Nu-Oil and Gas plc

Incorporated and registered in England and Wales with registered number 6370792

Annual Report and Accounts
for the year ended 30 June 2019

Contents

Corporate Information

Directors	Jay Bhattacherjee, Non-Executive Chairman Andrew Dennan, Non-Executive Director Frank Jackson, Non-Executive Director
Company secretary	David Lau
Registered office	Nu-Oil and Gas Plc Audley House 13 Palace Street London SW1E 5HX United Kingdom
Nominated adviser	Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ United Kingdom
Broker	NOVUM Securities Limited 8-10 Grosvenor Gardens London SW1W 0DH United Kingdom
Solicitors	Fieldfisher Riverbank House 2 Swan Lane, London EC4R 3TT United Kingdom
Bankers	HSBC 5 Great Underbank, Stockport, Cheshire SK1 1LH United Kingdom
Independent auditors	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH United Kingdom
Registrars	SLC Registrars, Elder House, St Georges Business Park Brooklands Road Weybridge Surrey KT13 0TS United Kingdom
Incorporation details	The Company is incorporated and registered in England and Wales with registered number 6370792

Chairman's Statement

Dear shareholders,

I enclose my first statement as Chairman of the Company with a view to looking forward and growing the business through the acquisition of new projects. This follows the need for an extensive restructuring of debt and changes in both the management and the business of the Company since the reporting date. Details of the results for the year ended 30 June 2019 are provided in the financial review in the Strategic Report.

Background

2019 was a challenging year for the Company and its shareholders. Having failed to generate value through its marginal field strategy, the Company's financial situation markedly deteriorated. The changes announced in early October 2019 and approved by shareholders at the General Meeting in early November 2019, provided the Company with an opportunity to address its financial position and redefine its strategy. However the Company remains at a critical stage of its turnaround recovery.

As a result of the approved changes at the General Meeting, the Board is implementing a new strategic direction for shareholders. The immediate priorities are to focus on the obvious need for strict cost discipline, implement proper corporate governance practices and to secure the Company's first acquisition following its designaton as a cash shell under AIM Rule 15.

In light of its cash shell status, the Company has until 4 May 2020 by when it needs to complete an acquisition which will constitute a reverse takeover. Combined with the limited funding available, there is significant incentive to progress that agenda at pace.

Financing

At the end of the financial year the Company had £58,000 in cash and several related party and third party liablities, which the Company did not have the means to settle. Until early November 2019 the Company continued to incur liabilties and obligations it did not have sufficient resources to discharge. In Q4 2019 the Company restructured and refinanced the Shard Capital loan with C4 Energy Ltd under terms which the Company could honour and also reached agreement for the net amounts owed to the RMRI Group and its related parties to be settled by transferring the Company's interest in MFDevCo as consideration along with the issue of Nu-Oil ordinary shares. The Company is working tirelessly to restructure its Statement of Financial Position in order to transition itself into a more investable business.

The Board expects future capital raises will be necessary to implement the acquisitive growth strategy required of it as a cash shell, but it is also expected that any such acquisitions will be value accretive to all investors.

People

As a part of the restructuring and changes noted above, the Company has recently made some important changes to its leadership. Those changes included my appointment as Non-Executive Chairman and Andrew Dennan as Non-Executive Director with Frank Jackson remaining on the Board. In parallel to these changes, the Board has also commenced a programme to engage an executive management team with a proven track record capable of delivering its growth ambitions and this could be achieved through a suitable reverse takeover.

Jay Bhattacherjee, Non-Executive Chairman, 23 December 2019

Strategic Report

Financial Review

The Consolidated Financial Statements and notes on pages 24 through to 47 should be read in conjunction with this review which has been included to assist in the understanding of the Group's financial position at 30 June 2019.

Loss before tax

Loss before tax for the year was £2,799,000 (2018: £1,878,000 loss), comprising administrative expenses of £2,011,000 (2018: £1,671,000) and finance costs of £788,000 (2018: £206,000). Administrative expenses reflected several one-off / exceptional items charged to the income statement, including, the impairment of the Group's intangible exploration and development assets and settlement and termination payments.

The loss included depreciation, amortisaton and impairments of £1,000,000 in the period (2018: £341,000) relating to tangible and intangible assets.

Statement of Financial Position

The consolidated statement of financial position for the Group is shown on page 25. Net liabilities at 30 June 2019 were £3,419,000 (2018: net liabilities of £1,053,000). The increase in net liabilities reflected a combination of several items including: the reassessed carrying amount of the loan from Shard Capital Management Limited ('the Shard Loan') following post year-end refinancing and restructuring of the debt with C4 Energy Ltd; provision adjustments made in relation to the recoverability of certain trade and other receivables in light of their perceived recoverability and the impairment of the Group's intangible assets, also in light of their expected future economic value.

In addition, fundraising activities undertaken in the period raised £380,000 in gross proceeds through the issue of new ordinary shares.

The majority of the Group's liabilities at the year end related to the third party loans and related party liabilities. On 2 October, the Company announced that it had agreed to settle related party liabilities by transferring ownership of its 50% interest in MFDevCo. In addition, following the sale of the Shard Loan to C4 Energy Ltd, it was refinanced and restructured.

At 30 June 2019, the Group had cash balances of £58,000 compared to £861,000 at 30 June 2018. The Group had trade and other payables of £1,440,000 at 30 June 2019 (2018: £1,555,000).

Cash flows

Net cash outflow for the year was £803,000 compared with a net inflow of £207,000 in 2018. The change in net cash flow year on year being mainly due to the reduced level of funds raised in the market.

Cash Shell Status

On 4 November 2019, with the approval of the resolutions at the Company's General Meeting and the sale of the Company's 50% interest in MFDevCo to RMRI, the Company was designated an AIM Rule 15 cash shell. This requires the Company to make an acquisition (or acquisitions) which would constitute a reverse takeover under AIM Rule 14 within six months of 4 November 2019, failing which the Company will be suspended from trading on AIM The Company does not intend to re-admit to trading on AIM as an investing company under AIM Rule 8.

Going Concern

The Directors judge it appropriate to adopt the going concern basis in preparing the Consolidated and Company Financial Statements given the new Board's proven track record of raising funds, most recently with reference to the placing of £500,000 in November 2019. As such, the Directors have a reasonable expectation that the Company can or will obtain sufficient resources to continue operating for the foreseeable future.

In forming this judgement the Directors reviewed the Group's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Group will be able to achieve the key milestones of the business plan, notably with regard to securing an acquisition or acquisitions which will constitute a reverse takeover, which they believe will result in the availability of adequate additional funding.

The Directors have concluded that to the extent that these assumptions are not valid, there exists a material uncertainty that casts significant doubt upon the Group's and the Company's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties to assumptions described, and based on the relevant facts and information available on the date the financial statements were approved by the Board, the Directors consider these assumptions to be valid and as such they continue to adopt the going concern basis in preparing the financial statements.

Other operational events during the financial year

Other operational and financial events during the year included:

The impairment of the Group's intangible assets. As at the year end, the Directors concluded that its shareholding in its Canadian assets was of negligible value. In addition, further investment into the assets was deemed uneconomic and as a result, the future economic benefit of the asset was deemed neglibible. As a result, the shareholding in Energi Oil Inc. in Newfoundland has been impaired in full.

In December 2018, the Company announced its decision not to extend the license option granted to G2 Energy Corp. in respect of the exploration license EL1070 in Canada.

As announced on 21 October 2019 the Company returned the equity interest it held in Enegi Oil Inc. back to Enegi Oil Inc. under the terms of RSNL1990 CHAPTER C-36 CORPORATIONS ACT (Newfoundland), which allows an investor to donate its holdings in a company back to the company in question at no charge to the company. Nu-Oil's interest was limited to its equity investment and, as a result, no longer has any interest in the Canadian portfolio. Accordingly, the investment value at year-end has been impaired in full in the financial statements. However, as at 30 Jun 2019, the Company was a shareholder of Enegi Oil Inc. and consequently, the Group's consolidated statement of financial position reflect the asset retirement provison which EOI had made. Following the return of equity, EOI will no longer be consolidated in the Group accounts.

In January 2019, both Alan Minty and Nigel Burton, the Company's Executive Chairman and Chief Executive Officer respectively, resigned. Alan Minty was replaced by Graham Scotton and Nigel Burton was replaced by both Damian Minty and Alison Pegram as Joint Managing Directors.

At the Annual General Meeting held on 25th January 2019, shareholders approved the resolution granting authority to the Directors to issue shares, on a pre-emptive basis, for cash up to 75% of the issued share capital of the Company. In conjunction with the passing of the resolution, the Directors committed to limit the use of that share authority to a cap of 25% of the issued share capital as at 25th January 2019, and to accompany any issue of new shares under that authority cap with an open offer for eligible shareholders to participate on similar terms.

In March 2019, the Company announced a placing of new ordinary shares raising gross proceeds of £250,000 at a placing price of 0.3p. The open offer raised a further £130,000 on similar pricing terms. On 12 July 2019 a General meeting was held at which the shareholders approved resolutions including one removing the open offer commitment.

Principal Risks and Uncertainties

Risk recognition and management are viewed as integral to the Group's objectives of creating and maintaining shareholder value. In spite of its designation as a cash shell, this remains true and in particular within the area of oil and gas exploration and development.

The Board, as a whole, is responsible for oversight of the processes by which risk is considered for both ongoing operations and prospective actions. In specific areas, it is assisted by the Audit and the Risk Committees. Management is responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

Cash Shell Status

The Directors consider the following of particular relevance given the Company's designation as a cash shell:

Ability to maintain AIM listing: As detailed in the Chairman's Statement and subsequent to the year-end, the Company has until 4 May 2020 by when it needs to complete an acquisition which will constitute a reverse takeover, failing which the Company will be suspended from trading on AIM. If the Company is unable to find a suitable reverse takeover target within six months of such suspension, it will be cancelled from AIM and be re-registered as a private company. There will therefore be no external market for shareholders to trade their shares in the Company.

