
CARIBX (UK) LIMITED

UNAUDITED
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
For the Year Ended 31 March 2020

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CARIBX (UK) LIMITED

COMPANY INFORMATION

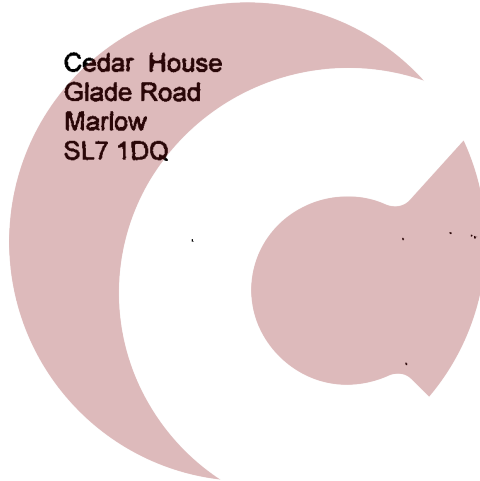
Directors Christopher Matchette-Downes
Christopher Atkinson
Rory Scott Russell

Company secretary R.G. Godson

Registered number 06888428

Registered office Cedar House
Glade Road
Marlow
SL7 1DQ

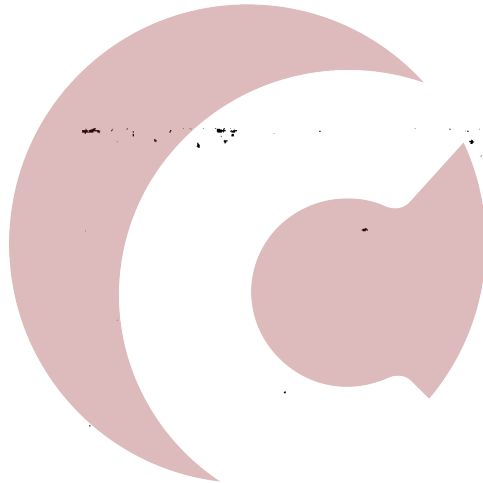
Trading Address Cedar House
Glade Road
Marlow
SL7 1DQ



CARIBX (UK) LIMITED

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CARIBX (UK) LIMITED

DIRECTORS' REPORT
For the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors

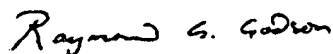
The directors who served during the year and their interests in the Company's issued share capital were:

| | Ordinary fully paid shares of £1 each | | Warrants to subscribe for ordinary shares at £1.00 shares of £1 each | | Warrants to subscribe for ordinary shares at £3.85. shares of £1 each | |
|------------------------------|---------------------------------------|---------|--|--------|---|--------|
| | 31/3/20 | 1/4/19 | 31/3/20 | 1/4/19 | 31/3/20 | 1/4/19 |
| Christopher Matchette-Downes | 199,070 | 199,070 | - | - | 11,288 | 11,288 |
| Christopher Atkinson | 222,797 | 222,797 | - | - | 22,696 | 22,696 |
| Rory Scott Russell | 47,753 | 47,753 | 36,418 | 36,418 | 6,085 | 6,085 |

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 March 2021 and signed on its behalf



R.G. Godson
Secretary

CARIBX (UK) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended 31 March 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|--------------------|--------------------|
| Turnover | | 434,181 | 723,326 |
| Cost of sales | | (529,262) | (398,474) |
| Gross (loss)/profit | | (95,081) | 324,852 |
| Distribution costs | | (453) | (544) |
| Administrative expenses | | (168,354) | (172,998) |
| Operating (loss)/profit | | (263,888) | 151,310 |
| Amounts written off investments | | 100 | (100) |
| Interest receivable and similar income | | (2) | - |
| Interest payable and expenses | | (368) | (19) |
| (Loss)/profit before tax | | (264,158) | 151,191 |
| Tax on (loss)/profit | 6 | (55) | (87) |
| (Loss)/profit after tax | | (264,213) | 151,104 |
| Retained earnings at the beginning of the year | | (1,653,433) | (1,804,537) |
| | | (1,653,433) | (1,804,537) |
| (Loss)/profit for the year | | (264,213) | 151,104 |
| Retained earnings at the end of the year | | (1,917,646) | (1,653,433) |

The notes on pages 4 to 11 form part of these financial statements.

