

Registration number: 06340098

**RENOWN OIL AND GAS LTD**  
Annual Report and Financial Statements  
for the Year Ended 31 December 2017



# **Renown Oil and Gas Ltd**

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# **Renown Oil and Gas Ltd**

## **Company Information**

**Director** JD Hamilton

**Company secretary** Mrs KC Hamilton

**Auditor** Tait Walker LLP  
Chartered Accountants & Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

**Registered office** Dudley Lane  
Dudley  
Cramlington  
Northumberland  
NE23 7RH

**Solicitors** Jacksons Commercial & Private Law LLP  
Innovation House  
Yarm Road  
Stockton on Tees  
TS18 3TN

# Renown Oil and Gas Ltd

(Registration number: 06340098)

## Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	346,260	421,495
<b>Current assets</b>			
Stocks	5	2,140	19,107
Debtors	6	97,823	127,434
Cash at bank and in hand		<u>1,143</u>	<u>1,163</u>
		101,106	147,704
<b>Creditors: Amounts falling due within one year</b>	7	<u>(1,053,596)</u>	<u>(2,037,702)</u>
<b>Net current liabilities</b>		<u>(952,490)</u>	<u>(1,889,998)</u>
<b>Total assets less current liabilities</b>		(606,230)	(1,468,503)
<b>Creditors: Amounts falling due after more than one year</b>	7	<u>(4,813)</u>	<u>(10,063)</u>
<b>Net liabilities</b>		<u>(611,043)</u>	<u>(1,478,566)</u>
<b>Capital and reserves</b>			
Called up share capital	1	1	1
Profit and loss account		<u>(611,044)</u>	<u>(1,478,567)</u>
<b>Total equity</b>		<u>(611,043)</u>	<u>(1,478,566)</u>

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 Income Statement has been taken.

Approved and authorised by the director on 28.6.2018

JD Hamilton  
JD Hamilton  
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

# **Renown Oil and Gas Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

### **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 Dudley Lane, Dudley, Cramlington, Northumberland, NE23 7RH.

The principal place of business is 23-24 Brindley Road, Hertburn Industrial Estate, Hertburn, Washington, NE37 2SF.

### **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.

#### **Statement of compliance**

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

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

These financial statements are prepared in sterling which is the functional currency of the entity.

#### **Going concern**

At the period end, the company had net current liabilities of £952,490 and net liabilities of £611,043. The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The validity of the use of this basis depends upon the following:-

The company meets its day to day working capital requirement through loans from related companies. The related companies have indicated that they will continue to support the company.

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

If the going concern basis proved to be invalid, the financial statements would have to be prepared on a break up basis in which the balance sheet would be restated to include all assets at estimated realisable values and all liabilities would become current and would have to be increased to include those liabilities contingent on the company ceasing to trade.

#### **Audit report**

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on ~~28.6.2018~~ was Mark Brunton BSc FCA, who signed for and on behalf of Tait Walker LLP.

# Renown Oil and Gas Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 2 Accounting policies (continued)

#### 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 value added tax, returns, 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.

#### Contract revenue recognition

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

#### Tax

The tax expense for the period comprises current 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.

#### 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, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	10% straight line
Plant and machinery	10% straight line
Fixtures and fittings	15% straight line
Motor vehicles	25% reducing balance
Equipment	15% reducing balance

#### 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.

# **Renown Oil and Gas Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **2 Accounting policies (continued)**

#### **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.

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.

#### **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.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

# **Renown Oil and Gas Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **2 Accounting policies (continued)**

#### **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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **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.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 28 (2016 - 32).



# Renown Oil and Gas Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 4 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 January 2017	<u>43,112</u>	<u>11,826</u>	<u>658,951</u>	<u>2,958</u>	<u>19,346</u>	<u>736,193</u>
At 31 December 2017	<u>43,112</u>	<u>11,826</u>	<u>658,951</u>	<u>2,958</u>	<u>19,346</u>	<u>736,193</u>
<b>Depreciation</b>						
At 1 January 2017	21,556	6,565	281,754	1,646	3,177	314,698
Charge for the year	<u>4,311</u>	<u>789</u>	<u>65,895</u>	<u>197</u>	<u>4,043</u>	<u>75,235</u>
At 31 December 2017	<u>25,867</u>	<u>7,354</u>	<u>347,649</u>	<u>1,843</u>	<u>7,220</u>	<u>389,933</u>
<b>Carrying amount</b>						
At 31 December 2017	<u>17,245</u>	<u>4,472</u>	<u>311,302</u>	<u>1,115</u>	<u>12,126</u>	<u>346,260</u>
At 31 December 2016	<u>21,556</u>	<u>5,261</u>	<u>377,197</u>	<u>1,312</u>	<u>16,169</u>	<u>421,495</u>

Included within the net book value of land and buildings above is £17,245 (2016 - £21,556) in respect of freehold land and buildings.

### 5 Stocks

	2017 £	2016 £
Other inventories	<u>2,140</u>	<u>19,107</u>

### 6 Debtors

	2017 £	2016 £
Trade debtors	37,940	47,646
Prepayments	7,122	5,961
Other debtors	47,723	55,893
Corporation tax asset	<u>5,038</u>	<u>17,934</u>
	<u>97,823</u>	<u>127,434</u>

# Renown Oil and Gas Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 7 Creditors

#### Creditors: amounts falling due within one year

	Note	2017 £	2016 £
<b>Due within one year</b>			
Loans and borrowings	8	5,250	5,250
Trade creditors		50,436	84,990
Amounts owed to group undertakings		793,171	1,803,723
Taxation and social security		158,960	124,148
Accruals and deferred income		28,494	16,476
Other creditors		17,285	3,115
		<u>1,053,596</u>	<u>2,037,702</u>

Creditors include net obligations under finance lease and hire purchase contracts which are secured of £5,250 (2016 - £5,250). The balances are secured against the asset to which they relate.

#### Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
<b>Due after one year</b>			
Loans and borrowings	8	<u>4,813</u>	<u>10,063</u>

Creditors falling due after more than one year include net obligations under finance lease and hire purchase contracts which are secured of £4,813 (2016 - £10,063). The balances are secured against the asset to which they relate.

### 8 Loans and borrowings

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	<u>5,250</u>	<u>5,250</u>
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>4,813</u>	<u>10,063</u>

# **Renown Oil and Gas Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **9 Financial commitments, guarantees and contingencies**

#### **Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is £Nil (2016 - £150).

#### **Amounts disclosed in the balance sheet**

Included in the balance sheet are pensions of £3,147 (2016 - £3,115).

### **10 Related party transactions**

On 15th December 2017 the company entered into a formal agreement with Renown Engineering Limited, another member of the Renown Group whereby a formal deed of release was signed by both parties in respect of a £1,500,000 loan owed by the company to Renown Engineering Limited, thereby writing the loan off absolutely. As a result the company has recognised £1,500,000 in other operating income in respect of this transaction.

The company has taken advantage of the exemptions available under FRS 102, of not disclosing transactions with other members of the Renown Group. There are no other transactions which are required to be disclosed under the terms of FRS 102.

### **11 Parent and ultimate parent undertaking**

The company's immediate parent is Renown Group Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Renown Group Limited. These financial statements are available upon request from the registered office at Northumberland Business Park West, Cramlington, Northumberland, NE23 7RH.