Ability of the Company to continue as a going concern: As detailed in note 1, the ability of the Company to continue as a going concern is dependent on its ability to raise adequate finance in support of its acquisition objectives and working capital requirments over the upcoming period. However, in the event that the Company fails to raise sufficient funding to meet its objectives, it may not be able to continue as a going concern.

Financial Risk Management:

In addition, the following risks can arise in the normal course of business, and therfore considered relevant for the Company:

Currency risk: The Group may be exposed to changes in the exchange rate between the British pound (i.e. its reporting currency) and foreign currencies. Such movements could impact the financial performance of the Company. During the year, the Group's held interests in Canadian Dollars via its subsidiary, Enegi Oil Inc. At each period end, assets and liabilities that are held in a currency other than the Group's reporting currency are translated into sterling. The resultant foreign currency gain or loss arising is reflected in the consolidated statement of comprehensive income (SOCI) in the period in which it arises.

Liquidity risk: The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and to not undertake commitments which it is unable to meet, under both normal and stressed conditions. The Company has access to funding via capital markets (debt and equity) and these are considered sufficient to meet the anticipated funding requirements. Cash flow forecasts of the Company's liquidity requirements are monitored to ensure it has sufficient cash to meet operational needs over the next twelve months.

Financing risk: As the Group does not yet produce revenues it needs to continue to raise finance to implement its business strategy. The Board regularly monitors the availability of finance to ensure that it has sufficient confidence it can fund the actions that the Group needs to take to implement its strategy.

Key Performance Indicators (KPI)

Given the Company's designated status as a 'cash shell', the Board does not consider key performance indicators are appropriate to the performance of the business. The Board does, however, continue to closely monitor administrative expenses and cash balances. The critical non-financial KPI, at this stage, is the ability to complete an acquisition or acquisitions which would constitute a reverse takeover (RTO). In addition, the Directors expect further KPIs will become relevant and reported following an RTO acquisition.

On behalf of the Board

Jay Bhattacherjee, Non-Executive Chairman, 23 December 2019

Directors' Biographies

Jay Bhattacherjee, Non-Executive Chairman (Age 42)

Jay, a reservoir engineer, has nearly 20 years' experience in the oil and gas industry during which he has worked for Apache, Pengrowth, Scotia Waterous and Longreach Oil & Gas Ltd. He was most recently Chief Executive Officer and Executive Director of Aminex plc. He holds a B.Sc in Chemical Engineering with Petroleum Engineering from the University of Calgary. He was appointed a Non-Executive Director of Nu-Oil and Gas plc in November 2019.

Andrew Dennan, Non-Executive Director (Age 34)

Andrew has many years' experience unlocking growth across AIM listed companies as a corporate financier and investment manager. Throughout his career he has been involved in stockbroking and asset management in prominent roles, leading proprietary investment decisions, capital raising, risk oversight and portfolio management. He was appointed a Non-Executive Director of Nu-Oil and Gas plc in November 2019.

Frank Jackson, Non-Executive Director (Age 70)

Frank has over 20 years' experience in the oil and gas sector where he has raised significant funds, taken companies to market and negotiated hydrocarbon asset transactions. He was appointed Executive Commercial Director of Aurelian Oil and Gas. He has an ADipBA from the University of Cape Town and is a Fellow of the Chartered Institute of Secretaries and Administrators.

Chairman's Corporate Governance Statement

Corporate governance provides the foundation for all successful organisations and consequently, the Board supports and is committed to implementing good governance throughout the business.

Since September 2018 all AIM companies are required to comply with a recognised corporate governance code. The Company has adopted the Quoted Companies Alliance Corporate Governance Code ('the QCA Code') which the Board believes to be the most appropriate recognised governance code for Nu-Oil and Gas. The QCA Code provides the framework to ensure the appropriate level of governance is maintained, enabling the Company to embed a good governance culture within the organisation considered essential to building a successful and sustainable business for all stakeholders.

The Company's recent designation as a cash shell has meant inevitable change and the Board and leadership structure reflects the requiements to meet the QCA guidelines during this period.

Jay Bhattacherjee, Non-Executive Chairman

Application, principles and disclosure requirements of the QCA Code

The Company applies the QCA Code, which the Board believe is the most appropriate governance code for an AIM-listed company of its size. The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business, as summarised below.

Principle	**Application and Response**
Establish a strategy and business model which promote long-term value for shareholders.	The Company's Strategy and business model are outlined on page 2 in the Chairman's statement and in the Strategic Report.
Seek to understand and meet shareholder needs and expectations.	The Company engages with shareholders through its investor relations function and at General Meetings.
Take into account wider stakeholder and social responsibilities and their implications for long-term success.	Information regarding how the Company works with stakeholders can be found on the Company's website. Further information relating to the Company's Corporate Social Responsibility can be found on page 11.
Embed effective risk management, considering both opportunities and threats, throughout the organisation.	The Company's risk management framework is outlined on page 4 and 5.
Maintain the Board as a well-functioning balanced team led by the Chairman.	Information relating to the Board structure, composition and structures can be found on pages 9 and 10.
Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.	The skills and experience of the Board can be found on page 6 and on the Company's website.
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	Please see pages 9 and 10 for further details.
Promote a corporate culture that is based on ethical values and behaviours.	The Group has necessary policies and procedures to ensure that the Company, its staff and third parties adhere to ethical values and behaviours.
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	Information relating to roles and responsibilities of the Board, the role of Board committees, their terms and any matters reserved for the Board is available on the Company's website, nu-oilandgas.com.

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	The Company's performance is summarised in the Annual Report and the Interim Report. Further updates are provided to stakeholders through press releases and regular updates to the Company website.

Approach to Risk Management

The Board is responsible for putting in place and communicating an effective system to manage risk. Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control includes:

- establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The Board of Directors

The Company is managed through its Board of Directors. The Board's main roles are to create value for shareholders, to provide entrepreneurial leadership to the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable the Group to meet its objectives.

There are matters which are specifically reserved for the Board which include setting and monitoring business strategy; evaluating exploration opportunities and risks; approving all capital expenditure on exploration and producing oil and gas assets; approving all investments and disposals; approving budgets and monitoring performance against budgets; reviewing the Group's health and safety policy and considering and appointing new Directors and the Company Secretary.

At the date of the report, the Board consists of three members: the Non-Executive Chairman, Jay Battacherjee, and two Non-Executive Directors, Andrew Dennan and Frank Jackson. The Directors' biographies are set out on page 6.

Board election

Under the terms of the Company's Articles, all new Directors appointed since the previous Annual General Meeting are required to seek election at the next Annual General Meeting. In accordance with this the Directors will propose resolutions to elect Mr. Jay Bhattacherjee and Mr. Andrew Dennan.

Furthermore, under the terms of the Company's Articles, each Director shall retire by rotation at the annual general meeting held in the third calendar year following the year in which such Director was elected or last re-elected. A Director retiring by rotation shall be eligible for re-election. In accordance with this the Directors will propose a resolution to re-elect Mr. Frank Jackson.

Board Meeting Attendance

The number of meetings held and attended by each of the Directors of the Company during the financial period are:

Director	Date of appointment	Date of termination	Number of meetings held during the time the Director held office	Number of meetings attended
Alan Minty	13 September 2007	23 January 2019	1	1
Nigel Burton	20 October 2015	23 January 2019	1	-
Damian Minty	1 October 2011	30 September 2019	9	9
Tejvinder Minhas	28 March 2013	1 October 2019	9	9
Frank Jackson	1 October 2011	-	9	9
Graham Scotton	28 January 2019	12 November 2019	8	7
Mike Bowman	1 April 2014	30 September 2019	9	6
Alison Pegram	28 January 2019	30 September 2019	8	6
Jay Bhattacherjee	4 November 2019	-		
Andrew Dennan	4 November 2019	-		

Board Evaluation

The Board has an obligation to meet at least four times a year and all Directors have access to the Company Secretary.

Given the changes made to the Board and the dynamic nature of the Company's position, the Board does not consider it practical to have a formal performance evaluation procedure as described and recommended in the QCA Code at this stage. However, the Board recognises the need for such a process to be implemented in the short to medium term. The Directors will review of the functioning of the Board to ensure it is meeting its objectives.

Board Committees

The new Board of Directors currently have in place four committees of Directors: an Audit Committee, a Remuneration Committee, a Nomination Committee and a Risk Committee. Each of these committees operates within written terms of reference approved by the Directors. Brief details of each committee are set out below, but fuller terms of reference for the Audit, Remuneration and Nomination Committees can be found on the Company's website.

- **Audit Committee:** The Audit Committee's mandate is to assist the Directors in fulfilling their responsibilities with respect to the Group's financial statements and other financial information required to be disclosed by the Company to the public, the Group's compliance with legal and regulatory requirements, and the performance of the Company's external auditor. The Committee comprises two Directors: Andrew Dennan (Chairman) and Frank Jackson. During the year ended 2019, Frank Jackson and Mike Bowman sat on the audit committee. Mike Bowman has since resigned.
- **Remuneration Committee:** The Remuneration Committee's mandate is to assist the Directors in fulfilling their oversight responsibilities with respect to developing compensation and human resource policies and developing and assessing executive management compensation, development and succession. The Committee now comprises two Directors: Frank Jackson (Chairman) and Andrew Dennan. During the year ended 2019, Frank Jackson and Mike Bowman sat on the Remuneration Committee. Mike Bowman has since resigned.
- **Nomination Committee:** The Nomination Committee's mandate is to assist the Directors with the appointment and re-appointment of Directors to the Board and to senior executive office. The Committee now comprises two Directors: Andrew Dennan (Chairman) and Frank Jackson. During the year ended 2019, Frank Jackson and Mike Bowman sat on the Nomination Committee. Mike Bowman has since resigned.
- **Risk Committee:** The new Directors established a Risk Committee. The Committee reports to and is mandated by the Board of Directors. Committee members are Dermot Boylan and Andrew Dennan. The Committee is charged with the review of the key risks inherent in the business and the system of control necessary to manage such risks and presents its findings to the Board. Exploration risk, Liquidity and maintaining AIM listed status are the main corporate risks to which the Group is exposed. Each is monitored and reviewed regularly by the Board.