CARIBX (UK) LIMITED
Registered number: 06888428

BALANCE SHEET
As at 31 March 2020

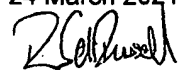
| | Note | 2020 \$ | 2019 \$ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Investments | 7 | 200 | 100 |
| | | <u>200</u> | <u>100</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 8 | 461,836 | 493,800 |
| Cash at bank and in hand | 9 | 99,700 | 25,609 |
| | | <u>561,536</u> | <u>519,409</u> |
| Creditors: amounts falling due within one year | 10 | (209,481) | (155,645) |
| Net current assets | | <u>352,055</u> | <u>363,764</u> |
| Total assets less current liabilities | | <u>352,255</u> | <u>363,864</u> |
| Net assets | | <u><u>352,255</u></u> | <u><u>363,864</u></u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 1,670,625 | 1,604,063 |
| Share premium account | | 599,276 | 413,234 |
| Profit and loss account | | (1,917,646) | (1,653,433) |
| | | <u>352,255</u> | <u>363,864</u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 March 2021.



Rory Scott Russell
Director

The notes on pages 4 to 11 form part of these financial statements.

CARIBX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

1. General information

The Company is a private corporation with limited liability incorporated in England & Wales with its registered office and principal place of business at Cedar House, Glade Road, Marlow, Bucks SL7 1DQ.

The business of the Company is to explore for oil and gas in and around the Caribbean Sea.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company has commitments to substantial expenditure if it is to fulfil its obligations on its current Main Cape licence. The cost may exceed currently available resources but the directors consider that funding will continue to be available for the foreseeable future to enable the company to discharge this and other financial liabilities as and when they fall due. The financial statements are accordingly drawn up on a Going Concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

CARIBX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Oil and gas costs

The Group follows a successful efforts based accounting policy for oil and gas assets.

Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Profit and Loss Account.

Expenditure incurred on the acquisition of a licence interest is initially capitalised on a licence by licence basis. Costs are held, undepleted, within exploration assets until such a time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

Exploration expenditure incurred in the process of determining exploration targets is capitalized initially within exploration assets and subsequently allocated to drilling activities. Exploration drilling costs are initially capitalised on a well by well basis until the success or otherwise of the well has been established. The success or failure of each exploration effort is judged on a well by well basis. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated, then the related capitalised exploration and appraisal costs are transferred into a single field cost centre within development/producing assets after testing for impairment (see below). Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately considered not commercially viable, all related costs are written off to the Profit and Loss Account.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons have been demonstrated are capitalised within development/producing assets on a field by field basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any costs remaining associated with the replaced asset part are expensed.

CARIBX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

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

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

CARIBX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.13 Financial instruments (continued)

or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2020 | 2019 |
|-----------|-------------|-------------|
| | No. | No. |
| Directors | 3 | 3 |

5. Directors' remuneration

No director received any remuneration but fees were paid for professional services to businesses owned by Christopher Matchette-Downes - \$122,809 (2019 - \$125,390), Christopher Atkinson - \$122,809 (2019- nil) and Rory Scott Russell - \$122,809 (2019 - \$90,544).

CARIBX (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2020**

6. Taxation

| | 2020 \$ | 2019 \$ |
|--|------------|------------|
| Foreign tax | | |
| Foreign tax on income for the year | 55 | 87 |
| | 55 | 87 |
| Total current tax | 55 | 87 |
| Deferred tax | | |
| Total deferred tax | - | - |
| Taxation on profit on ordinary activities | 55 | 87 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 \$ | 2019 \$ |
|---|------------|------------|
| (Loss)/profit on ordinary activities before tax | (264,158) | 151,191 |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | (50,190) | 28,726 |
| Effects of: | | |
| Utilisation of tax losses | 50,190 | (28,726) |
| Higher rate taxes on overseas earnings | 55 | 87 |
| Total tax charge for the year | 55 | 87 |

Factors that may affect future tax charges

At the Balance Sheet date, losses of \$1,677,015 are available to offset future profits that are subject to corporation tax in the United Kingdom.

