Annual Report **2019-2020**

Contents

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Chairman's statement

Dear Fellow Shareholders,

It is my pleasure to present you with the Annual Report of Angus Energy plc (the "Company" or "Angus Energy") with its subsidiary undertakings (the "Group") for the year ended 30 September 2020.

An unusual year for everyone and a particularly challenging one for the hydrocarbon sector. Crude oil and even gas prices plunged to historic lows during the first Spring 2020 lockdown. Whilst frustrating to see such slow progress on regulatory and planning approvals at Balcombe and Brockham, it was perhaps fortuitous that we were not producing and selling either oil or gas at what might have been an economic loss for much of the period to September 2020.

Prices stabilized in the latter part of the reporting period with gas prices, at the time of going to press, comfortably ahead of our long-range assumptions in the Saltfleetby Competent Persons Report. Additionally, we do foresee a period of relatively tight supply in all hydrocarbons two to three years hence which should provide good support for oil prices, although in the longer term, beyond five years, our general view is that gas as a commodity will hold value much better than oil.

Whilst our long-term picture does not favor oil prices, we do intend to push ahead with production from our Southern fields in order to exploit the potential for more robust crude pricing in the medium term. So, we are pressing ahead with our application for water injection for reservoir support at Brockham and a renewed focus in improved production from Lidsey.

Within the 2021 calendar year we anticipate that the Saltfleetby Gas Field will be our core cash producing asset for the foreseeable future and I am pleased to say that we were able, during this accounting period, to complete a Competent Persons Report confirming our original view of the Field as being worth multiples of Angus' market capitalization at the period end and justifying the management time and financial resources deployed to develop the Field. Additionally, we obtained local authority planning permission and began the task of connecting the old pipeline to the national grid, which is a project considerably advanced at the time that I am reporting to you now.

There have been delays and cost overruns in the procurement process for the process facilities. Such delays are not unusual in significant projects of this nature and it should be said that the procurement environment for gas processing has become more challenging, as is described and explained in more detail in the Operations Report below. Nonetheless, after a year's search for finance to develop the Field we are now approaching a position where shareholders are able to see a clear runway to cash generative production.

Finally, in last year's report, my Managing Director, mentioned an intention to pursue projects supportive of our country's commitment to energy transition from carbon burning. I am pleased to report some activities and much to come.

Financial and Statutory Information

Revenue from oil and gas production during the year was down to £0.068m (2019: £0.2m) on production of a gross 1,594 barrels (2019: 5,346 barrels). This was the result of the Lidsey Oil Field being shut in due to problems with the downhole pump during the year coupled with low oil prices.

The Group recorded a loss of £2.516m (2019: £5.043m). During these difficult economic times, the company has made a conscious effort to cut costs at both corporate and operational levels while still maintaining high level of professionalism and operatorship. This has paid off seeing administrative costs being reduced by £1.916m to £2.060m (2019: £3.976m).

Outlook

Whilst the company maintains its focus on getting Saltfleetby into production this year we are also planning for the extended well test at Balcombe and look forward to resuming production at Brockham and Lidsey.

As previously mentioned, we are constantly reviewing projects to complement our existing portfolio and create shareholder value. We have widened our net to include alternative energy and infrastructure projects and continue our study into the Geothermal project we have identified. We believe the company is well positioned to take advantage of opportunities as they present themselves.

Patrick Clanwilliam
Chairman
08 March 2021

Operating Review

In March 2020 we published the results of the Competent Persons Report completed by Oilfield International, an independent energy consultancy. The positive results of the report along with a Gas Sales Agreement entered with Shell Energy Europe Limited, a division of Royal Dutch Shell plc, reaffirming management's decision to acquire an interest in the Saltfleetby Field.

The full report is available on the Company website under Presentations at the following link http://www.angusenergy.co.uk/media/presentations/. The below tables reflect the gross and net reserves, resources or present value attributable to Angus's shareholding of 51%.

Table 0-2 Sales Gas Reserves: Gross and Net Attributable to AEWB

Saltfleetby Field	Gross				Net Attributable to AEWB				Operator
Sales Gas Reserves	1P	2P	3P	Mean	1P	2P	3P	Mean	
	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	
Main Field Westphalian Reservoir	18	32	55	32	9	16	28	16	AEWB

Table 0-3 Condensate Liquids Reserves: Gross and Net Attributable to AEWB

Saltfleetby Field	Gross				Net Attributable to AEWB				Operator
Condensate Liquids Reserves	1P	2P	3P	Mean	1P	2P	3P	Mean	
	M STB	M STB	M STB	M STB	M STB	M STB	M STB	M STB	
Main Field Westphalian Reservoir	107	190	330	188	55	97	168	96	AEWB

Effective Date: 28th February 2020

Source: Oilfield International

Table 0-4 Sales Gas Contingent Resources: Gross and Net Attributable to AEWB

Saltfleetby Field	Gross				Net Attributable to AEWB				Operator
Sales Gas Contingent Resources	1C	2C	3C	Mean	1C	2C	3C	Mean	
	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	
Main Field Namurian Reservoir	0	2	4	2	0	1	2	1	AEWB
Southern Satellite Westphalian Reservoir	12	18	26	18	6	9	13	9	AEWB
Total Remaining Recoverable Gas	12	20	30	20	6	10	15	10	

Effective Date: 28th February 2020

Source: Oilfield International

Table 0-5 Condensate Liquids Contingent Resources: Gross and Net Attributable to AEWB

Saltfleetby Field	Gross				Net Attributable to AEWB				Operator
Condensate Liquids Contingent Resources	1C	2C	3C	Mean	1C	2C	3C	Mean	
	M STB	M STB	M STB	M STB	M STB	M STB	M STB	M STB	
Main Field Namurian Reservoir	5	30	64	33	3	15	33	17	AEWB
Southern Satellite Westphalian Reservoir	158	221	288	229	80	113	147	117	AEWB
Total Remaining Condensate Liquids	163	251	351	263	83	128	179	134	

Effective Date: 28th February 2020

Source: Oilfield International

Focusing on the mean sales gas reserves, approximately equal to the 2P case, these are estimated by Oilfield International at 16 billion cubic feet (BCF). Also forming part of mean reserves are 97,000 barrels of condensate. The total cash flow after costs but before taxes of these reserves is approximately £50 million at prices derived from the gas forward curve from ICE exchange and an average forward condensate price of $42/bbl. The report reports the net present value of the above reserves, but not the contingent resources, which it defines as the gas and condensate sales revenue minus the grid connection costs, capital expenditure, operating expenditure, taxation and abandonment cost, and adjusted for the time value of money. The resulting mean value of the reserves to Angus shareholders, which is also the central case, is just over £25 million, with a high case of £35 million and a low case of £16.7 million.

Away from Saltfleetby, a further potential large scale geothermal project is under study. The proposed scheme, located in an area of high geothermal gradient, would be designed to achieve significant commercial power generation. Current projects in the area have de-risked some aspects of this technology and this project would seek to build on that experience to scale up to a full power generation project.

Current work is evaluating possible locations including preliminary discussions with landowners coupled with technical work on well design, surface facilities and infrastructure including initial contacts with the electricity grid connection provider. At the same time, the regulatory and planning framework is being reviewed and initial submissions are in preparation. Deeper geothermal energy will become increasingly important as a stable provider of electricity balancing the output from other green energy sources that are subject to the vagaries of wind and weather. Angus sees a large new market opening for these projects and wishes to be an early entrant to the field.

Under the heading "Review of activities" below we provide a more in-depth summary of operational activities. I again repeat my statement of last year that our first concern as a Group must be for the safety of our staff, contractors, the public at large and the environment on which we rely on. It is with pleasure that I report that all operations were performed without any safety incidents or environmental damage. We will continue to work in close co-operation with all of our regulators, ensuring a spotless record of compliance – the Oil and Gas Authority ("OGA"), the Environment Agency ("EA") the Health and Safety Executive ("HSE") and our local councils.

Business Review

The principal activity of the Group during the year continued to be onshore, conventional production and development of hydrocarbons in the UK.

Review of activities

Saltfleetby

In December 2019, the Oil and Gas Authority gave its consent to the assignment of a 51% share in Saltfleetby Energy Limited's interest in the Saltfleetby Field blocks of PEDL005 to Angus Energy Weald Basin No 3 Limited, a wholly owned subsidiary of the Company. The Authority also gave consent to the appointment of Angus Energy Weald Basin No3 Limited as Exploration and Production Operator. The Company followed by submitting a Field Development Plan to the Oil & Gas Authority while completing the Conceptual design of the reconnection point at the National Grid Entry point at Theddlethorpe and design of on-site processing facilities. This allowed the Company to start the equipment identification and procurement and open discussions with planning officers at Lincolnshire County Council.

Applications to Lincolnshire County Council relating to updating current use of the site to incorporate on-site gas processing and the 750-meter extension of the pipeline to the National Grid Terminal were approved. Applications for the variation of permit at the Environment Agency has also been submitted and for sundry permissions and approvals at Health & Safety Executive.

In Q1 of 2020 the company carried out the final stages of abandonment on wells SF1 & SF3 to full ABIII abandonment. This has left 6 remaining wells on the field, with 2 earmarked for future production and the remaining 4 under review as sidetrack candidates or for alternative uses such as heat capture and geothermal. An initial pilot study was commissioned by the company to assess the use of these remaining wells with respect to a geothermal/heat capture project. Initial findings appear positive, and the company is now assessing a way forward on this.

The main operational activities at Saltfleetby consisted of the commencement of the construction of the pipeline extension from the existing 10" line to the National Grid entry point. By the end of 2020, the 4" section had been completed, with only a short stretch of c.150m of 10" steel to be installed in Q1 2021. Once complete a period of testing and commissioning will begin.

Detailed design of the processing facilities that will be installed on the site itself is well underway, and down payments have been m on many of the key bits of equipment. It is the companies view that equipment will begin to arrive on site during 2021 and installation and commissioning will commence with the expectation of first gas in H2 2021.

Balcombe

Following the initial 7 day well test in the Autumn of 2018, a planning application was submitted in late 2019 for a longer 3 year well test on the Balcombe 2Z well. The aim of the planned operation is to recover remaining drilling fluids to prepare the well for an extended well test. A long term extended well test will indicate to what degree the well and field can produce hydrocarbons at a commercial rate.

However, in early 2020 the planning officer recommended the application for refusal and the company withdrew the application before committee stage. A revised application for a 12 month extended well test was then submitted to WSCC, including a wealth of information on socio economic benefits and the projects' alignment with the public interest case for oil in terms energy security and benefit to the national economy from indigenous production.

The Planning Officer recommended the application for approval but despite this the Planning Committee Meeting held remotely on Tuesday 2 March 2021 at 10.30 am decided against the application. The Company is of the view that this decision was not in accordance with the Council's own policies and will consult with legal advisors on appeal routes once the Decision is issued in writing.

Lidsey

The Lidsey oilfield continued to provide steady production from well Lidsey X2 during the first 2-3 months of the year, before the well was shut in due to falling brent crude prices as result of the Covid-19 pandemic. Mechanical problems with the downhole pump and nipple assembly resulted in a difficult restart to production in the summer. Several small workover attempts were made to ensure the pump was correctly seated and several joints of the rod string were replaced due to wear and tear. Following this production resumed, albeit at slightly reduced rates. The focus of the field is now on enhancing production rates with optimized pumping routines and ensuring maximal hydrocarbon recovery from the reservoir.

In addition, initial re-mapping of the field has indicated potential sidetrack opportunities from the existing wellbores, which could be confirmed by the acquisition of further seismic data as previously advised by the company. This work is being considered with partners.

Brockham

The Group continued with its plan to obtain commercial value from the licence by resuming production from the Portland reservoir. An application to the Environment Agency for permission to re-inject formation water to maintain pressure in that reservoir to gain maximum hydrocarbon recovery was submitted. This included an updated Hydrogeological Risk Assessment report as per our recent submission regarding Balcombe. A Field Development Plan was also submitted to this effect to the Oil & Gas Authority which was approved. The Group believes that, subject to permits being granted, the site would be commercially profitable without any further significant capital expenditure. Recompletion of the BR X4Z well as a Portland producer is also under consideration.

A24 Prospect, formerly Holmwood

On 16 October 2020, UKOG Plc, the operator of PEDL 143 Licence (Holmwood/A24 Prospect) in which Angus had an interest of 12.5%, announced that "a detailed study examining the viability of drilling the A24 (formerly Holmwood) Portland prospect's centre from selected sites outside the Surrey Hills Area of Outstanding Natural Beauty, each over 3 km from the target, concludes that the required long-reach/shallow target-depth wells are neither technically viable or economically feasible. Consequently, UKOG and its partners have now relinquished their interests in the licence. It remains a great disappointment to the Company that the licence's former operator, Europa Oil and Gas, whilst in possession of planning consent, failed to drill the prospect from the Holmwood site, around 1 km from the target." This was a decision supported by the Company.

Strategy and Sustainability

The Directors' objective remains unchanged, to create long term value for shareholders by building the Group into a profitable energy production company with a reputation for technical excellence but with great cost discipline. The Director's will continue to focus on the UK onshore but do not rule out acquisitions overseas in jurisdictions where the rule of law is strong. We understand the energy requirements and infrastructure constraints, combined with a development plan based on fundamentals, can lead to sustainable and profitable opportunities for investors. As such we are constantly reviewing potential projects that will complement our existing core skills and portfolio of assets.