Health, Safety, The Environment And Corporate Social Responsibility

How we operate:

- We strive to be a good partner with local communities and in the environments in which we operate; and
- We will seek to comply with best practice in terms of corporate governance and business practice.

Our objective is to operate safely, to minimise our impact on the environment and to foster and support long-term development and self-sustaining enterprise in local communities.

Health and safety

The safety of our staff, contractors and those in our local communities is of paramount concern to us and we are pleased to report that there were no significant health or safety incidents during the year.

The Company has an established Health, Safety and Environmental ('HSE') policy that is reviewed on an annual basis. Where we do not have the in-house skills to develop and implement this policy, we work with specialist consultants to ensure proper control of our activities. The Company's HSE policy is supported by the Board which receives updates at Board meetings on HSE activities as appropriate.

Environment

The Company's objective is to minimise its impact on the local environment and, during the year, Nu-Oil and Gas plc reported no environmental issues.

Post year-end the Company is committed to transparent disclosure and clear communication of our activities and policies, both internally and externally. These policies and procedures are reviewed as appropriate and refined where necessary to manage the range of risks faced by the Company.

Corporate social responsibility

Nu-Oil and Gas plc recognises both the business imperative and the moral obligation to carry out our activities in a socially responsible way. The Company's aim is to contribute to the communities in which we operate through:

Our staff: they will be trained and developed in roles providing fulfilling employment whilst maintaining a culture which encourages an enjoyable work-life balance.

Our supply chain: we will collaborate with suppliers to develop long term partnerships, locally, whenever possible, based on fair procurement methods, where long term reward is our objective and not adversarial relationships.

Our role in the community: we will recognise the environmental, social and economic needs of the communities we work in and involve them in suitable initiatives that utilise our skills, time and financial support.

Our operations: we will develop our assets using sustainable, safe methods of work while striving to continuously improve them for the benefit of all stakeholders.

Directors' Report

The Directors submit their report together with the audited Company and Consolidated Financial Statements of Nu-Oil and Gas plc, a publicly limited company, for the year ended 30 June 2019.

Principal activities

The principal activity of the Company and Group is the identification, development and operation of hydrocarbon opportunities. However, following the divestment of the Company's join venture, MFDevCo, which was approved at the General Meeting held on 4 November 2019, the Company was designated a cash shell. As such, it will be requried to complete an acquisition or acquisitions constituting a reverse takeover within six months of 4 November 2019.

The Company and the Group's head office is at Audley House, 13 Palace Street, London, SW1E 5HX, United Kingdom. Nu-Oil and Gas plc was incorporated in the United Kingdom and Enegi Oil Inc. (EOI), a company in which Nu-Oil and Gas was a shareholder, was incorporated in the Province of Newfoundland and Labrador. EOI was incorporated to acquire a portfolio of oil and gas assets on the Port au Port peninsula in western Newfoundland. As announced on 21 October 2019, the Company returned the equity it held in Enegi Oil Inc. with immediate effect.

Directors

The Directors who served in office during the financial year and up to the date of signing the Financial Statements were as follows:

Name	Date
Jay Bhattacherjee	appointed 4 November 2019
Andy Dennan	appointed 4 November 2019
Frank Jackson	appointed 1 October 2011
Graham Scotton	appointed 28 January 2019 and resigned 12 November 2019
Nigel Burton	appointed 20 October 2015 and resigned 23 January 2019
Tejvinder Minhas	resigned 1 October 2019
Mike Bowman	resigned 30 September 2019
Damian Minty	resigned 30 September 2019
Alison Pegram	appointed 28 January 2019 and resigned 30 September 2019
Alan Minty	resigned 23 January 2019

Results and dividends

The Consolidated Financial Statements for the year ended 30 June 2019 are as set out on pages 24 to 47. The Group's loss for the year was £2,799,000 (2018: £1,878,000). The Company is unable to recommend the payment of a dividend at this time (2018: £nil).

Capital structure and significant shareholders

Details of the issued share capital together with details of movements in share capital during the year are included in the Consolidated Statement of Changes in Equity on page 27 and in Note 13 to the Consolidated Financial Statements. Details of employee share schemes are set out in Note 18 to the Consolidated Financial Statements.

There were no significant shareholder as at the reporting date.

Annual General Meeting

The Company's next Annual General Meeting will be held on Friday 24 January 2020. A notice of the Annual General Meeting will be issued at least 21 days in advance.

Contracts of significance

At the date of this report, and following the Company's return of the equity interest held in EOI, the Group only holds one contract of significance, which might be deemed essential to its ongoing economic success. This relates to the loan from with C4 Energy Ltd. The lender is supportive of the Board, the designation as a cash shell and of the implications that holds.

At the reporting date, the Company's loan was with Shard Capital Management Limited. As announced by the Company in October 2019, the Shard Loan was sold to C4 Energy Ltd. and refinanced. At the reporting date the Shard Loan, was carried at £2,381,000.

Independent auditors

Subsequent to the Company's financial year end, the appointed Crowe U.K. LLP ('Crowe') to replace PricewaterhouseCoopers LLP as the Company's auditors. A resolution to reappoint Crowe will be proposed at the forthcoming Annual General Meeting.

Share capital

The Company's share capital underwent a reorganisation during 2015. Following the reorganisation, the share capital of the Company represents ordinary shares and deferred shares. Ordinary shares carry one vote per share and carry equal right to dividend. Both classes of shares are classified in equity but deferred shares carry restrictions. No dividends have been paid to any shareholder. The Company has not acquired any of its own shares during the year.

Insurance

The Company maintains general commercial insurance cover as is appropriate for a business of its size and complexity. Frequently, specific cover is required by local regulators and, where appropriate, the Company complies with these requirements. Additionally, during the financial year and at the date of the financial statements the Company held directors' and officers' insurance cover which is a qualifying, third party indemnity insurance. The levels of insurance cover for all types of liability are reviewed on an annual basis.

Going concern

The Directors judge it appropriate to adopt the going concern basis in preparing the Consolidated and Company Financial Statements given the new Board's proven track record of raising funds, most recently with reference to the placing of £500,000 in November 2019. As such, the Directors have a reasonable expectation that the Company can or will obtain sufficient resources to continue operating for the foreseeable future.

In forming this judgement the Directors reviewed the Group's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Group will be able to achieve the key milestones of the business plan, notably with regard to securing an acquisition or acquisitions which will constitute a reverse takeover, which they believe will result in the availability of adequate additional funding.

The Directors have concluded that to the extent that these assumptions are not valid, there exists a material uncertainty that casts significant doubt upon the Group's and the Company's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties to assumptions described, and based on the relevant facts and information available on the date the financial statements were approved by the Board, the Directors consider these assumptions to be valid and as such they continue to adopt the going concern basis in preparing the financial statements.

Capital Risk Management

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

Directors' Interests

All Directors' interests in the shares of the Company are given on pages 16 to 17.

Disclosure of information to auditors

As far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware. In addition, each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Approved by the Board of Directors on 23 December 2019 and signed on its behalf by

Jay Bhattacherjee, Non-Executive Chairman

Nu-Oil and Gas plc, Registered number 6370792

Statement Of Directors' Responsibilities In Respect To The Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 company and of the profit or loss of the Group and company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and IFRSs as adopted by the European Union have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

By order of the Board

David Lau, Company Secretary, 23 December 2019

Unaudited Directors' Remuneration Report

This report has been approved by the Board. An ordinary resolution to approve this report will be put to shareholders at the next annual general meeting. It sets out the Company's policy on the remuneration of the Directors for the current and forthcoming financial years. Although AIM listed companies are not required to provide a remuneration report and, as such, the report below is unaudited, Nu-Oil and Gas plc is committed to high standards of corporate reporting and has included the following report.

Remuneration committee

The Remuneration Committee comprises two Directors: Frank Jackson (Chairman) and Andrew Dennan. During the year, Frank Jackson and Mike Bowman sat on the Remuneration Committee. Mike Bowman has since resigned.

The purpose of the Remuneration Committee is to ensure that the Executive Directors of the Company are fairly rewarded for their individual contribution to the overall performance of the Company and to demonstrate to shareholders that the remuneration of the executive Directors of the Company is set by an individual who has no personal interest in the outcome of their decisions and who will have due regard to the interests of the shareholders.

Remuneration policy

The Company's policy on remuneration is to attract and retain the best people available as the Directors believe this is one of the best ways of ensuring the Company's future success. The remuneration packages offered to Directors use a combination of performance related and non-performance related elements designed to incentivise Directors and align their interests with those of shareholders.

Procedures for fixing remuneration and other benefits

The basic salaries and other benefits applicable to the executive Directors are decided by the remuneration committee. The Remuneration Committee also sets the criteria for bonuses and any other performance based remuneration. The Committee is then responsible for measuring the extent to which these criteria have been achieved and setting the level of bonus awarded.

Report on remuneration

The Committee is authorised to obtain such external professional advice and expertise as it considers necessary, and consults with the Chairman of the Company. It is also authorised by the Board to investigate any matter within its terms of reference and seek any information that it requires from any employee. During the year, the Committee did not seek any external advice.

Directors' interests in shares

The number of ordinary shares of 0.1 pence each in the Company controlled by the current Directors was as follows:

	30 June 2019	30 June 2018
Frank Jackson	2,000,000	2,000,000

Equity incentives

The Company operates a Performance Share Plan which is an equity reward and incentive scheme which is designed to motivate executives and staff with a view to increasing shareholder value. The Remuneration Committee oversees the Performance Share Plan, approves the subscription price of awards under the Plan and the performance criteria to be satisfied before exercise is permitted, and monitors the effectiveness of the Performance Share Plan as an incentive to the executives and staff.