CARIBX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2020

7. Fixed asset investments

| | Investments in subsidiary companies \$ |
|-------------------|--|
| Cost or valuation | |
| At 1 April 2019 | 100 |
| Additions | 100 |
| At 31 March 2020 | <u>200</u> |

8. Debtors

| | 2020 \$ | 2019 \$ |
|--------------------------------|----------------|----------------|
| Trade debtors | 450,299 | 481,725 |
| Other debtors | 10,322 | 8,712 |
| Prepayments and accrued income | 1,215 | 3,363 |
| | <u>461,836</u> | <u>493,800</u> |

9. Cash and cash equivalents

| | 2020 \$ | 2019 \$ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 99,700 | 25,609 |
| | <u>99,700</u> | <u>25,609</u> |

CARIBX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2020

10. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| Trade creditors | 161,416 | 59,982 |
| Amounts owed to group undertakings | 88 | 93 |
| Other creditors | 175 | 184 |
| Accruals and deferred income | 47,802 | 95,386 |
| | <u>209,481</u> | <u>155,645</u> |

11. Financial instruments

| | 2020 | 2019 |
|---|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 99,700 | 25,609 |
| Financial assets that are debt instruments measured at amortised cost | 450,302 | 481,725 |
| | <u>550,002</u> | <u>507,334</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(209,481)</u> | <u>(155,643)</u> |

Financial assets measured at fair value through profit or loss comprise cash in hand and with banks.

12. Share capital

| | 2020 | 2019 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Allotted, called up and fully paid | | |
| 1,148,220 (2019 - 1,094,554) Ordinary fully paid shares of £1.00 each | 1,670,625.00 | 1,604,063.00 |
| 53,627 (2019 - 65,627) Warrants to subscribe at £1.00 for ordinary shares of £1.00 each | - | - |
| 98,741 (2019 - 98,741) Warrants to subscribe at £3.85 for ordinary shares of £1.00 each | - | - |
| 41,666 (2019 -) Warrants to subscribe at \$6.00 for ordinary shares of £1.00 each | - | - |
| | <u>1,670,625.00</u> | <u>1,604,063.00</u> |

CARIBX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2020

12. Share capital (continued)

During the year 12,000 ordinary shares were issued at par on the exercise of warrants and 41,666 shares were issued at £4.60 including a premium of £3.60. 53,627 warrants for shares exercisable at £1.00 were outstanding at the end of the year and are exercisable at any time until 18 March 2022: 98,741 warrants for shares exercisable at £3.85 were also outstanding at the end of the year and are exercisable at any time until 18 March 2022. 41,666 warrants for shares exercisable at \$6.00 were also outstanding at the end of the year and are exercisable at any time until 18 March 2022.

13. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

14. Related party transactions

Christopher Matchette-Downes, a director is the owner of MDOil Limited which provided consultancy services to the Company and received fees of \$122,809 (2019 - \$125,389). The company owed MDOil Limited \$10,277 (2019 - \$24,105) at the end of the year. The Company also expended \$4,388 (2019 - \$4,524) on life insurance cover for Mr Matchette-Downes.

Rory Scott Russell, a director, is the owner of Rohasco Limited which provided services to the Company and received fees of \$122,809 (2019 - \$90,544). The company owed Rohasco \$9,922 (2019 \$10,424) at the end of the year.

Christopher Atkinson, a director, is the owner of WPS Limited which provided services to the Company and received fees of \$122,809 (2019 - \$nil). The company owed WPS \$94,263 (2019 \$nil) at the end of the year.

Raymond Godson, the Company Secretary is the owner of Godson & Co who provided accounting and secretarial services for fees aggregating \$6,599 (2019 - \$6,599). The company owed Godson & Co \$6,396 (2019 - \$6,515) at the end of the year.