From the point of view of sustainability, the Directors are aligned with the national energy objectives and look forward with enthusiasm to the opportunities ahead in the common goal of net zero. Whilst we will continue to win a return from legacy oil fields, the preference remains for the acquisition of gas assets, but the company has widened the net to included sustainable energy projects. One such example is our Deep Geothermal Project, which provides the baseload generation which wind and solar cannot do without and contains many innovative, risk reducing elements for partners and investors alike.

Global Environment and Stewardship

As a Group we do have duties of stewardship to the wider environment of which we are acutely aware. At Angus we realise there needs to be significant improvement in the Energy Mix and the transition begins with the proper operation of the existing energy assets and the responsible development of new ones. We understand hydrocarbons are still needed but must be produced to the highest ESG standards.

When it comes to our existing operations or evaluating potential new projects we are always focused on creating the least possible impact to the environmental.

Local Environment

As a responsible OGA approved and Environment Agency ("EA") permitted UK operator, Angus Energy is committed to utilising industry best practices and achieving the highest standards of environmental management and safety. Our operations:

- Continuously assess and monitor environmental impact
- Promote internally and across our industry best practices for environmental management and safety
- Constant attention to maintaining our exemplary track record of safe oil and gas production

There were no reportable health and safety incident during the year.

Community

Angus Energy seeks and maintains positive relationships with its local communities. We achieve this through our various forms of communication which include community liaison meetings, social media updates, RNS's and Investor Q & A sessions.

In general, we are guided by the following principles:

- Open and honest dialogue
- Engagement with stakeholders at all stages of development
- Proactively address local concerns
- Actively minimise impact on our neighbours
- Adherence to a strict health and safety code of conduct

On 4 June 2018, the Group established the Bruce Watt Memorial Scholarship, a yearly scholarship fund of £10,000 per year to support students from Bognor Regis and the surrounding community to undertake further academic studies beyond secondary school. Currently there have been 7 recipients of the Scholarship award.

Financial Review

The Group began the period with the following interests: 65% of Brockham (PL235), 80% of Lidsey (PL241), 25% of Balcombe, 12.5% of the A24 Prospect (PEDL 143) and 51% of Saltfleetby Gas Field (PEDL005).

The Group had a cash balance of £3.419m as at 30 September 2019.

On 25 October 2019, the Company entered into a £1.5 million Convertible Loan Note facility led by Riverfort Global Opportunities PCC Limited of which £1m was drawn down immediately.

On 12 December 2019, the company issued 13,766,520 shares at 0.7264p each. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note described in note 21.

On 18 February 2020, the company issued 17,319,016 shares at 0.5774p each. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note described in note 21.

On 15 March 2020, the company issued 32,133,676 shares at a price 0.6224p. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note described in note 21.

During the period, a further £542,000 of the Convertible Loan Note was repaid in cash leaving a balance of £58,000 at the end of the period which was subsequently converted in ordinary shares as detailed in note 24.

On 20 April 2020, the Company issued a 4% per annum £1,400,000 Convertible Loan Note (the "New Loan Note") to Knowe Properties Limited, a significant shareholder in the Company. The New Loan Note is unsecured and is convertible at maturity after two years at the lower of (a) £0.01; or (b) if there is an issue of Shares or options in respect of Shares (excluding options granted to directors, managers or employees) by way of a single or directly related offer to the public with an aggregate subscription amount of £250,000 or more made without the prior written approval of the Noteholder then the price attaching to the lowest of those issues.

Alternatively, and at the Company's option, the Loan Note is repayable in part or whole at any time up to two months before maturity with an accompanying grant of warrants equal to the face value of the amount repaid. The warrants are exercisable at the lower of 1.3 pence or a 30% premium to the Conversion Price. Additionally, the Company has undertaken not to issue options to directors or staff at an exercise price below £0.01 during the term of the New Loan Note.

On 29 September 2020, the company issued 111,111,105 shares at 0.9p per share, raising gross proceed of £1,000,000.

At the end of the financial year the Group had Convertible loan notes outstanding totaling £1.483m (2019: £nil).

As at 30 September 2020, the Group retained a 51% interest in the Saltfleetby field, 65% in Brockham field, 80% interest in Lidsey field, 25% in the Balcombe field where the Group is the operator of all 4 fields.

The Group had cash balance of £1.852m at the end of reporting year.

On 21 October 2020, the Group announced the acquisition of Doriemus Plc's 10% interest in Brockham License PL235, as a result the Group will have an interest in the License of 75% once the transaction concludes.

The Group generated £0.068m revenue from oil and gas production during the year (2019: £0.200m). This was the result of the sale of 1,594 bbls of oil.

The Group recorded a loss of £2.516m (2019 a loss of £5.043m). For the year under review, the administrative costs were reduced by £1.219m to £2.060m (2019: £3.976m).

The Group's overall financial objectives are to increase revenue, return to profitability and enhance the asset base supporting the business. In order to monitor its progress towards achieving these objectives, the Group has set a number of key performance indicators, which deal predominately with revenue, profitability, margin and cash flow as above.

Governance, Compliance and Shareholder Relations

The Board consists of a Managing, Finance and Technical Director supervised by two experience non-executive Directors. The Board which meets regularly alongside with Aim Rules Committee meeting, Remuneration Committee and Audit Committee meetings.

In general, the management structure is very flat. In total we have 11 employees, including management. The Company relies heavily on third party experienced contractors.

We have appointed two compliance officers to deal with all our regulators and planning authorities which are presently Surrey, Lincolnshire and West Sussex County Council, the Oil & Gas Authority, the Environment Agency and the Health & Safety Executive. Additionally, as a publicly listed company, we are answerable to the AIM Market Division and to the Financial Conduct Authority.

Compliance is an area which has grown more complicated and expensive in recent years and we expect it to get more so. Regulators are being more pro-active and pre-emptive, and we must anticipate their needs and expectations better than we have in the past. We should aim to maintain better dialogue with all regulators and planners and engage in more frequent use of pre-approval procedures where they are available.

Principal risks and uncertainties

Currency risks

The Group sells its produced crude oil; oil is priced in US dollars whilst the bulk of its costs are in GBP and therefore the Group's financial position and performance will be affected by fluctuations in the US dollar, sterling exchange rate along with fluctuations in the oil price. Accordingly, the value of such transactions may be adversely affected by changes in currency exchange rates, which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Market risk

The demand for, and price of, oil and gas are highly dependent on a variety of factors beyond the Group's control. The continued marketing of the Group's oil will be dependent on market fluctuations and the availability of processing and refining facilities and transportation infrastructure, including access to roads, train lines and any other relevant options at economic tariff rates over which the Group may have limited or no control. Transport links (including roads and pipelines) may be inadequately maintained and subject to capacity constraints and economic tariff rates may be increased with little or no notice and without taking into account producer concerns. Producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. The marketability and prices of oil that may be discovered or acquired by the Group will be affected by numerous factors beyond its control.

Permitting risk

The Group exposed to the planning, environmental, licensing and other permitting risks associated with its operations particularly with exploration drilling operations.

The Group has to date been successful in obtaining the required permits to operate. Therefore, the Group considers that such risks are mitigated through compliance with regulations, proactive engagement with regulators, communities and the expertise and experience of the management team.

Reserve and resource estimates

No assurance can be given that hydrocarbon reserves and resources reported by the Group in the future are present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon reserve and resource estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources. Unless stated otherwise, the hydrocarbon reserve and resources data contained in the financial statements are taken from the Competent Person's Report, at the time of AIM admission on 14 November 2016.

There are uncertainties inherent in estimating the quantity of reserves and resources and in projecting future rates of production, including factors beyond the Group's control. Estimating the amount of hydrocarbon reserves and resources is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

The hydrocarbon resources data extracted from the Competent Person's Report are estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Reserves estimates are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Group (which it may not necessarily have produced).

The estimates may prove to be incorrect and potential investors should not place reliance on the forward-looking statements (including data included in the Competent Person's Report or taken from the Competent Person's Report and whether expressed to have been certified by the Competent Person or otherwise) concerning the Group's reserves and resources or production levels. Hydrocarbon reserves and resources estimates are expressions of judgment based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available.

This may result in alterations to development and production plans which may, in turn, adversely affect operations. If the assumptions upon which the estimates of the Group's hydrocarbon resources have been based prove to be incorrect, the Group (or the operator of an asset in which the Group has an interest) may be unable to recover and produce the estimated levels or quality of hydrocarbons set out in this document and the Group's business, prospects, financial condition or results of operations could be materially and adversely affected.

Events after the reporting period

The Group had a cash balance of £1.852m as at 30 September 2020 subsequent to the significant cash movements described during the reporting period.

On 16 October 2020, UKOG Plc, the operator of PEDL 143 Licence (Holmwood/A24 Prospect) in which Angus had an interest of 12.5%, announced that "a detailed study examining the viability of drilling the A24 (formerly Holmwood) Portland prospect's centre from selected sites outside the Surrey Hills Area of Outstanding Natural Beauty, each over 3 km from the target, concludes that the required long-reach/shallow target-depth wells are neither technically viable or economically feasible. Consequently, UKOG and its partners have now relinquished their interests in the licence. It remains a great disappointment to the Company that the licence's former operator, Europa Oil and Gas, whilst in possession of planning consent, failed to drill the prospect from the Holmwood site, around 1 km from the target." This was a decision supported by the Company.

On 21 October 2020, the Company executed a Sale & Purchase Agreement for the purchase of Doriemus plc's ("Doriemus") 10% interest in the Brockham PL235 Licence, thereby increasing the Company's interest from 65% to 75%. The purchase price for the Licence is adjusted for the settlement of outstanding amounts due from Doriemus to the Company and a contribution towards the estimated share of long-term abandonment liabilities and results in a net payment to the Company of approximately £260,000 in cash in Completion.

On 4 November 2020, the Company announced that, in relation to the £1.5 million convertible loan facility announced on 25 October 2019 (the "Loan") and amended on 20 April 2020, it received a notice from Riverfort Global Opportunities PCC Limited and YA II PN Ltd ("Investors") to convert the final £58,335 of the Loan into Angus shares. After the conversion there were no outstanding liabilities between the Company and the Noteholders. The Company had therefore allotted 9,678,945 new ordinary shares to the noteholders.

On 30 November 2020, the Company together with its partner, Saltfleetby Energy Limited ("SEL"), it had entered into a Memorandum of Understanding (the "MOU") with Aleph Energy

Limited and Aleph Commodities Limited ("Aleph") detailing non-binding Heads of Terms to provide up to £12 million towards the Saltfleetby Finance Facility required to develop the Saltfleetby Gas Field ("Saltfleeby"). The indicative terms provide for a four year amortising loan facility of up to £12million with a 12% margin over LIBOR, a 3% commitment fee payable out of the facility, a share grant of 30 million shares in Angus, issued over the life of the facility and an override of 8% on gross revenue following repayment of the facility. Given the share grant to be issued by Angus under the MOU, SEL has agreed net drawdowns from the facility to cover elements of the pipeline completion, thereby keeping the relative funding liabilities on the agreed pro rata basis of 51%/49%.

On 16 December 2020, the company raised gross proceeds of £249,990 as result of a placing of new ordinary shares. A total of 41,664,999 new ordinary shares in the capital of the Company have been placed by WH Ireland Limited with new and existing investors at a price of 0.6 pence per share.

On 27 January 2021, the company raised gross proceeds of £1,5000,000 as result of a placing of new ordinary shares. A total of 150,000,000 new ordinary shares in the capital of the Company have been placed by WH Ireland Limited with new and existing investors at a price of 1 pence per share. The Placing Shares were also accompanied by the issue of one warrant to subscribe for one ordinary share in the Company for each Placing Share (the "Placing Warrant"). The Placing Warrants are exercisable at any time, for a period of 2 years, from the date of Admission at the following exercise prices: 50% at 1.2p; 25% at 1.35p and 25% at 1.5p.

On 1 February 2021, to satisfy additional demand, the company conditionally placed a further 15,000,000 new ordinary shares in the Company at a price of 1 pence per share to raise gross proceeds of £150,000. The Further Placing Shares were also accompanied by the issue of one warrant to subscribe for one ordinary share in the Company for each Further Placing Share (the "Further Placing Warrants"). When issued, the Further Placing Warrants will be exercisable at any time, for a period of 2 years, from the date of admission of the Further Placing Shares at the following exercise prices: 50% at 1.2p; 25% at 1.35p and 25% at 1.5p.

Outlook

The company looks forward to completing the pipeline reconnection works at Saltfleetby and seeing first gas delivered to National Grid. This milestone will be complemented by production at our Southern Fields and the exciting prospect of a near term Geothermal project.

Approved by the Board of Directors and signed on behalf of the Board.

George Lucan
Managing Director
08 March 2021

Details of all our assets and operations can be found at www.angusenergy.co.uk

Corporate Governance Statement

The Directors recognise that good corporate governance is a key foundation for the long term success of the Group. The Company is listed on the AIM market of the London Stock Exchange and is subject to the continuing requirements of the AIM Rules. The Board has therefore adopted the principles set out in the Corporate Governance Code for small and mid-sized companies published by the Quoted Companies Alliance ("QCA Code"). The principles are listed below with an explanation of how the Company applies each principle, and the reasons for any aspect of non-compliance.