Under the Performance Share Plan, the options outstanding to the current Directors, as approved by the Company's Remuneration Committee, is as follows:

	Already Vested	Average Vest Price (pence)	Total Options
Frank Jackson	8,000,000	0.6000	8,000,000
Jay Bhattacherjee	90,000,000	0.0625	90,000,000
Andrew Dennan	90,000,000	0.0625	90,000,000

During the year, Nigel Burton, a former Director, exercised 8,000,000 share options.

Directors' contracts

Directors are appointed subject to re-election at any annual general meeting at which, pursuant to the Company's articles of association, they are required to retire by rotation. Such re-election will take place at regular intervals of not more than every three years.

Remuneration of Non-Executive Directors

The Board sets the remuneration levels for Non-Executive Directors. They do not receive any pension or other benefits. Their level of remuneration is based on outside advice and a review of current practice in other companies.

Directors' emoluments

The following emoluments reflect amounts recorded in the Company's accounts year ended 30 June 2019 and 30 June 2018:

£'000s	Emoluments recorded year ended 30 June 2019	Settlement / Termination costs year ended 30 June 2019	Emoluments recorded year ended 30 June 2018
Alan Minty	91	160	160
Alison Pegram	15	-	-
Damian Minty	120	-	120
Frank Jackson	30	-	30
Graham Scotton	31	-	-
Mike Bowman	-	-	-
Nigel Burton	28	25	48
Tejvindar Minhas	30	-	30

During the year, pension contributions from the Company in respect of the Damian Minty and Alison Pegram totalled less than £1,000. The comparative figures in 2018 exclude recharges of £58,000 made to MFDevCo in the period.

Jay Bhattacherjee, Non-Executive Chairman, 23 December 2019

Audit Committee Report

The Audit Committee requries its members be Non-Executive Directors and comprises Andrew Dennan (Chairman) and Frank Jackson and generally meets at least twice per annum to review the audit plan received from the auditor prior to their year-end audit, and then meetings to review the half year and full year results prior to Board approval. During the year, Frank Jackson and Mike Bowman sat on the Committee. Mike Bowman has since resigned. The Committee has engaged Crowe U.K. LLP ('Crowe') to act as external auditors and they are also invited to attend Committee meetings, unless they have a conflict of interest

An important part of the role of the Committee is its responsibility for reviewing and monitoring the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment and reporting of risk. The Audit Committee is also responsible for overseeing the relationship with the external auditor.

The Committee is governed by the Terms of Reference summarised on the Company's website, but its main functions include:

- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- Reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant;
- Considering annual and interim accounts and audit reports; and
- Making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

During the 2019 audit, the committee:

- Approved the audited year end and interim financial statements; and
- Recommended to shareholders the re-appointment of the Company's auditor, Crowe U.K. LLP.

Independent Auditors' Report To The Members Of Nu-Oil and Gas Plc

Opinion

We have audited the financial statements of Nu-Oil and Gas Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 June 2019, which comprise:

- the Consolidated income statement and consolidated statement of comprehensive income for the year ended 30 June 2019;
- the Consolidated and Parent Company statements of financial position as at 30 June 2019;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows 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 financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 June 2019 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 IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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 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 relating to going concern

We draw attention to Note 1 in the financial statements, which indicates that further funds will be required to allow the Group and Parent Company to continue as a going concern. Note 1 states that the Directors have a reasonable expectation that funding is expected to become available following an acquisition or acquisitions. The note also states that on 4 November 2019 the Parent Company completed a £500,000 fundraise to primarily fund working capital. As stated on Note 1, these events or conditions indicate that a material uncertainty exists and may cast doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 £140,000, based on 5% of the Group's loss before tax. The overall materiality for the Parent Company financial statements was determined to be £135,000, based on 5% of the Parent Company's result before tax.

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 £2,000. 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

The Group and its subsidiaries are accounted for from one central operating location, the Group's registered office. Our audit was conducted from the main operating location and all non-dormant Group companies were within the scope of our audit testing.

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.

In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matters below to be the key audit matters to be communicated in our report.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Return of interest in Enegi Oil Inc. As highlighted in Note 21, we note the Group and Parent Company returned the equity held in its Canadian subsidiary Enegi Oil Inc. following the year end. At the year end the Group has intangible assets in relation to capitalised exploration costs and capitalised development costs. The Parent Company has capitalised development costs, which were also associated with the operations in Canada. Given the Group and Parent Company remain loss-making and the associated intangibles are yet to generate income there is deemed to be a significant risk in relation to the recoverability of these assets. The Group and Parent Company's abandonment of these assets following the year end further increases the likelihood the balances are not fully recoverable. Under the terms of the lease and licence, the Group recognises a provision for the future obligation to comply with the provincial laws on abandonment. The calculation of this balance is considered a significant estimate and in particular management needs to consider: • the expected costs of rectification costs; and • the settlement period of the obligation.	We obtained supporting documentation to confirm that the Group has returned their interest in Enegi Oil Inc. following the year end and held a discussion with the client and a Canadian legal advisor to clarify the legal position. We obtained management's assessment of the recoverability of the assets which included assessing their future plans for the assets, critically appraising the assumptions used and challenging management where appropriate. We obtained management's assessment of the rectification provision. Management's assessment was that the undiscounted liability remained unchanged from the previous year. As part of our assessment we: • Obtained and re-performed the calculation for the provision; • Considered sensitivity analysis in relation to the key assumptions; and • Benchmarked to market information for evidence assumptions made are not appropriate. Following the return of interest in Enegi Oil Inc. post year end, the Group's obligation in relation to the provision has now been removed. We reviewed the adequacy of disclosures made to reflect management's assessment of these matters along with developments since the year end, as shown within Notes 2, 8, 9 and 21, considering whether they are consistent with both our understanding and the IFRSs requirements.
Recoverability of investments in Group companies *(Parent company only)* The investments cannot be agreed to third party market data, therefore judgement is required in assessing whether there is any impairment to the carrying value of these assets. As previously noted, following developments since the year end, there is an increased risk that these balances may be impaired.	We reviewed management's assessment of the carrying value of investments in Group companies and critically appraised the assumptions used; We reviewed the adequacy of the disclosures made within the financial statements in management's assessment that they are fully impaired.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a 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 to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 materially misstated. 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 conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for 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 records and 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and 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 or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company'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 liquidate the 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 that an 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.

Michael Jayson (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Manchester

23 December 2019

Consolidated and Parent Company Financial Statements

Consolidated Income Statement

For the year ended 30 June 2019

£'000	Note	2019	2018
Revenue		-	-
Cost of sales		-	-
Gross profit / (loss)		-	-
Administrative expenses		(2,011)	(1,672)
Loss from operating activities		**(2,011)**	**(1,672)**
Finance expense	5	(788)	(206)
Loss before tax		(2,799)	(1,878)
Tax	6	-	-
Loss for the period		**(2,799)**	**(1,878)**
Loss per share (pence per share)			
Basic	7	*(0.2p)*	*(0.1p)*
Diluted	7	*(0.2p)*	*(0.1p)*

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2019

£'000	Note	2019	2018
Loss for the period		(2,799)	(1,878)
Other comprehensive income / (expense)			
Other comprehensive income to be reclassified to Profit and Loss in subsequent periods			
Currency translation differences		6	(1)
Total comprehensive loss for the period attributable to owners of the parent		**(2,793)**	**(1,879)**

Consolidated and Parent Company Financial Statements (continued)

Consolidated Statement of Financial Position, *as at 30 June 2019*

£'000	Note	2019	2018
Non-current assets			
Property, plant and equipment	8	8	195
Intangible assets	8	-	813
Other long-term assets	10	500	477
		508	1,485
Current assets			
Trade and other receivables	11	1,165	993
Cash and cash equivalents		58	861
		1,223	1,854
Total assets		1,731	3,339
Current liabilites			
Loans	14	(2,562)	(1,826)
Trade and other payables	15	(1,440)	(1,555)
Due to related parties	12	(657)	(541)
		(4,659)	(3,922)
Non-current liabilities			
Provisions	9	(491)	(470)
Total liabilites		(5,150)	(4,392)
Net liabilities		**(3,419)**	**(1,053)**
Equity			
Ordinary share capital		3,207	3,072
Share premium account		31,359	31,062
Reverse acquisition reserve		9,364	9,364
Warrant reserves		404	409
Other reserves		(2,487)	(2,487)
Accumulated losses		(45,266)	(42,473)
Total equity		**(3,419)**	**(1,053)**

The financial statements together with the notes to the financial statements were approved by the Board

Jay Bhattacherjee, Non-Executive Chairman, 23 December 2019

Consolidated and Parent Company Financial Statements (continued)

Company Statement of Financial Position, *as at 30 June 2019*

£'000	Note	2019	2018
Non-current assets			
Property, plant and equipment	8	5	187
Intangible assets	8	-	491
Other long-term assets	10	-	326
		5	1,004
Current assets			
Trade and other receivables	11	1,165	958
Cash and cash equivalents		58	861
		1,223	1,819
Total assets		1,228	2,823
Current liabilites			
Loans	14	(2,562)	(1,826)
Trade and other payables	15	(1,193)	(1,359)
Due to related parties	12	(464)	(358)
		(4,219)	(3,543)
Non-current liabilities			
Provisions		-	-
Total liabilites		(4,219)	(3,543)
Net liabilities		**(2,991)**	**(720)**
Equity			
Ordinary share capital		3,207	3,072
Share premium account		31,359	31,062
Merger relief reserve		7,548	7,548
Warrant reserve		404	409
Other reserves		(2,487)	(2,487)
Accumulated losses		(43,022)	(40,324)
Total equity		**(2,991)**	**(720)**

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the Parent Company income statement or statement of comprehensive income. The loss for the Parent Company for the year to 30 June 2019 was £2,698,000 (2018: £1,954,000).

