

10. SHARE PREMIUM AND SHARE OPTIONS (*continued*)

As at 30 June 2014, options were outstanding over 1,650,000 (2013:£1,650,000) ordinary 20p shares, with a weighted average exercise price of 20p (2013:20p). The options are exercisable at the election of the option holder, expiring 31 December 2016. During the year no (2013:100,000) options were exercised and none (2013: £11,808) of the option reserve was released to share premium.

In April 2014, funds held in Escrow in the amount of £24,675 were transferred back to the Company following the expired redemption of B shares which were not taken up.

11. FINANCIAL RISK

The Company's investment activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate 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 to significant currency risk as it invests in companies listed on the London Stock Exchange, predominately 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:

	Fair Value
Fair Value Through Profit or Loss, as at 30 June 2014	682,888
Fair Value Through Profit or Loss, as at 30 June 2013	746,175

The Company's investments are all publicly traded and listed on either the Alternative Investment Market ("AIM") or on the Australian Stock Exchange. The Company's sensitivity to a 15% increase/(decrease) in market price would be £102,433/(£102,433) (2013: £111,926/(£111,926)). A positive number indicates an increase in the net assets attributable to ordinary shareholders and a negative number indicates a decrease. The 15% increase/(decrease) on the net assets attributable to ordinary shareholders 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.

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 cash flow.

An increase in the interest rates of 1% would cause the Company's net financial assets to increase by £769 (2013:£2,266). 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:

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2014

11. **FINANCIAL RISK (Continued)**

Interest rate risk profile
As at 30 June 2014

	Up to 1 year	Over 1 year	Non-interest bearing	Total £
Assets				
Other receivables	-	-	7,607	7,607
Cash and cash equivalents	76,866	-	-	76,866
	<u>76,866</u>	<u>-</u>	<u>7,607</u>	<u>84,473</u>
Liabilities				
Trade and other payables	-	-	57,831	57,831

As at 30 June 2013

	Up to 1 year	Over 1 year	Non-interest Bearing	Total £
Assets				
Trade and other receivables	-	-	7,642	7,642
Cash and cash equivalents	226,565	-	-	226,565
	<u>226,565</u>	<u>-</u>	<u>7,642</u>	<u>234,207</u>
Liabilities				
Trade and other payables	-	-	89,921	89,921

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 trade receivables. At the period end date the Company was exposed to credit risk on the investments of which the shareholders are aware. The Directors regularly review the investments held by the Company.

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

	2014 £	2013 £
Investments at Fair Value Through Profit or Loss	682,888	746,175
Other receivables	7,607	7,642
Cash and cash equivalents	76,866	226,565
	<u>767,361</u>	<u>980,382</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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2014

11. FINANCIAL RISK (Continued)

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

As at 30 June 2014

	Up to 3 months	Up to 1 year	Over 1 year	Total £
Financial liabilities				
Accrued expenses	23,049	-	-	23,049
Payable to shareholders	-	34,782	-	34,782
	<u>23,049</u>	<u>34,782</u>	<u>-</u>	<u>57,831</u>

As at 30 June 2013

	Up to 3 Months	Up to 1 year	Over 1 year	Total £
Financial liabilities				
Accrued expenses	24,602	-	-	24,602
Payable to shareholders	-	65,319	-	65,319
	<u>24,602</u>	<u>65,319</u>	<u>-</u>	<u>89,921</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 2014

12. DIRECTORS' REMUNERATION

	2014
	Directors' fees
	£
P J Richardson	11,375
D R King	15,000
M Bradlow	20,750
	<u>47,125</u>
	2013
	Directors' fees
	£
P J Richardson	18,750
D R King	15,220
G Walsh (Chairman)	12,500
T P O'Gorman	12,500
M Bradlow	37,500
	<u>96,470</u>

During the year Mr Peter Richardson, a director of the Company, has sold 200,000 ordinary shares which were subsequently purchased by Godrevy Holdings Limited, Mr Richardson's personal investment company. Each of these transactions completed on 10 April 2014 at a price of 17.5 pence per share. Following these transactions, there is no change of beneficial ownership and Mr Richardson continues to hold the balance of 50,000 ordinary shares in the Company and his beneficial ownership remains unchanged, totalling 400,000 ordinary shares.

At the year end the Company owed £nil (2013:£nil) to the Directors in respect of commissions on the sale of shares in Sterling and a further £nil (2013:£nil) in outstanding directors' fees.

No shares options were issued during the year ended 30 June 2014 (2013: none).

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.

13. RELATED PARTIES

The preparation of the financial statements of the Company, and Company Secretary services are undertaken by Crestbridge Corporate Services Limited of which D R King is a Director. During the year fees totalling £42,331 (2013: £47,830), including D R King's Director fee, were paid to Crestbridge Corporate Services Limited of which £4,750 (2013:£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. SUBSEQUENT EVENTS

On 25 September 2014 the Company sold 200,000 shares in Sterling Energy Plc for a net consideration of £50,581.75.

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