1. Establish a strategy and business model which promote long- term value for shareholders

Angus Energy Plc provides shareholders with a full discussion of corporate strategy within our Annual Report. A dedicated section explains how we will establish long term shareholder value, as set out on page 10.

The Company is focused around 3 key strategic goals:

- increase production and recovery from its existing asset portfolio;
- grow the asset portfolio through select onshore development and appraisal projects;
- actively manage costs and risks through operational and management control of the entire process of exploring, appraising and developing its assets.

The Management team actively evaluates projects that simultaneously de-risk the current portfolio and create long term shareholder value. Projects are evaluated based on many characteristics to mitigate risk to our current activities they include but are not limited to alignment with the Company's core competencies, geography, time horizon and value creation. Further, a core component of the Company's activities include an active dialogue with our legal and legislative advisors to ensure the Company remains up to date on current legislation, policy and compliance issues.

The key challenges to the business and how they may be mitigated are detailed in the Strategic Report on pages 6 to 16.

2. Seek to understand and meet shareholder needs and expectations

Angus Energy encourages two-way communication with institutional and private investors. The Group's major shareholders maintain an active dialogue to and ensure that their views are communicated fully to the Board. Where voting decisions are not in line with the company's expectations the Board will engage with those shareholders to understand and address any issues. The Company Secretary is the main point of contact for such matters.

The Company seeks out appropriate platforms to communicate to a broad audience its current activities, strategic goals and broad view of the sector and other related issues. This includes but is not limited to media interviews, website videos in -person investor presentations and written content.

Communication to all stakeholders is the direct responsibility of the Senior Management team. Managers work directly with professionals to ensure all inquiries (through established channels for this specific purpose such as email or phone) are addressed in a timely matter. And that the Company communicates with clarity on its proprietary internet platforms. Senior management routinely provides interviews to local media, and business reporters in support of the company's activities. The Board routinely reviews the Company communication policy and programmes to ensure the quality communication with all stakeholders.

3. Take into account wider stakeholder and social responsibilities and their implications for long term success

In all endeavours, the Company gives due consideration to the impact on its neighbours. The Company seeks out methodologies, processes and expertise in order to address the concerns of the non-investment community. As such, it actively identifies the bespoke needs of local communities and their respective planners.

For example, the company provides for local hotlines and establishes community liaison groups to address local questions and concerns.

Angus Energy seeks to maintain positive relationships within the communities we operate. As such, Angus Energy is dedicated to ensuring:

- Open and honest dialogue;
- Engagement with stakeholders at all stages of development;
- Proactively address local concerns;
- Actively minimise impact on our neighbours; and
- Adherence to a strict health and safety code of conduct

As a responsible OGA approved and EA permitted UK operator, Angus Energy is committed to utilising industry best practices and achieving the highest standards of environmental management and safety.

Our operations:

- Continuously assess and monitor environmental impact;
- Promote internally and across our industry best practices for environmental management and safety; and
- Constant attention to maintaining our exemplary track record of safe oil and gas production.

The Company has also established a scholarship programme for community residents seeking secondary or further education.

For more information please refer to the page 11 of the Annual Report as well as the Community section within the Company's corporate website.

4. Embed effective risk management, considering both opportunities and threats, throughout the organization

Risk Management in the Strategic Report details risks to the business, how these are mitigated and the change in the identified risk over the last reporting period.

The Board considers risk to the business at every Board meeting (at least 8 meetings are held each year) and the risk register is updated at each meeting. The Company formally reviews and documents the principal risks to the business at least annually.

Both the Board and senior managers are responsible for reviewing and evaluating risk and the Executive Directors meet at least monthly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading.

5. Maintain the Board as a well- functioning, balanced team led by the chair

Oversight of Angus Energy is performed by the Company's Board of Directors. Patrick Clanwilliam, the acting Non-Executive Chairman, is responsible for the running of the Board and George Lucan, the Managing Director, has executive responsibility for running the Group's business and implementing Group strategy. All Directors receive regular and timely information regarding the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. In addition, minutes of the meetings of the Directors of the main UK subsidiary are circulated to the Group Board of Directors. All Directors have direct access to the advice and services of the Company Secretary and are able to take independent professional advice in the furtherance of the duties, if necessary, at the company's expense.

The Board comprises of three Executive Directors and two Non-Executive Directors with a mix of significant industry and business experience within public companies. The Board considers that all Non- executive Directors bring an independent judgement to bear. All Directors must commit the required time and attention to thoroughly fulfil their duties.

The Board has a formal schedule of matters reserved to it and is supported by the Audit, Remuneration, Nomination and AIM Rules compliance committee. The Schedule of Matters Reserved and Committee Terms of Reference are available on the Company's website and can be accessed on the Corporate Governance page of the website.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The nomination committee will determine the composition of the Board of the Group and appointment of senior employees. It will develop succession plans as necessary and report to the Directors. Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender.

The Company Secretary supports the Chairman in addressing the training and development needs of Directors.

As a small company, all members of the Board share responsibility for all Board functions. As such the Board will from time to time engage outside consultants to provide an independent assessment.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board carries out an evaluation of its performance annually, taking into account the Financial Reporting Council's Guidance on Board Effectiveness. All Directors undergo a performance evaluation before being proposed for re- election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role.

Details of the Board performance effectiveness process will be included in the Directors' Remuneration Report on page 27.

8. Promote a corporate culture that is based on ethical values and behaviours

The Group is committed to maintaining and promoting high standards of business integrity. Company values, which incorporate the principles of corporate social responsibilities (CSR) and sustainability, guide the Group's relationships with clients, employees and the communities and environment in which we operate. The Group's approach to sustainability addresses both our environmental and social impacts, supporting the Group's vision to remain an employer of choice, while meeting client demands for socially responsible partners.

Company policy strictly adheres to local laws and customs while complying with international laws and regulations. These policies have been integral in the way group companies have done business in the past and will continue to play a central role in influencing the Group's practice in the future.

The ethical values of Angus Energy including environmental, social and community and relationships, are set out on pages 10 and 11 and 33 to 36 of the Annual Report.

9. Maintain governance structures and processes that are fit for purpose and support good decision- making by the Board

The Company has adopted a model code for directors' dealings and persons discharging managerial responsibilities appropriate for an AIM company, considering the requirements of the Market Abuse Regulations ("MAR"), and take reasonable steps to ensure compliance is also applicable to the Group's employees (AIM Rule 21 in relation to directors' dealings).

The Corporate Governance Statement details the company's governance structures, the role and responsibilities of each director. Details and members of the Audit Committee, Remuneration Committee, Nomination Committee and AIM Rules compliance committee can be found on pages 22.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company encourages two- way communication with both its institutional and private investors and responds quickly to all queries received. The Managing Director talks regularly with the Group's major shareholders and ensures that their views are communicated fully to the Board.

The Board recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.

To the extent that voting decisions are not in line with expectations, the Board will engage with shareholders to understand and address any issues.

In addition to the investor relations activities carried out by the Company as set out above, and other relevant disclosures included on this Investor Relations section of the Company's website, reports on the activities of each of the Committees during the year will be set out in the Annual Report on page 22.

The Board and its committees

The Board of the Group consists of three Executive Directors and two non-Executive Directors.

The Board met on 8 occasions during the year to 30 September 2020. The table below sets out the Board meetings held by the Company for the financial year ended 30 September 2020 and attendance of each Director:	Board meetings
Executive Directors	
George Lucan	[08/08]
Carlos Fernandes	[08/08]
Andrew Hollis	[08/08]
Non-Executive Directors	
Patrick Clanwilliam	[08/08]
Cameron Buchanan	[07/08]

The Group has established an audit committee, a remuneration committee, a nomination committee and an AIM Rules compliance committee with formally delegated duties and responsibilities.

Audit committee
The audit committee comprised of Carlos Fernandes, George Lucan and Patrick Clanwilliam, with Carlos Fernandes as chairman. The composition of these committees may change over time as the composition of the Board changes.

The Audit Committee helps the Board discharge its responsibilities regarding financial reporting, external and internal audits and controls as well as reviewing the Group's annual and half-year financial statements, other financial information and internal Group reporting.

The Auditor Committee Report is presented on page 24 to 25.

Remuneration committee
The remuneration committee comprised of Patrick Clanwilliam and Cameron Buchanan, with Patrick Clanwilliam as chairman. The composition of these committees may change over time as the composition of the Board changes.

The remuneration committee will determine the scale and structure of the executive directors' and senior employees' remuneration and the terms of their respective service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive directors of the Group will be set by the Chairman and executive members of the Board.

The Directors' Remuneration Report is presented on page 26 to 27.

Nomination committee
The nomination committee comprised of Patrick Clanwilliam, Andrew Hollis and Cameron Buchanan with Patrick Clanwilliam as chairman. The composition of these committees may change over time as the composition of the Board changes.

The nomination committee will determine the composition of the Board of the Group and appointment of senior employees. It will develop succession plans as necessary and report to the Directors.

Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender.

The Board carries out an evaluation of its performance annually, taking into account the Financial Reporting Council's Guidance on Board Effectiveness.

AIM Rules compliance committee
The AIM Rules compliance committee comprised of George Lucan, Cameron Buchanan and Patrick Clanwilliam with George Lucan as chairman. The composition of these committees may change over time as the composition of the Board changes.

The AIM Rules compliance committee will ensure that procedures, resources and controls are in place to ensure that AIM Rules compliance by the Group is operating effectively at all times and that the executive directors are communicating effectively with the Group's nominated adviser regarding the Group's ongoing compliance with the AIM Rules and in relation to all announcements and notifications and potential transactions.

The Board will keep the Group's compliance with the new Market Abuse Regulation (MAR) regime under review and will adopt such policies and practices as the Board consider necessary to ensure such compliance from time to time. This includes compliance with requirements regarding directors' dealings.

The AIM Rules compliance committee met three times during the period under review to discuss Jonathan Tidswell-Pretorius and general compliance issues.

Other matters

In 2017, a loan of £200,000 was advanced to former director, Jonathan Tidswell-Pretorius, in connection with settling certain tax obligations arising from historical company matters, approved by the non-executive directors in accordance with the Company's corporate governance guidelines. The loan was repayable on demand and unsecured, and restrictions were placed on equity or share option dealing by the director during the tenure of the loan. The loan was subsequently repaid on 7 January 2020.

The Board believes that the Group has a strong governance culture and this has been reinforced by the adoption of the QCA Code and recognition of the key principles of corporate governance set out in the QCA Code, which the Board continually considers in a manner appropriate for a company of its size.

Patrick Clanwilliam
Chairman
08 March 2021

The Audit Committee helps the Board discharge its responsibilities regarding financial reporting, external and internal audits and controls as well as reviewing the Group's annual and half-year financial statements, other financial information and internal Group reporting. This includes:

considering whether the Company has followed appropriate accounting standards and, where necessary, made appropriate estimates and judgments taking into account the views of the external auditors; reviewing the clarity of disclosures in the financial statements and considering whether the disclosures made are set properly in context; where the audit committee is not satisfied with any aspect of the proposed financial reporting of the Company, reporting its view to the Board of directors; reviewing material information presented with the financial statements and corporate governance statements relating to the audit and to risk management; and reviewing the adequacy and effectiveness of the Company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the Board itself, review the Company's internal control and risk management systems and, except where dealt with by the Board or risk management committee, review and approve the statements included in the annual report in relation to internal control and the management of risk.

The Audit Committee assists by reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the Annual Report and financial statements and the half-yearly reports remains with the Board.

During the year, no non-audit services were provided to the group for the year under review. The audit committee considered the nature, scope of engagement and remuneration paid were such that the independence and objectivity of the auditors were not impaired. Fees paid for audit services are disclosed in Note 6.

During the financial year, the Audit Committee met twice with the auditor, Crowe U.K. LLP, to review audit planning and findings with regard to the Annual Report and review comments of the interim financial statements.

Significant reporting issues considered during the year included the following:

Impairments of oil assets

The Committee has reviewed the carrying values of the Groups oil assets, comprised of the oil production assets, exploration and evaluation (E&E) assets. Based on the work performed during the audit, and through discussions with management, the committee considers that the carrying value of E&E assets are not impaired. The committee have considerate prudent not to impair the oil production assets based on the estimated oil reserves and forecast level of future production.

Going concern

The Committee also considered the Going Concern basis on which the accounts have been prepared and can refer shareholders to the Group's accounting policy set out in Note 3.3 and Note 4 (c). The directors are satisfied that the going concern basis is appropriate for the preparation of the financial statements.

Carlos Fernandes
Chairman – Audit Committee

This report sets out the remuneration policy operated by the Company in respect of the Executive and Non-Executive Directors. The remuneration policy is the responsibility of the Remuneration Committee, a sub-committee of the Board. No Director is involved in discussions relating to their own remuneration.

Remuneration policy
The objective of the proposed remuneration policy is to attract, retain and motivate high caliber executives to deliver outstanding shareholder returns and at the same time maintain an appropriate compensation balance with the other employees of the Group.