The financial statements together with the notes to the financial statements were approved by the Board

Jay Bhattacherjee, Non-Executive Chairman, 23 December 2019

Consolidated and Parent Company Financial Statements (continued)

Consolidated Statement of Changes in Equity, *for the year ended 30 June 2019*

£'000	Ordinary Share Capital	Share Premium Account	Reverse Acquisition Reserve	Warrant and Other Reserves	Accum Losses	Total Equity
Balance, 01-Jul-2017	2,757	28,671	9,364	(2,078)	(40,594)	(1,880)
Loss for the period	-	-	-	-	(1,878)	(1,878)
Currency translation differences	-	-	-	-	(1)	(1)
Comprehensive loss	-	-	-	-	(1,879)	(1,879)
Equity fundraise	315	2,391	-	-	-	2,706
Balance, 30-Jun-2018	3,072	31,062	9,364	(2,078)	(42,473)	(1,053)
Loss for the period	-	-	-	-	(2,799)	(2,799)
Currency translation differences	-	-	-	-	6	6
Comprehensive loss	-	-	-	-	(2,793)	(2,793)
Equity fundraise	135	297	-	(5)	-	427
Balance, 30-Jun-2019	3,207	31,359	9,364	(2,083)	(45,266)	(3,419)

Company Statement of Changes in Equity, *for the year ended 30 June 2019*

£'000	Ordinary Share Capital	Share Premium Account	Merger Relief Reserve	Warrant and Other Reserves	Accum Losses	Total Equity
Balance, 01-Jul-2017	2,757	28,671	7,548	(2,078)	(38,370)	(1,472)
Loss for the period	-	-	-	-	(1,954)	(1,954)
Currency translation differences	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	(1,954)	(1,954)
Equity fundraise	315	2,391	-	-	-	2,706
Balance, 30-Jun-2018	3,072	31,062	7,548	(2,078)	(40,324)	(720)
Loss for the period	-	-	-	-	(2,698)	(2,698)
Currency translation differences	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	(2,698)	(2,698)
Equity fundraise	135	297	-	(5)	-	427
Balance, 30-Jun-2019	3,207	31,359	7,548	(2,083)	(43,022)	(2,991)

Warrant and other reserves comprises:

- Warrant reserve of £404,000, reflecting the total cost of warrants issued pre-IPO and post-IPO; and
- Other reserves of £2,487,000 consisting of: (i) Shares issued to the Employee Benefit Trust as a part of the Performance Share Plan, refer Note 17; and (ii) Shares that the Company has purchased which were used as security against the loan outstanding to Shard Capital Management Limited.

Consolidated and Parent Company Financial Statements (continued)

Consolidated Cash Flow

For the year ended 30 June 2019

£'000	Note	2019	2018
Cash flow from operating activities			
Cash used in operating activites	17	(1,130)	(2,156)
Net cash used in operating activities		(1,130)	(2,156)
Cash flow from financing activities			
Share capital issued for cash		380	2,706
Loan repayments	14	(53)	(343)
Net cash from financing activities		327	2,363
Net (decrease)/increase in cash in the period		**(803)**	**207**
Cash and cash equivalents at the start of the period		861	654
Cash and cash equivalents at the end of the period		**58**	**861**

Company Cash Flow

£'000	Note	2019	2018
Cash flow from operating activities			
Cash used in operating activites	17	(1,130)	(2,156)
Net cash used in operating activities		(1,130)	(2,156)
Cash flow from financing activities			
Share capital issued for cash		380	2,706
Loan repayments	14	(53)	(343)
Net cash from financing activities		327	2,363
Net (decrease)/increase in cash in the period		**(803)**	**207**
Cash and cash equivalents at the start of the period		861	654
Cash and cash equivalents at the end of the period		**58**	**861**

Notes to the Financial Statements

Corporate Information

Nu-Oil and Gas plc (the ‘Company’ and together with its subsidiaries, the ‘Group’) is a company incorporated in England on 13 September 2007 and has registered address of Audley House, 13 Palace Street, London, SW1E 5HX. The Group is domiciled in the UK for tax purposes and its shares are quoted on the Alternative Investments Market (‘AIM’) of the London Stock Exchange.

The principal activity of the Company and Group is the identification, development and operation of hydrocarbon opportunities.

1. Basis of Preparation

The consolidated financial statements of the Group and the financial statements of the parent Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), the Companies Act 2006 that applies to companies reporting under IFRS, and IFRS-IC interpretations. The consolidated financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

Changes in accounting principles and adoption of new and revised standards

In the year ended 30 June 2019, the Directors have reviewed all the new and revised Standards. The only relevant new standard that is effective for this year’s financial statements is IFRS 9 ‘Financial Instruments’ but this has not had a material impact on the financial statements.

There are no standards in issue but not yet effective which could have a material impact on the financial statements.

Going concern

The Directors judge it appropriate to adopt the going concern basis in preparing the Consolidated and Company Financial Statements given the new Board’s proven track record of raising funds, most recently with reference to the placing of £500,000 in November 2019. As such, the Directors have a reasonable expectation that the Company can or will obtain sufficient resources to continue operating for the foreseeable future.

In forming this judgement the Directors reviewed the Group’s funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Group will be able to achieve the key milestones of the business plan, notably with regard to securing an acquisition or acquisitions which will constitute a reverse takeover, which they believe will result in the availability of adequate additional funding.

The Directors have concluded that to the extent that these assumptions are not valid, there exists a material uncertainty that casts significant doubt upon the Group’s and the Company’s ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties to assumptions described, and based on the relevant facts and information available on the date the financial statements were approved by the Board, the Directors consider these assumptions to be valid and as such they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying value is increased or decreased to recognise the investor's share of the change in net assets of the investee after the date of acquisition.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from an associate reduce the carrying amount of the investment.

The Group has a 50% interest in the Marginal Field Development (MFDevCo) Ltd. The Directors deem that the Group has significant influence but not control over this entity. In accordance with IAS 28 this investment is accounted for using the equity method of accounting. At the year end the investment balance is held at £nil after deduction of the Group's share of post-acquisition losses recognised. Following the year end and the reorganisation approved by shareholders in November 2019, MFDevCo has been disposed.

2. Significant Accounting Policies

The principal accounting policies have been applied consistently throughout the year.

Segment Reporting

IFRS 8 Operating Segments requires that the segments should be reported on the same basis as the internal reporting information that is provided to the chief operating decision-maker. The Group adopts this policy and the chief operating decision-maker has been identified as the Board of Directors of the Company.

Tangible and intangible oil and gas assets

Tangible oil and gas assets relate to assets for a specific prospect where proven reserves are known to exist. Such assets include the development expenditure in bringing a specific prospect into production.

Intangible oil and gas assets relate to assets for a specific prospect without proven reserves. Such assets include exploration costs at a specific site to locate proven reserves. At the point where proven reserves are discovered intangible assets are transferred to tangible assets.

Intangible assets also include expenditure on the development of engineering solutions adopted in the Marginal Field Initiative such that the key engineering principles of those solutions could be easily replicated for application to other projects.

Oil and gas properties

Properties comprise payments made to obtain or extend the working interest in a specific prospect. Property acquisition costs are capitalised within oil and gas properties and depreciated on a straight-line basis at the point production commences. Property assets are reviewed on an annual basis to confirm that drilling activity is planned and it is not impaired. If no future activity is planned, the remaining balance of the licence and property acquisition costs is written off. Upon determination of economically recoverable reserves ('proved reserves' or 'commercial reserves'), the costs are depreciated over the useful economic life of the related prospect based on known production levels and estimated commercial reserves.

Intangible capitalised exploration costs

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 the drilling of the well is complete and the results have been evaluated. If hydrocarbons are not found, but it is deemed possible that further expenditure on the drilled well will lead to a hydrocarbon discovery, the costs associated with the well continue to be capitalised as an intangible asset.

Until the commencement of further expenditure on the drilled well the capitalised exploration costs will be deemed to have a useful economic life of 5 years and will be amortised accordingly. If the planned further activity on the well is deemed to have been terminated, then the full value of the associated intangible asset is written off but reinstated should the activity on the well recommence at a future date.

If hydrocarbons are not found, and are not expected to be discovered, the total exploration expenditure is written off. If hydrocarbons are found and are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to technical, commercial and management review at least once a year 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 proved reserves of oil and natural gas are determined, development is sanctioned and production (rather than testing) commences, the relevant expenditure is transferred to development assets within tangible fixed assets. At that point, the Company will begin to depreciate the assets over the course of their useful life.

Licences

Exploration licence costs capitalised within intangible assets are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or committed or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing. If no future activity is planned, the remaining balance of the licence costs is written off. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to property, plant and equipment.

Intangible capitalised development costs

Expenditure incurred on the development of solutions, processes and systems that can be utilised within the marginal field initiative is capitalised within tangible fixed assets as development costs.

Intangible capitalised development costs are assessed for impairment annually.

Impairment of tangible and intangible oil and gas assets

The Company assesses assets or groups of assets for impairment annually. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists, the Company makes an estimate of the recoverable value of the asset. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Fixtures and fittings, equipment

Office furniture, fittings and equipment is stated at cost less accumulated depreciation and any impairment losses. The initial cost of an asset comprises its purchase price, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs.

Office furniture, fittings and equipment is depreciated on a straight-line basis over its expected useful life. The useful life of the Company's office furniture, fittings and equipment is as follows:

Office equipment	3 to 15 years
Office furniture, fixtures and fittings	5 to 15 years

Other long-term assets

Long term assets usually in the form of deposits or investments, are recognised initially at fair value and subsequently measured at amortised cost less any provisions for impairment. A provision for impairment is established when there is objective evidence that the Company will not benefit from cash flows of an amount at least equal to the carrying value of the asset.

Financial instruments

Financial assets

All of the Group's financial assets are held within a business model whose objective is to collect contractual cash flows which are solely payments of principals and interest and therefore classified as subsequently measured at amortised cost. The Group's and Company's financial assets include cash and cash equivalents and trade and other receivables.

The Group assesses on a forward looking basis the expected credit losses, defined as the difference between the contractual cash flows and the cash flows that are expected to be received.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest of the assets of the Group after deducting all of its liabilities.