Directors' remuneration
The normal remuneration arrangements for Executive Directors consists of base salary, performance bonuses and other benefits as determined by the Board. Each of the Executive Directors has a service agreement that can be terminated at any time by either party giving to the other twelve months' written notice. Compensation for loss of office is restricted to base salary and benefits only.

The remuneration packages for the Executive Directors are detailed below:

- **Base Salary:**
  Annual review of the base salaries of the Executive Directors are concluded after taking into account the Executive Directors' role, responsibilities and contribution to the Group performance.

- **Performance Bonus:**
  Bonus arrangements are discretionary and are payable depending on the performance of the Executive Directors in meeting their key performance indicators and in the wider context with the performance of the Group.

- **Benefits:**
  Benefits include payments for provident funds that are mandatory and statutory pension payments as required by laws of the resident countries of the Executive Directors, health insurance and other benefits.

- **Longer term incentives:**
  In order to further incentivise the Directors and employees, and align their interests with shareholders, the Company has granted share options in the current and previous years, as set out on page 27. The share options will vest at various future dates as described in the note 16 to the financial statements. There are no conditions attached to vesting other than service conditions.

Non-Executive Directors are remunerated solely in the form of Director Fees determined by the Board and are not entitled to pensions, annual bonuses or employee benefits.

Performance evaluation

All Directors undergo a performance evaluation before being proposed for re- election to ensure that their performance is and continues to be effective, that where appropriate they maintain their independence and that they are demonstrating continued commitment to the role.

Appraisals are carried out each year with all Executive Directors. All continuing Directors stand for re-election every 3 years. Succession planning at the current time is limited due to the current size of the Board.

The tables below set out the respective Directors' remuneration and fees:

2020	**Salary**	**Termination payment**	**Share based payment**	**Total**
	£'000		**£'000**	**£'000**
George Lucan	120	-	-	120
Andrew Hollis	120	-	-	120
Carlos Fernandes	120	-	-	120
Cameron Buchanan	30	-	-	30
Patrick Clanwilliam	60	-	-	60
	415	-	-	415

2019	**Salary**	**Termination payment**	**Share based payment**	**Total**
	£'000		**£'000**	**£'000**
George Lucan	82	-	10	92
Andrew Hollis	60	-	10	70
Carlos Fernandes	60	-	10	70
Cameron Buchanan	26	-	10	36
Patrick Clanwilliam	68	-	10	78
Paul Vonk	30	300	-	330
Chris De Goey	8	-	-	8
Robert Shepherd	6	-	-	6
	340	300	50	690

The Remuneration Committee met twice during the year to review the scale and structure of the executive directors' and senior employees' remuneration.

Patrick Clanwilliam

Chairman – Remuneration Committee

George Lucan
Managing Director
Experienced finance professional with over thirty years' behind him in debt and equity markets. After graduating from Cambridge University, he began his career at Dresdner Kleinwort Benson where he spent 10 years, mainly within the Structured Finance team, and continued in alternative fund management, most recently with Rudolf Wolff Limited. He brings, in addition, private equity experience in the fields of energy and alternative energy.

Andrew Hollis
Technical Director
Andrew has over 40 years’ experience in all technical aspects of oil and gas, exploration and production. After 25 years in petroleum and reservoir engineering for British Gas he became an independent consultant specialising in Russia, the FSU and Eastern Europe and also provided specialist reserves determination skills to Gaffney Cline and Associates.

Carlos Fernandes
Finance Director
Carlos has been part of the Angus team since 2013 and has seen the company’s transition from private to public. Prior to his appointment as Finance Director, he was the Chief Financial Officer of the group. He has over 14 years commercial experience working in the Mining and Oil & Gas industry.

Cameron Buchanan
Non-Executive Director
Cameron Buchanan is a former Scottish politician, who served as a Scottish Conservative Party Member of the Scottish Parliament for the Lothian region from 2013 to 2016. After a career in the Scottish textile industry, he also served as vice-chairman of the Scottish Conservatives. Buchanan was educated at St Edward's School & Sorbonne University.

Patrick Clanwilliam
Non-Executive Chairman
Paddy’s previous responsibilities include the Chair of Eurasia Drilling Company Limited (EDCL.LI) the largest drilling and work-over company in Eurasia. He is also a former non-executive director of SOMA Oil & Gas, a private exploration play in deepwater offshore Somalia and OJSC Polyus Gold (OPYGY) the largest Russian gold mining company by market share.

Directors' Report

The Directors present their report together with the audited consolidated financial statements of Angus Energy plc for the year ended 30 September 2020.

Results and Dividends
The Group recorded a loss after tax of £2.516m for the year (2019: £5.043m). The Directors do not recommend the payment of a dividend.

Directors
The Directors who were in office during the year and up to the date of signing the financial statements, unless stated, were:

Executive Director
George Lucan
Carlos Fernandes
Andrew Hollis

Non-Executive Director
Patrick Clanwilliam
Cameron Buchanan

The Directors of the Company at the date of this report, and their biographical summaries, are given on page 28.

The Directors' remuneration is detailed in the Directors' Remuneration Report on page 27. All Directors benefit from the provision of Directors' and Officers' indemnity insurance policies. Premiums payable to third parties were £39,200 (2019 – 7,840).

Research and development
As disclosed in Note 11 and 12, the Group incurred expenditure in development of oil and gas fields. An initial pilot study was commissioned by the company to assess the use of these remaining wells with respect to a geothermal/heat capture project. Initial findings appear positive, and the company is now assessing a way forward on this. There is no other research and development activity during the year under review.

Share Capital
At the date of this report ordinary shares are issued and fully paid. Detail of movement in share capital during the year is given in note 15 to the financial statements.

Substantial Shareholders

As of the date of this report the Group had been notified of the following interests of 3% or more in the Group's ordinary share capital:

	Percentage of shareholding
G.P (Jersey) Limited	8.43%
Knowe Properties Limited	6.60%
HSBC Bank Plc	5.87%
JDA Consulting Ltd	3.27%

Share options

There were no Share Options issued during the reporting period.

Financial Instruments

The financial risk management objectives and policies of the Group in relation to the use of financial instruments and the exposure of the Group and its subsidiary undertakings to its main risks, credit risk and liquidity risk, are set out in note 22 to the financial statements.

Employees

The Group had 11 employees as at 30 September 2020 (2019: 11). Employees are encouraged to directly participate in the business through an Enterprise Management Incentive Scheme, which set out in note 16 to the financial statements.

Going Concern

As disclosed in Note 3.3 to the financial statements, it refers to the assumptions made by the Directors when concluding that it remains appropriate to prepare the financial statements on the going concern basis.

Events after the reporting period

Events after the reporting period have been disclosed in Note 26.

Disclosure of Information to the Auditor

In the case of each person who was a Director at the time this report was approved:

- so far as the Director was aware there was no relevant audit information of which the Company's auditor was unaware; and
- the Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor was aware of that information.

Auditor

A resolution to reappoint the auditor, Crowe U.K. LLP, will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

George Lucan
Managing Director

Statement of Director's Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and have elected under the company law to prepare the Company statements in accordance with UK accounting standards.

The financial statements are required by law and applicable accounting standards to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Strategic Report and Directors' report which comply with the requirements of the Companies Act 2006;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Angus Energy PLC website www.angusenergy.co.uk.

Legislation in the United Kingdom governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

Stakeholder Engagement

As a public company operating in one of the most regulated industries Angus Energy recognise that stakeholder engagement is a key foundation for the long term success of the Group. Stakeholders include not only our shareholders, lenders, and our partners, but also our suppliers & customers, our workforce, governments & regulators, and the communities in which we operate. The Company seeks out appropriate platforms to communicate to a broad audience its current activities, strategic goals and broad view of the sector and other related issues.

The section below, describes how the directors of the Company have regard for the matters set out in Section 172(1) of the Companies Act 2006, these are:

- the likely consequences of any decision in the long term
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

The section below forms the Board's statement on such matters as required by the Act. Further information regarding Angus's assessment of environmental and community issues associated with our operations, can be found in the Sustainability Review on pages 10 and 11. Review of the key decisions and issues
discussed in Board meetings and by various committees in 2020 is contained in the Corporate Governance Statement from pages 17 to 23.

Shareholders and Lenders
Angus seeks to develop an investor base of long-term holders that are aligned with our strategy. By clearly communicating our strategy and objectives, we maintain continued support for what we do.

Important issues include:

- Sustainable financial and operational performance
- Continued revue of new opportunities which can leverage our cost discipline and technical skills base
- Sustainable financial and operational performance
- Capital allocation

There is regular dialogue between both institutional and retail investors and lenders through meetings, calls, conferences, presentations and through our Investor Questions on our website.

Highlights Include:

- Investor conference calls
- Online interviews
- Investor questions regularly answered on the company's website
- 4% per annum £1,400,000 Convertible Loan Note issued on 20 April 2020
- Signing MOU with Aleph Commodities for £12m Saltfleeby Debt Facility

Partners
Sharing of risk is a fundamental component of our industry and by maintaining aligned and collaborative relationships with our joint venture partners, we can ensure that maximum value can be extracted from our operations in a safe and sustainable manner.

Important issues include:

- Operational performance & HSE
- Budget setting and work programs

Angus ensures that we maintain an open dialogue with all our partners in the Saltfleetby, Balcombe, Lidsey and Brockham licence. We seek to ensure that all partners are aligned around common objectives for the asset and maintain safe and efficient operations.

Highlights include:

- Completion of the Saltfleetby Farm-in agreement
- Re-mapping of the field with our Lidsey partners

Customers & suppliers
Angus has through the year's development good customer base. The supply chain is managed by Angus on behalf of its partners. We have further developed strong relationships with key corporate suppliers.

Important issues include:

- Contract management strategy
- Uninterrupted service for customers
- Enhance value

Engagement with suppliers usually takes place with the operator but we are closely involved and help shape the strategy and timing.

Highlights include:

- Signing GSA for the entire production from the Saltfleetby Gas Field with Shell Energy Europe Limited, a division of Royal Dutch Shell plc
- Procurement of equipment for the Saltfleetby development

Workforce
Our current and future success is underpinned by our ability to engage, motivate and adapt our workforce. Creating the right environment for employees where their various strengths are recognised and their contributions are valued, helps to ensure that we can deliver our shared objectives.

Important issues include:
- Group strategy
- Diversity of thinking
- Corporate culture

During 2020, internal communications were upscaled, so employees were kept informed of all the workstreams across the Company and helped to raise key issues with directors and executives.

Highlights include:
- Production & strategy updates
- Twice daily conference calls
- All staff involvement in CSR initiatives

Government & Regulators
Maintaining respectful and collaborative relationships with our regulatory authorities is vital to our 'licence to operate'. We believe that the strength of these relationships will allow us to make a sustainable and beneficial contribution to the regions in which we operate.

Important issues include:
- Renewal of Licences
- Identifying and securing new opportunities
- Providing views on upcoming legislation and factors that are important to the industry
- CSR commitments

Angus maintains an open dialogue with the OGA, EA, HSE and local authorities in the areas it operates. Angus is also a member of UKOOG, OGUK and IGEM.

Highlights include:
- Approval of the transfer of the Saltfleetby Licence by the OGA
- Approval of the transfer of the Saltfleetby Licence Operatorship by the OGA
- Successful planning and permitting permissions for the Saltfleetby pipeline and surface upgrades

Communities & Environment
As a responsible OGA approved and Environment Agency ("EA") permitted UK operator, Angus Energy is committed to utilising industry best practices and achieving the highest standards of environmental management and safety. Angus Energy also seeks and maintains positive relationships with its local communities.

Important issues include:
- Continuously assess and monitor environmental impact
- Promote internally and across our industry best practices for environmental management and safety

- Constant attention to maintaining our exemplary track record of safe oil and gas production
- Open and honest dialogue
- Engagement with stakeholders at all stages of development
- Proactively address local concerns
- Actively minimise impact on our neighbours

Regular engagement with HSE and EA officers occurs through operational committee meetings maintaining positive focus on health, safety and the environment.

Highlights include:

- Zero environmental or HSE incidents during operations in 2020
- Continued community engagement
- Continued awards through the company's local scholarship program
- Discussions to become an active participant in the UN Global Compact. As part of this partnership, we will make an annual public disclosure on the progress we have made in implementing their 10 sustainability principles and in supporting broader UN development goals.

Opinion

We have audited the financial statements of Angus Energy plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 September 2020, which comprise:

- the Group statement of comprehensive income for the year ended 30 September 2020;
- the Group and parent company statements of financial position as at 30 September 2020;
- the Group statement of cash flows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

On forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3.3 to the financial statements concerning the group and company's ability to continue as a going concern. The financial statements have been prepared on the going concern basis, which depends on the group and company's ability to raise further financing to cover its ongoing working capital requirements. These conditions, along with other matters explained in note 3.3 to the financial statements, indicate the existence of a material uncertainty which may cast a significant doubt about the group and company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the group and company were unable to continue as a going concern.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £250,000 (2019: £330,000), based on 2% of Group total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £10,000 (2019: £13,750). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our Group audit scope included a full audit of all three reporting entities which account for 100% of the Group's net assets and loss before tax.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Carrying value of oil & gas production assets At 30 September 2020, the carrying value of oil & gas production assets was £6.406 million. The recoverable value of the Brockham and Lidsey	We focused on this area due to the significance of the carrying value of the assets. The risk of impairment was considered likely to be highly sensitive to assumptions and estimates about future oil and gas prices and discount rate. Other assumption include exchange rates, future production levels, reserves and operating costs. We evaluated management's assessment of indicatorsof impairment and recoverability assessment for the Group's oil & gas production assets. We have:

production assets are based on the net present value of estimated future net cash flow after the application of an appropriate discount rate. If the production rate or reserve quantity are less than anticipated, appropriate adjustments would be necessary to further impair the carrying value of these assets.	• tested price and discount rate assumptions by comparing forecast oil price assumptions to the latest market evidence available and reviewed thereasonableness of the discount rate applied; • tested the accuracy of the forecast cash flows andthe assumptions used within the cash flow projection model. • We assessed the quality of management's previousbudgets and forecasts by comparing them to actualperformance. We have considered the adequacy of the disclosure to the financial statements in respect of the impairment recognised and the work performed by management including the key judgement and sensitivity analysis presented in note 4 and note 11 respectively.
Carrying value of exploration and evaluation (E&E) assets At 30 September 2020, the carrying value of exploration and evaluation assets was £8.183 million. The Balcombe and Saltfleetby sites are still in the exploration and evaluation phase as technical and economic feasibility have yet to be established. The recoverable value of these assets are based on the net present value of estimated future net cash flow after the application of an appropriate discount rate. If the production rate or reserve quantity are less than anticipated, appropriate adjustments would be necessary to further impair the carrying value of these assets.	We reviewed management's assessment of indicators of impairment for the ongoing exploration assets under IFRS 6 including the review of the validity of the licence and the progress of the technical work to date. In addition, we evaluated management's Net Present Value (NPV) models for the Balcombe assets. We challenged the key estimates and assumptions used by management. We also reviewed management's assessment of the future decommissioning costs and assessed the appropriateness of the assumptions concerning the timing and discounting of the estimated cost of decommissioning. We reviewed the disclosure made concerning thismatter to ensure that it is consistent with our understanding.

Going concern The Directors' are responsible for assessing whether the preparation of the accounts on a going concern basis is appropriate. Their assessment must cover a minimum period of 12 months from the date of the financial statements. The Company has been operating at a loss for a number of years and has 2 sites still in the exploration and evaluation phase, and considering the liquidity position of the entity for the year ended 30 September 2020, there is risk that the preparation of the accounts on a going concern basis may not be appropriate or that adequate disclosures are not made in the financial statements. Management has also considered the range of possible impacts of COVID-19 and the potential continuing disruption to the wider business environment.	Our procedures on the Directors' going concern assessment were as follows: • We reviewed management's financial projections for the Group for a period of more than 12 months from the date of approval of the financial statements. • We challenged management on the assumptions underlying those projections and sensitised them to reduce anticipated net cash inflows from future trading activities. • We obtained the latest financial results post year end 30 September 2020 to review how the company is trending toward achieving the forecast. • We performed sensitivity analysis on key inputs of the forecast by calculating the impact of various scenarios and considering the impact on the Company's ability to continue as a going concern in the event of not meeting the forecast. This included what management considered to be a severe worst-case scenario, modelled with respect to COVID-19 impacts and management's experience of matters over the course of 2020. We assessed the completeness and accuracy of the matters described in the going concern disclosure withinthe significant accounting policies and the critical judgements, as set out in Note 3.3 and 4 respectively.

Our audit procedures in relation to these matters were designed in the context of our audit opinion asa whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except tothe extent otherwise explicitly stated in our report, we do not express any form of assurance conclusionthereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materiallymisstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we concludethat there is a material misstatement of this other information, we are required to report that fact. Wehave nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year forwhich the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicablelegal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the
strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requiresus to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequatefor our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting recordsand returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 32, the directors areresponsible for the preparation of the financial statements and for being satisfied that they give a trueand fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud orerror.
In preparing the financial statements, the directors are responsible for assessing the group's and parentcompany's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidatethe group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee thatan audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Glasby
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London EC4M 7JW

Date: 08 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £'000	2019 £'000
Revenue	**5**	68	200
Cost of sales		(162)	(295)
Gross loss		(94)	(95)
Administrative expenses		(2,060)	(3,976)
Impairment charge	**12**	(300)	(900)
Share option charge	**16**	(30)	(79)
Operating loss		**(2,484)**	**(5,050)**
Finance income	**7**	-	7
Finance cost	**7**	(32)	-
Loss before taxation		(2,516)	(5,043)
Taxation	**9**	-	-
Loss for the year		**(2,516)**	**(5,043)**
Total comprehensive loss for the year		**(2,516)**	**(5,043)**
Loss for the year attributable to:			
Owners of the parent company		(2,516)	(5,043)
Total comprehensive loss attributable to:			
Owners of the parent company		(2,516)	(5,043)
		(2,516)	(5,043)
Earnings per share (EPS) attributable to owners of the parent:	**18**		
Basic and diluted EPS (in pence)		(0.43)	(1.08)

The notes on page 47 to 69 form part of these of financial statements

All amounts are derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	2020 £'000	2019 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	11	14
Exploration and evaluation assets	**12**	8,183	5,878
Oil & gas production assets	**11**	6,406	6,416
Lease assets	**25**	35	-
Total non-current assets		14,635	12,308
Current assets			
Trade and other receivables	**14**	609	794
Cash and cash equivalents		1,852	3,419
Total current assets		2,461	4,213
TOTAL ASSETS		**17,096**	**16,521**
EQUITY			
Equity attributable to owners of the parent:			
Share capital	**15**	1,430	1,082
Share premium	**15**	21,982	21,117
Merger reserve	**17**	(200)	(200)
Loan note reserve	**21**	106	-
Accumulated loss		(12,047)	(9,561)
TOTAL EQUITY		**11,271**	**12,438**
Current liabilities			
Trade and other payables	**19**	1,488	1,031
Total current liabilities		1,488	1,031
Non-current Liabilities			
Provisions	**20**	3,007	3,052
Trade and other payables	**19**	1,330	-
Total non-current liabilities		4,337	3,052
TOTAL LIABILITIES		**5,825**	**4,083**
TOTAL EQUITY AND LIABILITIES		**17,096**	**16,521**

The notes on page 47 to 69 form part of these of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 08 March 2021 and were signed on its behalf by:

George Lucan - Director

Company number: 09616076

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 SEPTEMBER 2020

	Share capital	Share premium	Merger reserve	Loan Note reserve	Accumulated Loss	Total equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 30 September 2018	**763**	**14,142**	**(200)**	-	**(4,597)**	**10,108**
Loss for the year	-	-	-	-	(5,043)	(5,043)
Total comprehensive income for the year	**-**	**-**	**-**	-	**(5,043)**	**(5,043)**
Transaction with owners						
Issue of shares	319	7,450	-	-	-	7,769
Less: issuance costs	-	(475)	-	-	-	(475)
Grant of share options	-	-	-	-	79	79
Balance at 30 September 2019	**1,082**	**21,117**	**(200)**	-	**(9,561)**	**12,438**
Loss for the year	-	-	-	-	(2,516)	(2,516)
Total comprehensive loss for the year	**-**	**-**	**-**	-	**(2,516)**	**(2,516)**
Transaction with owners						
Issue of shares	348	1,051	-	-	-	1,399
Less: issuance costs	-	(186)	-	-	-	(186)
Issue of convertible loan note	-	-	-	106		106
Grant of share options	-	-	-	-	30	30
Balance at 30 September 2020	**1,430**	**21,982**	**(200)**	**106**	**(12,047)**	**11,271**

The notes on page 47 to 69 form part of these of financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 SEPTEMBER 2020

		Year ended 30 September 2020 £'000	Year ended 30 September 2019 £'000
Cash flow from operating activities			
Loss for the period before taxation		(2,516)	(5,043)
Adjustment for:			
Share option charge		30	79
Equity settled in lieu professional fees		-	60
Interest receivables		-	(7)
Interest payable		32	-
Impairment charge		300	900
Depreciation of owned assets		147	36
Cash used in operating activities before changes in working capital		**(2,007)**	**(3,975)**
Change in trade and other receivables		185	3
Change in other payables and accruals		369	(408)
Lease principal repayments		(138)	-
Cash used in operating activities before tax		(1,591)	(4,380)
Income tax paid		-	-
Net cash flow used in operations		**(1,591)**	**(4,380)**
Cash flow from investing activities			
Proceeds from acquisition exploration and evaluation assets		-	2,500
Decommissioning cost		(45)	
Acquisition of property, plant and equipment	**10**	3	-
Acquisition of exploration and evaluation assets	**12**	(2,605)	(660)
Acquisition of oil production assets	**11**	-	(1,684)
Net cash flow from investing activities		**(2,647)**	**156**
Cash flow from financing activities			
Net proceeds from issuance of convertible loan notes		1,458	-
Proceeds from issuance of shares		1,213	6,797
Net cash flow from financing activities		**2,671**	**6,797**
Net increase/(decrease) in cash & cash equivalents		(1,567)	2,573
Cash and equivalent at beginning of period		3,419	846
Cash and equivalent at end of period		**1,852**	**3,419**

Details of the non-cash transaction are disclosed in note 16.

The notes on page 47 to 69 form part of these of financial statements

1. General information

Angus Energy Plc (the "Company") is incorporated and domiciled in the United Kingdom. The address of the registered office is Building 3 Chiswick Park, 566 Chiswick High Road, London, W4 5YA.

The principal activity of the Company is that of investment holding. The principal activity of the Group is that of oil and gas extraction for distribution to third parties. The principal activities of the various operating subsidiaries are disclosed in note 13.

2. Presentation of financial statements

The financial statements have been presented in Pounds Sterling (£) as this is the currency of the primary economic environment that the group operates in. The amount is rounded to the nearest thousand (£'000), unless otherwise stated.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Basis of preparation

These financial statements have been prepared in accordance with International financial Reporting standards (IFRSs) as adopted by the European Union and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for certain assets which are stated at their fair value.

3.2 New standards, amendments to and interpretations to published standards not yet effect

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that they will have a material impact on the future results of the Group.

3.3 Going concern

The consolidated financial statements have been prepared on a going concern basis. The Group made a loss for the year of £2.516 million (2019: loss of £5.04 million) and recorded a net cash outflow from operating activities of £1.592 million (2019: £4.38 million).

The Group meets its day to day working capital requirements through existing cash reserves. As at 30 September 2020, the Group had £1.85 million of available cash. Subsequent to the year end the Group raised gross proceeds of £1,749,990 as a result of a placing of new ordinary shares.

The COVID-19 pandemic has not had a significant immediate impact on the company's operations. The Oil and Gas industry has been deemed critical and thus we have been allowed to continue operations. The Directors are aware that if the current situation becomes prolonged then this may change. The consolidated financial statements have been prepared on a going concern basis.

In response to this extraordinary period, the Directors have taken the prudent decision to introduce cost saving measures where possible to preserve working capital. The Directors have assessed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of these financial statements. In undertaking this assessment, the Directors have reviewed the underlying business risks, and the potential implications these risks would have on the Group's liquidity and its business model over the assessment period. This assessment included a detailed cash flow analysis prepared by the management, and they also considered several reasonably plausible downside scenarios. The scenarios included consideration of the likelihood of not closing the Saltfleetby debt facility, as well as considering potential delays to expected future revenue. In making their overall assessment the Directors took into account the advanced stage of the documentation in relation to the debt facility and the indicative commitments received to date. In respect of Balcombe the Directors have considered the likelihood of a successful appeal. Although there will remain material uncertainty until the funds have been drawn down, the Directors are confident in closing the facility imminently. Based on the current management's plan, management considered that the working capital from the expected revenue generation and the Saltfleetby Debt Financing Facility are sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months from the date of the approval of this financial statement. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis of preparation.

As noted above, in the event that the Group is not successful in concluding the debt financing arrangements, there would exist a material uncertainty that may cast doubt regarding the Group's ability to continue as a going concern and therefore, it might be required to raise additional funding to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the report.

These financial statements do not include any adjustment that may result from any significant changes in the assumption used.

3.4 Basis of consolidation

The consolidated financial statements comprise the financial information of the Company and its subsidiaries (the "Group") made up to the end of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements present the results of the Company and its subsidiaries and joint arrangements as if they formed a single entity. Inter-company transactions and balances between group companies are therefore eliminated in full. The financial information of subsidiaries is included in the Group's financial statements from the date that control commences until the date that control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The acquisition of Angus Energy Holding Limited by the Company, by way of share exchange, for the year ended 30 September 2016 was that of a re-organisation of entities which were under common control. As such, that combination also falls outside the scope of IFRS 3 'Business Combinations' (Revised 2008). The Directors have, therefore, decided that it is appropriate to reflect the combination using the merger basis of accounting in order to give a true and fair view. No fair value adjustments were made as a result of that combination.

3.5 Property, plant and equipment

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Plant and machinery	-	20% straight line
Motor vehicles	-	20% straight line
Lease assets	-	over the term of the lease

3.6 Oil and natural gas exploration and evaluation (E&E) expenditure

Oil and natural gas exploration and evaluation expenditure is accounted for using the successful efforts method of accounting.