Trade and other payables

Trade payables are non interest bearing and are stated initially at fair value and then amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Asset retirement provisions

The fair value of estimated asset retirement provisions related to well sites is recognised as a liability when new wells are drilled. The asset retirement cost is recorded as part of the cost of the related long-lived asset at an amount that is equal to the initial estimated fair value of the asset retirement provision. Fair value is estimated using the present value of the future estimated cash flows, adjusted for inflation, using the Company's risk-free interest rate.

Changes in the estimated provision resulting from revisions to estimated timing or amount of undiscounted cash flows are recognised as a change in the asset retirement provision and the related asset retirement cost. Actual retirement expenditures incurred are charged against the provisions in the period incurred. Over provisions and under provisions are set off against profit for the period in which the over or under provision is recognised.

Employee Benefit Trust

The assets and liabilities of the Employee Benefit Trust are brought onto the Statement of Financial Position of the Company. Shares held by the trust are consolidated as a deduction from equity. This policy applies to both the Company and the Group.

Performance Share Plan costs

The fair value of awards granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date, using an appropriate pricing model taking into account the terms and conditions upon which the award was granted, and is spread over the period during which the awards vest. The amount recognised as an expense is adjusted to reflect the actual number of share awards that vest in the same period. At each reporting date, the Company revises its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Foreign currency translation

The Company's functional currency is sterling. Enegi Oil Inc.'s and Enegi Finance Limited's (both subsidiaries at the reporting date) functional currency is Canadian dollars. The Group's presentation currency is sterling.

In preparing the financial statements of the individual companies, transactions in foreign currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange rate differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange rate differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

On consolidation, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the rate at the date of the transaction is used.

Exchange differences that arise on long term intra-Group loans are recognised in the income statement in the individual financial statements of each Group company.

Income taxes

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Share capital

Issued share capital is recorded in the Statement of Financial Position at nominal value with any premium at the date of issue being credited to the share premium account.

Share-based transactions

From time to time, the Company may pay for goods or services through the issue of new shares. The cost of such equity-settled transactions is recognised in the income statement, together with a corresponding increase in equity, in the period during which the goods or services are received.

The value of such share based payments is measured by reference to the fair value of the goods or services received or the market value of the shares issued, whichever value is more readily determinable.

Warrants

From time to time, the Company may issue warrants to suppliers as partial payment for goods or services or to investors or advisers in relation to the raising of new equity finance. When warrants are issued as partial payment for goods or services related to operations, the fair value of those warrants is recognised as a cost in the income statement. When warrants are issued in relation to the raising of new equity finance, the fair value of those warrants is set off against share premium. Warrants issued but not exercised are held in a warrant reserve within equity.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

Critical accounting judgements and estimates in applying the Group's accounting policies

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. In the process of applying the Group's accounting policies, management have made the following estimates that may have a significant effect on the amounts recognised in the financial statements:

Estimates:

Asset retirement obligation provision: A provision is recorded where a present obligation (legal or constructive) arises as a result of a past event, it is probable that settlement of the obligation will be required and that a reliable estimate of the amount thereof can be made. There is uncertainty around the cost of decommissioning as cost estimates can vary in response to many factors, including from changes to market rates for goods and services, to the relevant legal requirements, the emergence of new technology or experience at other assets. The expected timing, work scope, amount of expenditure and risk weighting may also change. The recording of provisions is an area which requires the exercise of management's judgement. The Group's balance sheet includes provisions in relation to Enegi Oil Inc.'s future obligation to comply with provincial laws of abandonment. This provision is based on a series of assumptions and estimates which are set out in Note 9.

Finance Costs: Finance costs include costs associated with the Company's management of cash, cash equivalents and debt. To the extent interest expense on borrowings are included within finance costs, the interest expense is calculated using the effective interest rate method. Historically, the financincing costs associates with the Shard loan used the simple interest method of calculation. In 2019, the basis for estimating the finance expense was refined to use compound interest on the outstanding loan and interest. This basis reflects the loan value confirmed in October 2019. The effect of estimating the interest expense on this basis when compared with a simple effective interest method was additional expense of £608,000.

Judgements:

Impairment of tangible and intangible oil and gas assets: The Company assesses assets or groups of assets for impairment annually. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists, the Company makes an estimate of the recoverable value of the asset. An asset group's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Impairment of Investments: The Company assesses the carrying value of its investment in all entities in which its holds an equity interest on an annual basis. It considers impairing such investments if the underlying value of the investment is deemed to not support the carrying value of the investment.

Going Concern: The financial information has been prepared assuming the Group will continue as a going concern. The basis to which the Directors have formed this critical accounting judgement is further outlined in note 1 of the Group's accounts.

3. Segmental Information

IFRS 8 Operating Segments requires that the segments should be reported on the same basis as the internal reporting information that is provided to the chief operating decision-maker. The Group adopts this policy and the chief operating decision-maker has been identified as the Board of Directors of the Company. The Directors consider there to be two operating and reportable segments, being that of the development of the non-Canadian based Oil and Gas opportunties and the operations in western Newfoundland. Internal reports reviewed by the Board provide information to allow the chief operating decision-maker to allocate resources and make decisions about the operations.

Over the past year, given the state of the Group's operations, the chief operating decision maker relies primarily on an understanding of the cash requirements of the business to make decisions about how resources are to be allocated across the business. The recent decision to not commit further investment into Enegi Oil Inc. together with an assessment as to the potential future economic benefit from the portfolio held by Enegi Oil Inc has given rise to the full impairment of intengible assets held in Enegi Oil Inc.

The operations in western Newfoundland are conducted by Nu-Oil and Gas plc's wholly owned subsidiary Enegi Oil Inc. Its reported loss for the period is £824,000 (2018: £134,000), excluding intercompany items after charging depreciation amortisation and impairments to intangible assets which totalled £332,000 (2018: £115,000). No interest revenue or expense was generated or incurred. Given the trading losses, no income tax expense has been incurred.

Excluding intercompany balances, the net assets of Enegi Oil Inc. at 30 June 2019 are as follows

£'000	Note	2019	2018
Non-current assets			
Tangible assets		3	4
Intangible assets		-	326
Other long-term assets		500	477
		503	807
Current assets			
Trade and other receivables		-	34
Cash and cash equivalents		-	-

Total assets	503	841
Current liabilites		
Trade and other payables	(247)	(196)
Due to related parties	(343)	(183)
	(590)	(379)
Non-current liabilities		
Provisions	(491)	(470)
Total liabilites	(1,081)	(849)
Net liabilities	**(578)**	**(8)**

Subsequent to the reporting date, the Company returned the equity interest held in Enegi Oil Inc. as described in the post balance sheet events note 21.

4. Operating Loss

Operating loss is after charging:

£'000	Note	2019	2018
Depreciation, amortisation and impairment		1,000	341
Directors' fees		345	330
Debt provisions and recharge to MFDevCo		(151)	360

Directors fees in the 2018 comparative figures are net of £58,000 in recharges to MFDevCo.

Auditors' remuneration

During the year, the Group obtained various services from its auditors, the costs of which are set out below:

£'000	Note	2019	2018
Audit fees		30	35
Other services		-	-
Tax compliance		10	3
		40	38

The tax compliance fees are payable in respect of the previous auditor.

5. Finance costs

£'000	Note	2019	2018
Interest expense		788	206

The 2019, includes the difference between the carrying value of the loan as at 30-Jun-2018 and the carrying value of the loan at 30-Jun-2019. The carrying value of the loan at 30-Jun-19 is based on the loan value of £2,500,000 agreed with C4 Energy Ltd in October 2019.

6. Taxation

The Group has no current or deferred tax charge in the current or previous financial year. The Group has a net unrecognised deferred income tax asset. Differences were accounted for as follows:

	Note	2019	2018
Statutory income tax rate		19%	19%
£'000			
Loss for the period		(2,799)	(1,878)
Expected income tax recovery		(532)	(357)
Effect of overseas tax rates		(55)	(21)
Permanent difference		55	21
Transferred to losses		532	357
Total tax		-	-

The deferred income tax asset not recognised at 30 June 2019 is comprised of the following:

£'000	Note	2019	2018
Non-capital loss carried forward		8,866	8,377
Canadian Pool Assets		1,830	1,746
Total tax		10,696	10,123

As at 30 June 2019, the Group had Canadian Development Expense pool carry forward of £3.2 million, Canadian Exploration Expense pool carry forward of £0.3 million and non-capital loss carry forward balances of approximately £20.4 million (£1.9 million will expire in 2026, £2.3 million will expire in 2027, £1.2 million will expire in 2028, £2.9 million will expire in 2029, £0.8 million will expire in 2030, £1.4 million will expire in 2031, £1.1 million will expire in 2032, £1.7 million will expire in 2033, £1.0 million will expire in 2034, £4.8 million will expire in 2035, £0.3 million will expire in 2036, £0.8 million will expire in 2037 and £0.21 million will expire in 2038) that are available to reduce future years' taxable income.

Subsequent to the reporting date, the Company returned the equity interest held in Enegi Oil Inc as described in the post balance sheet events note 21.

7. Loss per Share (Expressed in Pence)

Loss per share amounts are calculated by dividing the loss for the year by the weighted average number of common shares in issue during the year.

	Note	2019	2018
Loss attributable to shareholders (£'000)		(2,799)	(1,878)
Weighted average number of shares in issue		1,393,255,721	1,257,654,599
Fully dilluted weighted average number of shares in issue		1,393,255,721	1,257,654,599
Basic loss per share (expressed in pence per share)		(0.2p)	(0.1p)
Diluted loss per share (expressed in pence per share)		(0.2p)	(0.1p)

There is no difference between the basic loss per Ordinary Share and the diluted loss per Ordinary Share for the years ended 30 June 2019 and 2018 as all potential Ordinary Shares outstanding are anti-dilutive. There were 53,000,000 (2018:80,000,000) share options issued which are anti-dilutive as at 30 June 2019.