(a) Licence and property acquisition costs

Licence and property leasehold acquisition costs are capitalised within intangible fixed assets and amortised on a straight-line basis over the estimated period of exploration. Upon determination of economically recoverable reserves amortisation ceases and the remaining costs are aggregated with exploration expenditure and held on a field-by-field basis as proved properties awaiting determination within intangible fixed assets. When development is sanctioned, the relevant expenditure is transferred to tangible production assets.

(b) Exploration expenditure

Geological and geophysical exploration costs are charged against income as incurred. Costs directly associated with an exploration well are capitalised as an intangible asset until drilling of the well is complete and the results have been evaluated. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found, and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to regular technical, commercial management review to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proven and probable reserves of oil and gas are determined and development is sanctioned, the relevant expenditure is transferred to tangible production assets.

(c) Development expenditure

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within tangible production assets.

(d) Maintenance expenditure

Expenditure on major maintenance, refits or repairs is capitalised where it enhances the performance of an asset above its originally assessed standard of performance; replaces an asset or part of an asset which was separately depreciated and which is then written off; or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is charged to income as incurred.

Treatment of E&E assets at conclusion of appraisal activities

Intangible E&E assets related to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment on a cost pool basis as set out below, and any impairment loss of the relevant E&E assets is then reclassified as development and production assets.

3.7 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Loan and receivables

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Trade receivables are recognised initially at the transaction price and subsequently measured at amortised cost, less any impairment losses.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

3.8 Impairment of assets

(a) Financial assets

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a historical provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration costs in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised, unless further information becomes available contrary to the increased credit risk. For those that are determined to be permanently credit impaired, lifetime expected credit losses are recognised.

(b) Non-financial assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. For assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash generating unit”).

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

3.9 Oil and gas production assets

Expenditures related to the construction, installation or completion of infrastructure facilities, such as platforms and pipelines, and the drilling of development wells, including delineation wells, is capitalised within oil and gas production assets. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the well asset retirement obligation, for qualifying assets, and borrowing costs.

Oil and gas production assets are depreciated using a unit of production method. The cost of producing wells is amortised over total proved and undeveloped oil and gas reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

In accounting for a farm-out arrangement outside the exploration and evaluation phase, the Group:

- Derecognises the proportion of the asset that it has sold to the farmee
- Recognises the consideration received or receivable from the farmee, which represents the cash received and/or the farmee’s obligation to fund the capital expenditure in relation to the interest

retained by the farmor

- Recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is recognised only when the value of the consideration can be determined reliably. If not, then the Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets
- Tests the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired

The consideration receivable on disposal of an item of property, plant and equipment or an intangible asset is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration that is receivable in the form of cash is treated as a financial asset and is accounted for at amortised cost.

3.10 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3.11 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3.12 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group and its subsidiaries operate by the end of the financial period.

Deferred income taxes are calculated using the balance sheet method. Deferred tax is generally provided on the temporary difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

3.13 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

3.14 Decommissioning

Provision for decommissioning is recognised in full on the installation of oil and gas production facilities. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the production and transportation facilities. Any change in the present value of the estimated expenditure is reflected in an adjustment to the provision and fixed asset.

3.15 Revenue

As described in note 5, the Group's revenue is driven by sale of crude oil, the goods are sold on their own in separate identified contracts with customers. Delivery point of the sale is the point at which Crude oil passes from the delivery tanker to the customers specified storage terminal, which represents the point at which the Group fulfils its single performance obligation to its customer under contracts for the sale of crude oil. Revenue from the production of oil in which the Group has an interest with other producers is recognised proportionately based on the Group's working interest and the terms of the relevant production sharing contracts.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

3.16 Share-based payments

The Group has applied IFRS 2 Share-based Payment for all grants of equity instruments.

The Group issues equity-settled share-based payments to its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

4 Critical accounting estimates and sources of estimation uncertainty

In applying the accounting policies, the directors may at times require to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors consider are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed are as stated below.

Key accounting judgements

(a) Impairment of non-current asset

The Group's non-current assets represent its most significant assets, comprising oil production assets, exploration and evaluation (E&E) assets on its onshore site.

Management is required to assess exploration and evaluation (E&E) assets for indicators of impairment and has considered the economic value of individual E&E assets. The carrying amount of the E&E asset are subject to a separate review for indicators of impairment, by reference to the impairment indicators set out in IFRS 6, which is inherently judgmental.

Processing operations are large, scarce assets requiring significant technical and financial resources to operate. Their value may be sensitive to a range of characteristics unique to each asset and key sources of estimation uncertainty include proved reserve estimates, future cash flow expected to arise from the cash-generating unit and a suitable discount rate.

In performing impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to the Group's independent competent person's report, estimates of future oil prices, operating costs, capital expenditure necessary to extract those reserves and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value.

As detailed in note 11 and 12, the carrying amount of the Group's oil production assets and E&E assets at 30 September 2020 were approximately £6.406million (2019: £6.416 million) and £8.183million (2019: £5.878 million) respectively. Management have impaired the oil production assets by £0.3 million based on operator market revaluation.

The methods, key assumptions, sensitivity and possible outcomes in relation to the calculation of the estimates are detailed in note 11.

(b) Going concern

While there can be no certainty the local authority will grant the planning permission to the fields as described in the Strategic Report. After making the enquiries, the Directors have a reasonable expectation that the positive outcomes of these decision will be achieved. For this reason, the Group and the Company continue to adopt the going concern basis in preparing the financial statements.

As disclosed in note 3.3, the directors consider the Group and the Company to be a going concern while the Group will continue to operate under the management's plan and the Group expects to be able to continue to meet all finance obligations as they fall due for at least next twelve months from the date of approval these financial statements.

Key accounting estimates

(c) Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change — for example, in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

External valuers may be used to assist with the assessment of future decommissioning costs. The involvement of external valuers is determined on a case by case basis, taking into account factors such as the expected gross cost or timing of abandonment, and is approved by the directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

As detailed in note 20, the provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

5. Revenue and segment information

Currently, the Group's principal revenue is derived from the sale of oil. All revenue arose from continuing operations within the United Kingdom. Therefore, management considers no detail of operating and geographical segments information is to be reported. Nonetheless, the Group's revenue can be classified into the following streams:

	2020	2019
	£'000	£'000
Sale of oil	68	200

All the non-current assets of the Group are located in the United Kingdom. All revenue arising from sale of oil is derived from a single customer.

6. Operating loss

Operating loss is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Depreciation of owned assets	147	36
Net loss on foreign currency translation	2	3
Operating lease payments	-	180
Employee benefit expense	1,091	1,309
Auditor's remuneration		
Fees payable to company's auditor in respect to the audit of the Parent Company and consolidated financial statements	40	40
Non audit fees payable to company's auditor relating to the tax advisory services	-	-
	40	40

7. Finance income and finance cost

	2020	2019
	£'000	£'000
Finance income		
Interest received on directors' loan	-	7

	2020	2019
	£'000	£'000
Finance costs		
Interest payable on convertible loan notes	25	-
Lease costs	7	-
	32	-

8. Employee benefit expense

	2020 £'000	2019 £'000
Wages and salaries	981	1,193
Social security costs	110	116
	1,091	1,309

The directors received salary from the group totaling £415,000 (2019: £690,000).

Key managements are considered to be the directors. Details of each director's emoluments are in the directors' remuneration report.

	2020 Number	2019 Number
The average number of employees during the year was:		
Director	5	5
Management	6	6
	11	11

9. Taxation on ordinary activities

No liability to corporation tax arose for the years ended 30 September 2020 and 2019, as a result of underlying losses brought forward.

Reconciliation of effective tax rate

	2020 £'000	2019 £'000
Loss before tax	(2,516)	(5,043)
Tax at the UK Corporation tax rate of 19% (2019: 19%)	(478)	(958)
Expenses not deductible for tax purposes	75	248
Unrecognised deferred tax	403	710
	-	-

The Group has incurred indefinitely available tax losses of £19,678,919 (2019: £18,533,000) to carry forward against future taxable income of the subsidiaries in which the losses arose and they cannot be used to offset taxable profits elsewhere in the Group. In addition, there is approximately £6,000 (2019: £147,000) of deductible temporary difference in respect of the share-based payment.

No deferred tax asset was recognised in respect to these accumulated tax losses and the decommissioning provisions as there is insufficient evidence that the amount will be recovered in future years.

10. Property, plant and equipment

	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation				
At 1 October 2018	21	35	8	64
Additions	-	-	-	-
At 30 September 2019	21	35	8	64
Additions	3	-	-	3
At 30 September 2020	24	35	8	67
Depreciation and impairment				
At 1 October 2018	8	28	8	44
Charge for the year	3	3	-	6
At 30 September 2019	11	31	8	50
Charge for the year	3	2	-	5
At 30 September 2020	14	33	8	55
Net book value				
At 30 September 2019	10	4	-	14
At 30 September 2020	10	2	-	12

Depreciation of property, plant and equipment is included in administrative expenses in the consolidated statement of comprehensive income.

11. Oil and gas production assets

	Total £'000
Cost or valuation	
At 1 October 2018	5,252
Additions	2,121
At 30 September 2019	7,373
Additions	-
At 30 September 2020	7,373
Depreciation and impairment	
At 1 October 2018	27
Depreciation charge for the year	30
Impairment charge for the year	900
At 30 September 2019	957
Depreciation charge for the year	10
Impairment charge for the year	-
At 30 September 2020	967
Net book value	
At 30 September 2019	6,416
At 30 September 2020	6,406

Depreciation of oil production assets is included in cost of sales in the consolidated statement of comprehensive income. During the year, the Group incurred further development costs of approx. £nil (2019: £1.65 million) at both operating fields.

In April 2019, the Group acquired an additional 20% interest in the Lidsey field for a consideration of £467,377 by issuing 8,324,024 new shares at 5.6148p each.

As at 30 September 2020, the Group retained an 80% interest in Lidsey field and 65% in Brockham field and is still the operator of both fields.

In assessing whether an impairment is required, the carrying value of the asset or cash generating unit ("CGU") is compared with its recoverable amount. The recoverable amount is determined from value in use calculations based on cash flow projections from revenue and expenditure forecasts covering a 5 year period. Assumptions involved in impairment measurement include estimates of commercial reserves and production volumes, future crude oil prices, discount rates and the level and timing of expenditures, all of which are inherently uncertain. The key assumptions used are as follow:

	2020	2019
Discount rate	**10%**	10%
Crude oil price (per barrels)	**$50**	$63

The growth rate is assumed to be zero and the level of production is constant on the basis the production plant is assumed to be at the most efficient capacity over the period of extraction.

Commercial reserves are proven and probable ("2P") oil and gas reserves, calculated on an entitlement basis. Estimates of commercial reserves underpin the calculation of depletion and amortisation on a Unit of Production ("UOP") basis. Estimates of commercial reserves include estimates of the amount of oil and gas in place, assumptions about reservoir performance over the life of the field and assumptions about commercial factors which, in turn, will be affected by the future oil and gas price.

Annual estimates of oil and gas reserves are generated internally by the Group with external input from operator profiles and/or a Competent Person. These are reported annually to the Board. The self-certified estimated future production profiles are used in the life of the fields which in turn are used as a basis in the value-in-use calculation.

The discount rate is based on the specific circumstances of the Group and its operating segments and is derived from its Weighted Average Cost of Capital ("WACC"), with appropriate adjustments made to reflect the risks specific to the CGU and to determine the pre-tax rate. In considering the discount rates applying to the CGUs, the directors have considered the relative sizes, risks and the inter-dependencies of its CGUs. No reasonably possible change in a key assumption would produce a significant movement in the carrying value of the CGUs and therefore no sensitivity analysis is presented.

Furthermore, a sensitivity analysis has been carried out for Brockham and Lidsey oil fields and the results of the analysis can be summarised as follow:

- If the estimated crude oil price had been 10 percentage point lower than the basis assumption, total recoverable amount would be 1% lower.
- If the estimated discount rate used for the Group's discount cash flow had been one percentage point higher than the starting assumption of 10%, total recoverable amount would be 3% lower.

12. Exploration and evaluation assets

	Total £'000
Cost or valuation	
At 1 October 2018	5,218
Additions	660
Decommissioning cost	-
At 1 October 2019	5,878
Additions	2,605
Impairment charge	(300)
At 30 September 2020	8,183

On 19 June 2019, the Group acquired 51% of the Saltfleetby Gas Field for £nil consideration receiving a cash contribution of £2.5m from the vendor in relation to the site restoration costs and the abandonment costs if commercial rates are not available.

On 16 October 2020, UKOG Plc, the operator of PEDL 143 Licence (Holmwood/A24 Prospect) in which Angus had an interest of 12.5%, announced that a detailed study examining the viability of drilling the A24 (formerly Holmwood) Portland prospect's center from selected sites outside the Surrey Hills Area of Outstanding Natural Beauty, each over 3 km from the target, concludes that the required long-reach/shallow target-depth wells are neither technically viable or economically feasible. Consequently, UKOG and its partners have now relinquished their interests in the licence. This was a decision supported by the Company and as such the asset has been fully impaired.

In performing impairment review, the Group assessed the economic value of individual exploration and evaluation (E&E) assets and had considered no indication for impairment to these E&E assets. In respect of Balcombe the Directors have considered the likelihood of a successful appeal. See note 26 for further details.

13. Subsidiaries

The details of the subsidiary are as follows:

Name of subsidiary/ place of incorporation	Principal activity	Effective equity interest held by the Group 2020	2019
Angus Energy Holdings UK Limited	Investment holding company	100%	100%
Angus Energy Weald Basin No.1 Limited	Investment holding company	100%	100%
Angus Energy Weald Basin No.2 Limited	Investment holding company	100%	100%
Angus Energy Weald Basin No.3 Limited*	Oil extraction for distribution to third parties	100%	100%
Angus Energy North America Limited	Dormant company	80%	80%

*indirect wholly owned by Angus Energy Weald Basin No.2 Limited (AEWB2).

The registered office address of the respective entity as follow:

Registered address	Name of subsidiary
Building 3 Chiswick Park, 566 Chiswick High Road, London, W4 5YA.	Angus Energy Weald Basin No.2 Limited Angus Energy North America Limited
Westpoint 4 Redheughs Rigg, South Gyle Edinburgh, Scotland, EH12 9DQ	Angus Energy Holdings UK Limited Angus Energy Weald Basin No.1 Limited Angus Energy Weald Basin No.3 Limited

14. Trade and other receivables

	2020 £'000	2019 £'000
Amounts due from farmees	272	296
Amount owed by a related party	-	216
Rent deposit	29	-
VAT recoverable	201	90
Accrued income	-	57
Other receivables	107	135
	609	794

The carrying amount of trade and other receivables approximates to their fair value.

	2020 £'000	2019 £'000
Trade and other receivables	872	1,196
Less: Impairment allowance	(263)	(402)
	609	794

The Group is in discussions to recover the full amount due from farmees. The Group has made an allowance for impairment to reflect the potential uncertainty over the recovery of these amounts.

15. Share capital

Allotted, called up and fully paid:

Ordinary share of £0.002 each	**Number of shares**	**Ordinary share capital £'000**	**Share premium £'000**
As at 30 September 2018	**381,721,985**	**481**	**5,753**
Issue of shares 22 November 2018	22,222,222	44	1,956
Issue of shares 15 February 2019	55,000,000	110	2,090
Issue of shares 18 April 2019	8,324,024	17	450
Issue of shares 30 April 2019	70,824,700	142	2,868
Issue of shares 25 May 2019	735,076	2	30
Issue of shares 17 July 2019	2,000,000	4	56
Less: Issuance of costs	-	-	(475)
At 30 September 2019	**540,828,007**	**1,082**	**21,117**
Issue of shares 12 December 2019	13,766,520	27	72
Issue of shares 18 February 2020	17,319,016	35	65
Issue of shares 5 March 2020	32,133,676	64	136
Issue of shares 29 September 2020	111,111,105	222	778
Less: Issuance of costs	-	-	(186)
At 30 September 2020	**715,158,324**	**1,430**	**21,982**

On 12 December 2019, the company issued 13,766,520 shares at 0.7264p each. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note described in note 21.

On 18 February 2020, the company issued 17,319,016 shares at 0.5774p each. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note described in note 21.

On 15 March 2020, the company issued 32,133,676 shares at a price 0.6224p. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note described in note 21.

On 29 September 2020, the company issued 111,111,105 shares at 0.9p per share, raising gross proceed of £1,000,000.

16. Share-based payments

In 2016, the Group implemented an Enterprise Management Incentive Scheme followed by a NED and Consultant Share Option Scheme (The Scheme).

At 30 September 2020, the following share options and warrants were outstanding in respect of the Ordinary shares:

Exercise price	Outstanding as at 01 Oct 2019	Granted during the year	No. of options surrendered or cancelled during the year	Exercised during the year	Outstanding and exercisable as at 30 September 2020	Final expiry dates
£0.06	17,818,304	-	-	-	17,818,304	13 Nov 2026
£0.09	1,050,000	-	-	-	1,050,000	13 Nov 2026
£0.10	5,000,000	-	(5,000,000)	-	-	23 Apr 2020
£0.068	2,469,914	-	-	-	2,469,914	15 Feb 2022
£0.08	10,650,000	-	-	-	10,650,000	24 Aug 2028
£0.02	23,900,000	-	-	-	23,900,000	15 Jul 2029
£0.01663		18,025,597	-	-	18,025,597	24 Oct 2022
£0.01	-	15,000,000	-	-	15,000,000	17 Apr 2023
£0.009	-	5,555,555	-	-	5,555,555	29 Sep 2023
Warrant	7,469,914	38,581,152	(5,000,000)	-	41,051,066	
Share options	53,418,304	-	-	-	53,418,304	

The weighted average exercise price of share options and warrants was £0.0334 at 30 September 2020 (2019: £0.0519). The weighted average remaining contractual life of options outstanding at the end of the year was 5 years (2019: 8 years). The weighted average fair value of the warrants was £0.0118 (2019: £0.0013) each on the grant date. The vesting criteria of the share options are subject to share price growth reaching to the target level. All the vesting conditions were met during the year and the options were fully vested.
These fair values were calculated using the Black Scholes warrant pricing model. The inputs into the model were as follows:

	Warrants	Warrants	Warrants
Stock price	0.83p	0.83p	0.83p
Exercise price	1.6643p	1p	0.9p
Interest rate	0.5%	0.5%	0.5%
Volatility	30%	30%	30%
Time to maturity	3 years	3 years	3 years

The Group recognised a share-based payment charge of approximately £30,000 (2019: £79,000).

No options or warrants were exercised in both the 2019 and 2020 reporting year. There remain 53,418,304 options and 41,051,066 warrants outstanding and exercisable as at 30 September 2020.

17. Reserves

	2020 £'000	2019 £'000
Merger reserve	(200)	(200)

Merger reserve

The merger reserve arose on the acquisition of Angus Energy Holdings Limited by the Company.

18. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period

Diluted EPS amounts are calculated by dividing the profit or loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The earnings per share information based upon the 715,158,324 ordinary shares are as follows:

	2020 £'000	2019 £'000
Net loss attributable to equity holders of the parent company	(2,516)	(5,043)
Weighted average number of basic ordinary shares	580,889,428	466,441,729
Basic EPS (in pence)	(0.43)	(1.08)

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

19. Trade and other payables

Due within one year	2020 £'000	2019 £'000
Trade payables	1,168	678
Convertible loan note	58	-
Other taxation	170	135
VAT payable	-	185
Lease liabilities	24	-
Accruals	60	30
Other payables	8	3
	1,488	1,031

19. Trade and other payables (continued)

Due after more than one year	2020 £'000	2019 £'000
Convertible loan note	1,319	-
Lease liabilities	11	-
	1,330	-

The carrying amount of trade and other payables approximates to their fair value.

On 20 April 2020, the Company issued a 4% per annum £1,400,000 Convertible Loan Note (the "New Loan Note") to Knowe Properties Limited, a significant shareholder in the Company. The New Loan Note is unsecured and is convertible at maturity after two years at the lower of (a) £0.01; or (b) if there is an issue of Shares or options in respect of Shares (excluding options granted to directors, managers or employees) by way of a single or directly related offer to the public with an aggregate subscription amount of £250,000 or more made without the prior written approval of the Noteholder then the price attaching to the lowest of those issues.

The equity element of the convertible loan note recognised is £106,000.

Alternatively, and at the Company's option, the Loan Note is repayable in part or whole at any time up to twomonths before maturity with an accompanying grant of warrants equal to the face value of the amount repaid. The warrants are exercisable at the lower of 1.3 pence or a 30% premium to the Conversion Price. Additionally, the Company has undertaken not to issue options to directors or staff at an exercise price below £0.01 during the term of the New Loan Note.

20. Provisions for other liabilities and charges

	2020 £'000	2019 £'000
Abandonment costs		
Balance b/fwd	3,052	552
Addition	-	2,500
Abandonment cost incurred	(45)	-
Balance b/cwd	**3,007**	**3,052**

The Group makes full provision for the future costs of decommissioning oil production facilities and pipelines on the installation of those facilities. The amount provision is expected to be incurred up to 2029 when the producing oil and gas properties are expected to cease operations.

These provisions have been created based on the Group's internal estimates and expectation of the decommissioning costs likely to incur in the future. For the period under review, the directors have assessed that the discount rate and inflation rate to be applied to the current cost of decommissioning to be similar. On this basis, the current cost is considered to be similar to the discounted net present value.

As described in note 12, the additional provision was relating to the acquisition of Saltfleetby gas field during the year.

21. Convertible loan

On 25 October 2019, the Company entered into £1.5 million Convertible Loan Note facility led by Riverfort Global Opportunities PCC Limited of which £1m was drawn down immediately.

The equity element of the convertible loan note was not recognised as the amount was not considered material.

On 12 December 2019, the company issued 13,766,520 shares at 0.7264p each. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note.

On 18 February 2020, the company issued 17,319,016 shares at 0.5774p each. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note.

On 15 March 2020, the company issued 32,133,676 shares at a price 0.6224p. These were loan reduction shares relating to the Riverfort Global Opportunities PCC Limited convertible note.

During the period, a further £542,000 of the Convertible Loan Note was repaid in cash leaving a balance of £58,000 at the end of the period which was subsequently converted in ordinary shares as detailed in note 26.

On 20 April 2020, the Company issued a 4% per annum £1,400,000 Convertible Loan Note (the "New Loan Note") to Knowe Properties Limited, a significant shareholder in the Company. The New Loan Note is unsecured and is convertible at maturity after two years at the lower of (a) £0.01; or (b) if there is an issue of Shares or options in respect of Shares (excluding options granted to directors, managers or employees) by way of a single or directly related offer to the public with an aggregate subscription amount of £250,000 or more made without the prior written approval of the Noteholder then the price attaching to the lowest of those issues. The equity element of the convertible loan note recognised is £106,000.

Alternatively, and at the Company's option, the Loan Note is repayable in part or whole at any time up to two months before maturity with an accompanying grant of warrants equal to the face value of the amount repaid. The warrants are exercisable at the lower of 1.3 pence or a 30% premium to the Conversion Price. Additionally, the Company has undertaken not to issue options to directors or staff at an exercise price below £0.01 during the term of the New Loan Note.

22. Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payable. The Group's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in Note 3. The Group do not use financial instruments for speculative purposes.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	2020	2019
	£'000	£'000
Financial assets measured at amortised cost		
Loans and receivables		
Trade and other receivables	609	611
Cash and cash equivalents	1,852	3,419
Total financial assets	2,461	4,030
Financial liabilities measured at amortised cost		
Trade and other payables	1,406	1,031
Convertible loan notes	1,377	-
Lease liabilities	35	-
Total financial liabilities	2,818	1,031

22. Financial instruments (continued)

Capital management
The Group manages its capital to ensure that it will be able to continue as a going concern while attempting to maximise the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the group consists of issued capital and external loans.

Credit risk
Credit risk is the risk that a counter-party will cause a financial loss to the Group by failing to discharge its obligations to the Group. The Group manages its exposure to this risk by applying limits to the amount of credit exposure to any one counterparty and employs strict minimum credit worthiness criteria as to the choice of counterparty. The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount. As described in note 14, the Group recognised an impairment provision of £263,000 against the amount due from farmees that are past due in the year.

Fair values
Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Interest rate risk
The Group and company's policy is to fund its operations through the use of retained earnings and equity.

The Group exposure to changes in interest rates relates primarily to cash at bank and amount owed by a related party. Cash is held either on current or short term deposits at a floating rate of interest determined by the relevant bank's prevailing base rate.

Foreign currency exchange risks
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency and the Group's net investments in foreign subsidiaries.

The Group does not hedge its foreign currencies. Transactions with customers are mainly denominated in US Dollars. The Group has bank accounts in US Dollars to mitigate against the exchange risks. At 30 September 2020, the GBP cash balance held denominated in USD was £81,000 (2019; £36,000).

Liquidity risks
The principal risk to the Group is liquidity, which arises from the Group's management of working capital. It is a risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This aspect is kept under review by the directors and in this respect management carries out rolling 12 month cash flow projections on a monthly basis as well as information regarding cash balances. It is the Group's policy as regards liquidity to ensure sufficient cash resources are maintained to meet short-term liabilities.

The maturity profile of the Group's financial liabilities at the reporting dates based on contractual undiscounted payments are summarised below:

	2020	**2019**
	£'000	**£'000**
Trade and other payable		
Within one month	1,404	1,031
Within two to three months	60	-
	1,464	1,031

22. Financial instruments (continued)

	2020 £'000	2019 £'000
Lease liabilities		
Within one month	2	-
Within two to three months	4	-
Within four to six months	6	-
Within six to twelve months	12	-
More than twelve months	11	-
	35	-

Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices of oil products it produces. The table below summarises the impact on profit before tax for changes in commodity prices

Commodity price sensitivity

The analysis is based on the assumption that the crude oil price moves 10% resulting in a change of US$5/bbl in 2020 (2019: US$6.61/bbl), with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the average spot prices at each reporting periods.