8. Tangible and Intangible Assets

Tangible assets

£'000	Fixtures, fittings and equipment	O&G properties	Tangible capitalised dev costs	ARO	Group Total
Cost					
1 July 17	429	3,953	14,498	810	19,690
Net additions / disposals	-	-	-	-	-
Currency exchange movement	-	(130)	(491)	-	(621)
30 June 18	429	3,823	14,007	810	19,069
Net additions / disposals	-	-	-	-	-
Currency exchange movement	-	106	388	22	516
30 June 19	429	3,929	14,395	832	19,585
Charge / impairment					
1 July 17	(196)	(3,953)	(14,498)	(801)	(19,448)
Charge and impairments	(46)	-	-	(1)	(47)
Currency exchange movement	-	130	491	-	621
30 June 18	(242)	(3,823)	(14,007)	(802)	(18,874)
Charge and impairments	(182)	-	-	(5)	(187)
Currency exchange movement	-	(106)	(388)	(22)	(516)
30 June 19	(424)	(3,929)	(14,395)	(829)	(19,577)
Carrying value					
30 June 18	187	-	-	8	195
30 June 19	5	-	-	3	8

At the reporting date, the Company had tangible assets with a carrying value of £5,000 (30 June 2018 £187,000). These are shown as fixtures, fittings and equipment in the above table.

Intangible assets - Group

£'000	Intangible capitalised dev costs	Capitalised exploration costs	Licenses	Group Total
Cost				
1 July 17	899	1,986	486	3,371
Net additions / disposals	-	-	-	-
Currency exchange movement	-	(67)	(16)	(83)
30 June 18	899	1,919	470	3,288
Net additions / disposals	-	-	-	-
Currency exchange movement	-	53	13	66
30 June 19	899	1,972	483	3,354
Charge / impairment				
1 July 17	(229)	(1,533)	(486)	(2,248)
Charge and impairments	(179)	(115)		(294)
Currency exchange movement		51	16	67
30 June 18	(408)	(1,597)	(470)	(2,475)
Charge and impairments	(491)	(322)	-	(813)
Currency exchange movement	-	(53)	(13)	(66)
30 June 19	(899)	(1,972)	(483)	(3,354)
Carrying value				
30 June 18	491	322	-	813
30 June 19	-	-	-	-

At the reporing date, the Company had intangible assets with a carrying value of £nil (30 June 2018 491,000). These are shown as fixtures, fittings and equipment in the above table.

During the year, the Directors conducted a review of the carrying value of the Group's tangible and intangible fixed assets and have concluded there is nil recoverable economic value from its intangible assets. The Group's intangible assets consisted of assets held via its subsidiary in western Newfoundland and other capitalised development assets associated with, *interalia*, advanced bouy technology. None of these are expected to generate future economic benefit for the Group and therefore have been fully impaired.

9. Provisions

Under the terms of the lease and licence, the Company's subsidiary Enegi Oil Inc has an obligation to comply with the provincial laws of abandonment. This involves closing in any wells and removing the well-head equipment, removing any buildings, engineering structures, materials and waste from the site and then replanting the land to restore it to its original condition. It is not expected that the liability contemplated by the provision would be payable before 2023 as PL2002-01(A) was extended until 11 August 2022.

This future obligation for Enegi Oil Inc is recognised in the consolidated statement of financial position as a provision. The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligations associated with the retirement of the oil and gas assets:

£'000	Note	2019	2018
Balance at start of year		470	489
Currency translation differences		25	(15)
Unwinding of discount rate		(4)	(4)
Balance at end of year		491	470

At 30 June 2019, the estimated future cash flows required to settle this obligation totalled £491,000. Assuming an inflation rate of 2.0%, the undiscounted future cost of this obligation was £514,000. The liability for the expected cash flow requirement has been discounted using the Company's risk-free rate of 1.5%. This obligation will be settled based on the operating lives of the underlying assets, which currently are estimated to be from one to fifteen years with the majority of costs expected to occur between 2022 and 2023. Any final amounts to be settled will be funded from general corporate resources when they fall due.

Subsequent to the reporting date, the Company returned the equity interest held in Enegi Oil Inc. as described in the post balance sheet events note 21.

10. Other Long-Term Assets and Investments

Long-term assets

£'000	Note	2019	2018
License deposits		500	477
Balance at end of year		500	477

The licence deposits are held by the relevant regulatory body. They were paid over when the Company acquired its stakes in the lease and licence and will either be returned at the expiry of the lease and licence or set off against royalty payments if and when they become due.

The majority of the licence deposits relate to the Company's activities on production lease PL2002-01 in western Newfoundland. The production lease expired in August 2012 and as the lease contained a producing well, production lease PL2002-01(A) was issued which expires in August 2022 following the recent award of a 5-year extension to the expiry of PL2002-01(A).

Company investments

£'000	Note	2019	2018
Investment in Group companies at start of year		326	478
Impairment		(326)	(152)
Investment in Group companies at end of year		-	326

During the year, the Directors conducted a review of the carrying value of the Company's other long-term assets, which consists of investments in Group companies and in MFDevCo as described in note 21. The balance represents the carrying value of the investment in Enegi Oil Inc. Impairment in the period reflects the application of the Group's accounting policy with respect to the amortisation of Enegi Oil Inc.'s capitalised exploration costs.

The Group holds a 50% interest in MFDevCo in which it has invested as part of its marginal or stranded field strategy. Its investment has been accounted for using the equity method and as is deemed at this point to have zero value as the cumulative losses in MFDevCo exceed the investment that has been made by the Group. Losses at this stage of MFDevCo's development are as expected as MFDevCo seeks to establish itself.

11. Trade and Other Receivables

Trade and other receivables

£'000	Note	2019	2018
Sales taxes receivables		-	178
Prepayments and other receivables		1,165	815
		1,165	993

The trade and other receivables showing in the Company's statement of financial position relate to sales taxes receivable of £nil (2018: £168,000) and prepayments and other receivables of £1,165,000 (2018: £790,000).

The Group's other receivables relate to services provided to MFDevCo as part of its marginal field strategy. The Group expects these balances to settle by way of off-set against amounts owed to RMRI as a part of the reorganisation announced in October. As a part of that reorganisation, the Group has no obligations to contribute to any excess losses or creditors that reside within MFDevCo. As a result, the impairment provision in 2018 was reversed in the current year period.

12. Related Party Transactions

Group

The Group incurred the following charges in the year with companies or related persons either by way of Directors or common shareholders.

£'000	Note	2019	2018
RMRI Group		367	208
		367	208

The transactions above include Directors' Fees and Termination Costs of £251,000 incurred in 2019 (2018:150,000). Transactions occurred in the normal course of operations and, where applicable, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The balances owed to related parties outlined below are unsecured, not guaranteed, and are to be settled under as a part of the restructuring changes announced October 2019.

£'000	Note	2019	2018
RMRI Group (UK)		464	358
RMRI Canada Inc.		193	183
		657	541

In addition to the above, £556,000 (2018: £556,000) is recorded in the Company's accruals as Applications for Payment but not yet invoiced. Applications for Payment are utilised where there is uncertainty with respect to the timing of payment so as to not generate a VAT liability for the service provider until payment is made.

Company

In 2019 the Company was owed an additional £151,000 by its principal trading subsidiary, Enegi Oil Inc. As a result of the trading performance of Enegi Oil Inc. the Company has provided in full against this receivable and as such the amount carried at both 30 June 2019 and 30 June 2018 was £nil.

Amounts owed by the Company to the companies listed above totalled £469,000 (2018: £358,000). During the year the Company incurred charges of £93,000, excluding Directors' fees from the RMRI Group companies.

13. Ordinary Share Capital and Share Premium Account

In October 2015, the Company undertook a reorganisation of its share capital. Under the Companies Act 2006 a company is unable to issue shares at a subscription price which is lower than the nominal value. Therefore, in order to raise additional funding a reorganisation of the Company's share capital was performed.

The reorganisation subdivided existing shares into new ordinary shares with a nominal value of £0.001 and deferred shares with a nominal value of £0.009. The deferred shares, amongst other things, are not traded, do not receive dividends and do not have voting rights. The issue of new ordinary shares will not require the issuance of deferred shares to new subscribers. At the time of the reorganisation 189,792,348 shares were in circulation.

	Note	Number of shares 000's	Ordinary Share capital £'000
Issued ordinary shares of 0.1p each		1,498,727	1,499
Issued deferred shares of 0.9p each		189,792	1,708

The weighted average number of ordinary shares in issue during the year was 1,393,255,721 (2018: 1,257,654,599).

The movement in share capital and share premium in the current is as follows:

	Note	Ord. Shares 000's	Deferred Shares 000's	Ord. Share Capital £'000	Share Premium £'000	Total £'000
Balance, 1 July 2018		1,364,027	189,792	3,072	31,062	34,134
Share issue and warrant exercise		134,700	-	135	297	432
Effect of warrants		-	-	-	-	-
Balance, 30 June 2019		1,498,727	189,792	3,207	31,359	34,566

Included in shares issued and fully paid are 860,000 shares issued to the Employee Benefit Trust.

At 30 June 2019, the warrants relating to the Company's ordinary share capital had been issued:

	Note	Ord.Shares	Exercise Price GBP £	Expiry
Warrants: Company's Nomad		9,416,885	0.0063	6 Nov. 2021
Warrants: Compay's Broker		13,043,478	0.0115	28 Mar. 2021
Warrants: Compay's Broker		8,333,333	0.0003	3 Apr. 2024
Warrants: Compay's former Broker		10,000,000	0.0110	26 Jul. 2022

14. Net debt

	Notes	YA Global	Shard Loan	Total
Balance 1 July 2017		(281)	(1,780)	(2,061)
Cash flows – repayments		108	858	966
Movements in accrued interest		(10)	(721)	(731)
Balance 30 June 2018		(183)	(1,643)	(1,826)
Cash flows – repayments		15	38	53
Movements in accrued interest		(13)	(776)	(789)
Balance 30 June 2019		(181)	(2,381)	(2,562)

On 25 November 2013, the Company obtained initially a loan of £1,000,000 from Shard Capital Management Limited ('Shard'). Under the terms of the loan, which had a duration of 12 months, the Company was due to pay interest totalling £200,000. In December 2014, the Company obtained a further loan from Shard of £200,000. Under the terms agreed, the Company was due to then pay a further £120,000 interest on the original loan of £1,000,000 from November 2013 and £20,000 on the additional loan of £200,000 for a total interest expense in 2015 of £140,000. Under the terms of the Shard loans which have expired, Shard had been granted security over PL2002-01(A) and the Company had a right to convert the debt to equity.

The Company continued to accrue interest on the Shard loans on a simple interest basis and, at 30 June 2018, the carrying amount of the loan was £1.643 million. In the current year, the interest accrued has been estimated for the period based on the amount agreed after the end of the year. This resulted in interest expense for the year of £776,000.

Following the year end, the Shard Loan was sold to C4 Energy Ltd and refinanced. Refer Post balance sheet events notes 21 for further details.

15. Trade and Other Payables

£'000	Note	2019	2018
Trade payables		512	481
Accruals		752	974
Taxation and social security		115	98
Other payables		61	2
		1,440	1,555

The trade and other payables shown in the Company's statement of financial position relate to trade payables and accruals of £1,132,000 (2018: £1,355,000), other payables £61,000 (2018: £4,000).

16. Contingent Liabilty

Subsequent to the reporting date, Enegi Oil Inc. ('EOI') received notice that PVF Energy Services Inc. ('PVF') submitted a Statement of Claim to the Supreme Court of Newfoundland and Labrador General Division ('the Claim') on 26 June 2019 against EOI. The Claim was for costs incurred by PVF in carrying out the work programme under the terms of the Production Sharing Agreement, an agreement to which PVF and EOI were party. The Production Sharing Agreement states that PVF will carry out the work programme 'at its sole cost, risk and perils' and that costs properly incurred in carrying out the programme are reimbursable out of production from a well and not by Enegi Oil Inc. Furthermore, the PSA sets out the process for the resolution of a dispute or claim arising out of the agreement; that process was not followed by PVF in submitting the Claim. The amount of the Claim was CAD $1,122,000. At the time the Claim was received, the incumbent Board reviewed the situation and concluded that the Claim had no merit and was against the terms of the agreement with PVF as set out in the RNS of 10 July 2019.

Following changes to the Board since the Claim was made and taking into account the recent return of the EOI shares by Nu-Oil and Gas plc, the current Board believes that the possibility of any outflow in settlement of the Claim by the Company is remote. Accordingly, the current Board has concluded that no provision is required in the financial statements at 30 June 2019.

17. Cash Used in Operations

Consolidated

£'000	Note	2019	2018
Loss before income tax		(2,799)	(1,878)
Increase/(decrease) in related party payable		117	(503)
Increase/(decrease) in trade and other payables		(64)	(57)
Depreciation, amortisation and impairment		1,000	341
Decrease/(increase) in receivables		(172)	(71)
Other non-cash movements		-	12
Financing activities increase / (decrease)		788	-
Cash flows used in operating activities		(1,130)	(2,156)

Company

£'000	Note	2019	2018
Loss before income tax		(2,698)	(1,954)
Decrease in related party payable		105	(497)
Increase/(decrease) in trade and other payables		(114)	(31)
Depreciation, amortisation and impairment		996	(51)
Decrease in receivables		(207)	377
Financing activities increase / (decrease)		788	-
Cash flows used in operating activities		(1,130)	(2,156)

18. Performance Share Plan

The Company commenced the operation of a Performance Share Plan which is an equity incentive scheme at the time of the Company's initial public offering in March 2008. The Remuneration Committee oversees the Performance Share Plan, approves the subscription price of awards under the Plan and any criteria to be satisfied before exercise is permitted, and monitors the effectiveness of the Performance Share Plan as an incentive to the executives and staff.

Under the terms of the Plan, an employee benefit trust ('EBT') subscribed for ordinary shares in the Company. The trust is administered by Appleby Limited. The trustee can distribute shares at its discretion directly to beneficiaries on the recommendation of the Board. All administrative costs associated with the EBT are met by the Company. The Employee Benefit Trust owns shares to be distributed at the discretion of the trustees and the employee owns any value in the shares in excess of the subscription price.

On 20 March 2008, the Company placed 860,000 shares into the EBT. The market price of the shares was £1.81 each and the market value of the shares was £1,556,600. At 30 June 2019, the EBT jointly owned 860,000 shares in the Company with a nominal value of £8,600, representing 0.6% of the allotted share capital of the Company. None of the shares held were under option or conditionally gifted.

Under the Performance Share Plan, the options outstanding to Directors, as approved by the Company's Remuneration Committee at the reporting date, is as follows:

	Notes	Vested Options	Expired Options	Total	Exercise Price (£)
Alan Minty		20,000,000	20,000,000	-	0.0060
Graham Scotton		1,000,000	-	1,000,000	0.0067
Damian Minty		20,000,000	-	20,000,000	0.0060
Tejvinder Minhas		20,000,000	-	20,000,000	0.0060
Frank Jackson		8,000,000	-	8,000,000	0.0060
Mike Bowman		4,000,000	-	4,000,000	0.0060

The remaining weighted average contractual life of the 53,000,000 options outstanding at 30 June 2019 was 2.7 years. The volume weighted average share price for 2019 was £0.0225.

19. Employees and Directors

£'000	Note	2019	2018
Employees		222	98
Directors		345	330
Social Security Costs and Taxes		45	46
		612	474
Average monthly number of people employed		*5*	*5*

Excluding settlement and termination costs, the largest Director emoluments for the year were £120,000 (2018: £160,000). The table above has reclassified £120,000 of costs relating to Damian Minty from employee costs into Directors costs in the 2018 comparative figures. In addition, the 2018 comparative figures are net of £58,000 in recharges to MFDevCo.

20. Financial Instruments

The Company's principal financial instruments comprise cash, trade and other receivables, trade and other payables and accruals and amounts owed to related parties. The carrying values of the Company's financial instruments approximate their fair values due to the short-term maturity and normal trade credit terms of these instruments.

21. Subsidiary Companies and Investments

Principal Group investments

The full list of Group investments at at 30 June 2019 are disclosed below.. Other than the effect of foreign exchange, transactions between subsidiaries and between the parent Company and its subsidiaries are eliminated on consolidation.

Name	Nature of business	Country of Incorp	Type of shares	Subsid / Investm’t	Group Holding
Enegi Finance Ltd	Intra-Group finance provider	UK	Ordinary	Subsidiary	100%
Gestion Resources Ltd	Working interest holder	UK	Ordinary	Subsidiary	100% via Enegi Oil Inc.
Enegi Oil Inc	Principal operating subsidiary	Canada	Ordinary	Subsidiary	100%
MFDevCo	Marginal field development solutions	UK	Ordinary	Investment	50%

All investments are held at cost less any provision for diminution in value.

The registered office of each company is as follows:

	Address
Enegi Finance Ltd	5th Floor, Castlefield House, Liverpool Road, Manchester. M3 4SB
Gestion Resources Ltd	5th Floor, Castlefield House, Liverpool Road, Manchester. M3 4SB
Enegi Oil Inc	36, Quidi Vidi Road, St. Johns, Newfoundland
MFDevCo	5th Floor, Castlefield House, Liverpool Road, Manchester. M3 4SB

Subsequent to the year end the equity held in Enegi Oil Inc has been returned to Enegi Oil Inc for nil consideration.

22. Post balance sheet events

A number of events have occurred since the reporting date as follows:

On 2 October the Company announced a series of changes to the Board of Directors, a debt restructuring, a placing and the sale of the joint venture, summarised as follows:

Board restructuring

Following the passing of the resolutions at the general meeting on 4 November 2019, Jay Bhattacherjee was appointed as Non-Executive Chairman and Andrew Dennan was appointed as Non-Executive Director. Graham Scotton, previously Executive Chairman, transitioned to Non-Executive Chairman and Frank Jackson has remained as a Non-Executive Director. Damian Minty, Joint Managing Director and Chief Financial Officer, and Alison Pegram, Joint Managing Director, agreed to resign their roles standing down from the Board, with immediate effect and Non-Executive Directors, Professor Michael Bowman and Mr Tejvinder Minhas, also resigned with immediate effect. On 13 November Mr Graham Scotton resigned from his position as Non-Executive Director with immediate effect.

Debt restructuring

The Company was informed by Shard Capital Management Limited (‘Shard’) that it has sold the loan which was owed to it by Nu-Oil to C4 Energy Ltd (‘C4’), a UK incorporated private company. Non-Executive Chairman Jay Bhattacherjee and Non-Executive Director Andy Dennan are shareholders of C4. Following the sale of the debt, the Company granted C4 loan notes to the value of £2,500,000 in £10,000 denominations. The Loan Notes are unsecured, interest free and have a five-year term, with repayment due at the end of term. In addition, the loan notes have conversion rights at a price of 0.05 pence per ordinary share, although they contain a restriction preventing conversion of such amount that would result in C4 holding more than 29.9% of the Company's issued share capital from time to time.

Sale of interest in Marginal Field Development Company

The Company also agreed to sell its 50% interest in Marginal Field Development Company (MFDevCo) Ltd to RMRI Limited (the related party, which holds the remaining 50% interest in MFDevCo) in consideration for the release of all outstanding related party debts. Amounts owing to the RMRI Group are shown in amounts due to related parties of £657,000 and within accruals of £556,000 which forms part of the trade and other payables balance within the consolidated statement of financial position.

Placing

Following the passing of the resolutions at the General Meeting Company on 04 November 2019, the Company raised, via a placing, gross proceeds of £0.5million, the net proceeds of which would be used for working capital purposes.

Return of interest in Enegi Oil Inc.

In addition, on 21 October 2019, the Company announced it has returned the equity it held in Enegi Oil Inc. ('Enegi') to Enegi with immediate effect. The impact of this is that the assets and liabilities of Enegi Oil Inc. will no longer be controlled the Nu-Oil and Gas Plc Group; the most significant of which are the licence deposits held in long-term assets, and the provisions.