Increase/decrease in crude oil prices	**Increase / (decrease) in profit before tax for the year ended 30 September**	
	2020 £'000	**2019 £'000**
Average spot price increased by 10%	7	20
Average spot price decreased by 10%	(7)	(20)

23. Related party transactions

Transaction with related party

The advance loan made to the former director Mr Jonathan Tidswell-Pretorius was unsecured with repayment on demand. During the year under review, the Group charged approximately 3% interest annually on the advance loan to the director of £7,000 (2018: £6,000). This can be analysed at below table:

	2020 £'000	2019 £'000
Opening balance	216	209
- Amount repaid	(216)	-
- Accrued interest on loan	-	7
Closing balance	-	216

On 6 January 2020, Mr Jonathan Tidswell repaid the outstanding amount in full.

24. Net debts reconciliation

The below table sets out an analysis of net debt and the movement in net debt for the years presented

	2020 £'000	2019 £'000
Cash and cash equivalent	1,852	3,419
Convertible loan note (note 21)	(1,377)	-
Net debt	475	3,419

	Cash and cash equivalents £'000	Convertible loan note £'000	Total £'000
Net cash as at 1 October 2018	846	-	846
Cash flow	(4,641)	-	(4,641)
Issue of new equity (net proceeds)	7,214	-	7,214
Net debt as at 1 October 2019	3,419	-	3,419
Cash flow	(4,238)	-	(4,238)
Issue of new equity (net proceeds)	813	-	813
Issue of convertible loan note	2,400	(2,294)	106
Conversion of loan note to equity	-	400	400
Repayment of convertible loan note	(542)	542	-
Interest on convertible loan note	-	(25)	(25)
Net debt	1,852	(1,377)	475

25. Lease assets and liabilities

The Groups lease assets are offices. Leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources are outside the scope of IFRS 16 and therefore the leases that the Group have for the various sites are outside the scope given these leases are wholly for the purposes of exploration and extraction from the leased land only. Key movements relating to the lease balances are presented below

	£'000
2020 Leased assets	
Balance as at 1 October 2019	166
Additions to leased assets	-
Depreciation charged	(131)
Balance at 30 September 2020	35

25. Lease assets and liabilities (continued)

	£'000
2019 Leased liability restated	
Operating lease commitment disclosed as at 30 Sept 2019	508
Discounted using incremental borrowing rate at the date of initial application	423
Less leases not recognised as a liability	(257)
Lease liability recognised as at 1 October 2019	166
Of which are:	
Current lease liabilities	132
Non-current lease liabilities	34
	166

The maturity of the lease liability is as follows:

	As at 30 September	
	2020	2019
	£'000	£'000
Leases which expire:		
Not later than one year	24	88
Later than one year and not later than five years	11	191
More than five years	-	35
Total	35	314

26. Subsequent events

On 16 October 2020, UKOG Plc, the operator of PEDL 143 Licence (Holmwood/A24 Prospect) in which Angus had an interest of 12.5%, announced that "a detailed study examining the viability of drilling the A24 (formerly Holmwood) Portland prospect's center from selected sites outside the Surrey Hills Area of Outstanding Natural Beauty, each over 3 km from the target, concludes that the required long-reach/shallow target-depth wells are neither technically viable or economically feasible. Consequently, UKOG and its partners have now relinquished their interests in the licence. It remains a great disappointment to the Company that the licence's former operator, Europa Oil and Gas, whilst in possession of planning consent, failed to drill the prospect from the Holmwood site, around 1 km from the target." This was a decision supported by the Company.

On 21 October 2020, the Company executed a Sale & Purchase Agreement for the purchase of Doriemus plc's ("Doriemus") 10% interest in the Brockham PL235 Licence, thereby increasing the Company's interest from 65% to 75%. The purchase price for the Licence is adjusted for the settlement of outstanding amounts due from Doriemus to the Company and a contribution towards the estimated share of long-term abandonment liabilities and results in a net payment to the Company of approximately £260,000 in cash in Completion.

On 4 November 2020, the Company announced that, in relation to the £1.5 million convertible loan facility announced on 25 October 2019 (the "Loan") and amended on 20 April 2020, it received a notice from Riverfort Global Opportunities PCC Limited and YA II PN Ltd ("Investors") to convert the final £58,335 of the Loan into Angus shares. After the conversion there were no outstanding liabilities between the Company and the Noteholders. The Company had therefore allotted 9,678,945 new ordinary shares to the noteholders.

26. Subsequent events (continued)

On 30 November 2020, the Company together with its partner, Saltfleetby Energy Limited ("SEL"), it had entered into a Memorandum of Understanding (the "MOU") with Aleph Energy Limited and Aleph Commodities Limited ("Aleph") detailing non-binding Heads of Terms to provide up to £12 million towards the Saltfleetby Finance Facility required to develop the Saltfleetby Gas Field ("Saltfleeby"). The indicative terms provide for a four year amortising loan facility of up to £12million with a 12% margin over LIBOR, a 3% commitment fee payable out of the facility, a share grant of 30 million shares in Angus, issued over the life of the facility and an override of 8% on gross revenue following repayment of the facility. Given the share grant to be issued by Angus under the MOU, SEL has agreed net drawdowns from the facility to cover elements of the pipeline completion, thereby keeping the relative funding liabilities on the agreed pro rata basis of 51%/49%.

On 16 December 2020, the company raised gross proceeds of £249,990 as result of a placing of new ordinary shares. A total of 41,664,999 new ordinary shares in the capital of the Company have been placed by WH Ireland Limited with new and existing investors at a price of 0.6 pence per share.

On 27 January 2021, the company raised gross proceeds of £1,5000,000 as result of a placing of new ordinary shares. A total of 150,000,000 new ordinary shares in the capital of the Company have been placed by WH Ireland Limited with new and existing investors at a price of 1 pence per share. The Placing Shares were also accompanied by the issue of one warrant to subscribe for one ordinary share in the Company for each Placing Share (the "Placing Warrant"). The Placing Warrants are exercisable at any time, for a period of 2 years, from the date of Admission at the following exercise prices: 50% at 1.2p; 25% at 1.35p and 25% at 1.5p.

On 1 February 2021, to satisfy additional demand, the company conditionally placed a further 15,000,000 new ordinary shares in the Company at a price of 1 pence per share to raise gross proceeds of £150,000. The Further Placing Shares were also accompanied by the issue of one warrant to subscribe for one ordinary share in the Company for each Further Placing Share (the "Further Placing Warrants"). When issued, the Further Placing Warrants will be exercisable at any time, for a period of 2 years, from the date of admission of the Further Placing Shares at the following exercise prices: 50% at 1.2p; 25% at 1.35p and 25% at 1.5p.

On 2 March 2021, West Sussex County Council's Planning Committee rejected the Company's planning application for an Extended Well Test at Balcombe. The Company is presently evaluating all of the options available with its partners to appeal this decision.

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	2020 £'000	2019 £'000
ASSETS			
Non-current assets			
Investment	**5**	12,830	12,440
Total non-current assets		12,830	12,440
Current assets			
Trade and other receivables	**6**	174	360
Cash and cash equivalents		1,531	239
Total current assets		1,705	599
TOTAL ASSETS		**14,535**	**13,039**
EQUITY			
Equity attributable to owners of the parent:			
Share capital	**8**	1,430	1,082
Share premium	**8**	21,982	21,117
Merger relief reserve		1,500	1,500
Loan note reserve		106	-
Accumulated loss		(12,182)	(10,876)
TOTAL EQUITY		**12,836**	**12,823**
Current liabilities			
Trade and other payables	**7**	380	216
Total current liabilities		380	216
Non-Current liabilities			
Trade and other payables	**7**	1,319	
Total non-current liabilities		1,319	
TOTAL LIABILITIES		**1,699**	**216**
TOTAL EQUITY AND LIABILITIES		**14,535**	**13,039**

The loss for the Company for the year ended 30 September 2020 was £1,336,000 (2019: £8,414,000)

The note on page 72 to 75 form part of these of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on and were signed on its behalf by:

George Lucan - Director

Company number: 09616076

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Merger relief reserve £'000	Loan note reserve £'000	Accumulated loss £'000	Total equity £'000
Balance at 1 October 2018	**763**	**14,142**	**1,500**	**-**	**(2,541)**	**13,864**
Loss for the year	-	-	-	-	(8,414)	(8,414)
Total comprehensive income for the year	**-**	-	**-**	-	**(8,414)**	**(8,414)**
Transaction with owners						
Issue of shares	319	7,450	-	-	-	7,769
Less: issuance costs	-	(475)	-	-	-	(475)
Granted of share options	-	-	-	-	79	79
Balance at 30 September 2019	**1,082**	**21,117**	**1,500**	-	**(10,876)**	**12,823**
Loss for the year	-	-	-	-	(1,336)	(1,336)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(1,336)**	**(1,336)**
Transaction with owners						
Issue of shares	348	1,051	-	-	-	1,399
Less: issuance costs	-	(186)	-	-	-	(186)
Issue of convertible loan note	-	-	-	106	-	106
Granted of share options	-	-	-	-	30	30
Balance at 30 September 2020	**1,430**	**21,982**	**1,500**	**106**	**(12,182)**	**12,836**

Share capital comprises the ordinary issued share capital of the company.

Share premium comprises of the excess above the nominal value of the new ordinary shares issued during the period.

The merger relief reserve represents the difference between the cost of the investment in Angus Energy Holding UK Limited (initially measured at fair value) and the nominal value of the shares transferred as consideration.

Retained earnings represent the aggregate retained earnings of the company.

The note on page 72 to 75 form part of these of financial statements.

1. General information

The company was incorporated in England and Wales on 1 June 2015 as a private limited company. Its registered office is located at Building 3, Chiswick Park, 566 Chiswick High Street, London, W4, 5YA.

The financial information of the company is presented in British Pounds Sterling ("£") and rounded into thousand (£'000).

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets. The financial statements have been prepared in accordance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The principal accounting policies are described below. They have all been applied consistently throughout the period.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presentedalongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Investment

Investments in subsidiaries are stated at cost less provision for impairment. Where merger relief is applicable, the cost of the investment is recorded at the fair value on the date of the transaction. The difference between the fair value of the investment and the nominal value of the shares (plus the fair value of any other consideration given) is shown as a merger relief reserve and no share premium is recognized

Cash and cash equivalents

Cash in the statement of financial position is cash held on call with banks.

Financial assets

The directors classify the company's financial assets held at amortised cost less provisions for impairment. The directors determine the classification of its financial assets at initial recognition.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

2. Accounting policies (continued)

Taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Profit for the financial period

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a profit and loss account for the Company alone has not been presented. The Company's loss for the financial period was approximately £1,336,000 (2019: £8,414,000).

4. Staff costs

There are four employees (2019: four) and five directors (2019: five) employed by the company. The directors are regarded as the key management and their remunerations are disclosed in note 8 to the consolidated financial statements.

5. Investment

	Cost of investment £'000	**Loan to group undertakings £'000**	**Total £'000**
At 1 October 2018	2,028	10,990	13,018
Movement of the intercompany loan for the year	-	5,722	5,722
Allowance for impairment	(1,800)	(4,500)	(6,300)
At 30 September 2019	228	12,212	12,440
Movements of the intercompany loan for the year	-	390	390
Allowance for Impairment	-	-	-
At 30 September 2020	228	12,602	12,830

The details of the subsidiary are set out in the note 13 to the consolidated financial statements.

The Company is required to assess the carrying values of each of its investments in subsidiaries and loans to group undertakings for impairment. To a large extent the oil & gas production assets and exploration and evaluation assets have been funded by loans from the Company is represented by the value of the operating segment cash generating units. Recoverability of these loans is therefore dependent upon the operating segments producing sufficient cash surplus such that the segment achieves a positive net asset position.

6. Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	96	24
Directors accounts	-	216
Vat recoverable	11	54
Other receivables	67	66
	174	360

7. Trade and other payables

	2020 £'000	2019 £'000
Trade payables	110	60
Amounts due to group undertakings	100	100
Other taxation	46	24
Convertible loan note	58	-
Other payables	66	32
	380	216

The carrying amount of trade and other payables approximates to their fair value.

Due after more than one year	2020 £'000	2019 £'000
Convertible loan note	1,319	-
	1,319	-

8. Share capital

The movement of share capital is set out in the note 15 to the consolidated financial statements**.** As at 30 September 2020 the total issued ordinary shares of the Company were 715,158,325 (2019: 540,828,007).

9. Subsequent events

On 16 October 2020, UKOG Plc, the operator of PEDL 143 Licence (Holmwood/A24 Prospect) in which Angus had an interest of 12.5%, announced that "a detailed study examining the viability of drilling the A24 (formerly Holmwood) Portland prospect's centre from selected sites outside the Surrey Hills Area of Outstanding Natural Beauty, each over 3 km from the target, concludes that the required long- reach/shallow target-depth wells are neither technically viable or economically feasible. Consequently, UKOG and its partners have now relinquished their interests in the licence. It remains a great disappointment to the Company that the licence's former operator, Europa Oil and Gas, whilst in possession of planning consent, failed to drill the prospect from the Holmwood site, around 1 km from the target." This was a decision supported by the Company.

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On 2 March 2021, West Sussex County Council's Planning Committee rejected the Company's planning application for an Extended Well Test at Balcombe. The Company is presently evaluating all of the options available with its partners to appeal this decision.

Contact

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