

# Half-year Report

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New World Oil & Gas  
30 September 2016

For immediate release

30 September 2016

NEW WORLD OIL AND GAS PLC

(the "Group" or the "Company")

Interim Report

For the six months ended

30 June 2016

Chairman's Statement

For the six months ended 30 June 2016, the Company reported a profit before tax of £108,000 (2014: Loss £922,000). During this period, the Board has worked to reduce the Company's cost base from historic levels, which has been achieved through a reduction in the size of the board and associated infrastructure.

The value of all assets relating to the Company's oil and gas activities have been fully written down and the Company's assets now principally comprise cash and short term loans. This Interim Report has been produced in pounds sterling (£) as opposed to US Dollars (\$). This change has been made as the majority of the Company's assets now comprise cash or short term loans held in £ and therefore more accurately describes the Company's asset base. The Board also believes that £ is a more appropriate currency for the Company to report in going forward.

Strategy

As previously announced, given the difficulties facing the oil and gas industry and in raising funds for the Company's existing assets in Belize, the Company has been reviewing various acquisition opportunities in sectors other than oil and gas with a view to creating value for shareholders.

The Company's only remaining oil and gas asset is the Blue Creek Production Sharing Agreement in Belize, which is due to expire on 31 October 2016. The Board has recently announced that the Company is currently seeking to dispose or relinquish this asset. The Company has also commenced the process of dissolving the subsidiaries associated with its Danish licenses which were relinquished in September 2015.

On 9 May 2016, the Company announced that it had entered into a conditional agreement to acquire Big Sofa Limited, a company operating in the high growth sector of video analytics. The work on this acquisition is progressing well and the Company expects to update the market with regard to this possible acquisition in the near future. As at today's date, the Company has provided a total of £600,000 as a short term loan for working capital purposes to Big Sofa Limited.

On 9 May 2016, given that the proposed acquisition of Big Sofa Limited would constitute a reverse takeover under the AIM Rules, the Directors requested a suspension in the trading of the shares pending publication of the required AIM admission document. In the event that such a document is not published within six months of suspension, trading in the shares will be cancelled.

Nicholas Lee

Non-executive Chairman

30 September 2016

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Consolidated Statement of Comprehensive Income

For the 6 months ended 30 June 2016

	Note	Six months ended 30 June 2016	Six months ended June 2015	Year ended 31 December 2015
		(Unaudited)	(Unaudited)	(Audited)
		£'000	£'000	£'000
Revenue		-	-	-
Impairment of intangible assets		-	(361)	(1,421)
Administrative expenses		(223)	(435)	(860)
Legal and professional costs		(103)	(131)	(347)
Foreign exchange differences on conversion to presentational currency		432	-	(12)
		_____	_____	_____
Operating Profit/(Loss)		106	(927)	(2,640)
Interest receivable		2	5	6
		_____	_____	_____
Profit / (Loss) before Taxation		108	(922)	(2,634)
Income tax		-	-	-
		_____	_____	_____
Loss for the period		108	(922)	(2,634)
		_____	_____	_____
Other comprehensive income:				
Foreign exchange differences		5	12	12
		_____	_____	_____
Total comprehensive loss for the period		113	(910)	(2,622)
		=====	=====	=====
Basic and diluted loss per share (expressed in pence)	2	0.02	(0.13)	(0.37)

Consolidated Statement of Financial Position

As at 30 June 2016

					30 June 2016	30 June 2015	31 December 2015
				Notes	(Unaudited)	(Unaudited)	(Audited)
					£'000	£'000	£'000
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Intangible assets - exploration expenditure				3	-	993	-
Tangible assets - plant and equipment					-	5	-
					<u>          </u>	<u>          </u>	<u>          </u>
Total non-current assets					-	998	-
					<u>          </u>	<u>          </u>	<u>          </u>
<b>CURRENT ASSETS</b>							
Trade and other receivables					386	264	-
Cash and cash equivalents					1,775	188	2,460
					<u>          </u>	<u>          </u>	<u>          </u>
Total current assets					2,161	452	2,460
					<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>					<b>2,161</b>	<b>1,450</b>	<b>2,460</b>
					<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables					(87)	(554)	(499)
					<u>          </u>	<u>          </u>	<u>          </u>
Total current liabilities					(87)	(554)	(499)
					<u>          </u>	<u>          </u>	<u>          </u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>					<b>2,074</b>	<b>(102)</b>	<b>1,961</b>
					<u>          </u>	<u>          </u>	<u>          </u>
<b>NET ASSETS</b>					<b>2,074</b>	<b>896</b>	<b>1,961</b>
					<u>          </u>	<u>          </u>	<u>          </u>
					<u>          </u>	<u>          </u>	<u>          </u>

SHAREHOLDERS' EQUITY				
Share capital		-	-	-
Share premium		33,612	30,407	33,558
Share-based payment reserve		163	590	217
Retained losses		(31,718)	(30,113)	(31,826)
Foreign exchange reserves		17	12	12
		_____	_____	_____
TOTAL EQUITY		2,074	896	1,961
		=====	=====	=====

Consolidated Statement of Cash Flows

For the 6 months ended 30 June 2016

	£'000	£'000	£'000
	Six months ended 30 June 2016	Six months ended 30 June 2015	Year ended 31 December 2015
	(Unaudited)	(Unaudited)	(Audited)
<b>Cash flows from operating activities</b>			
Operating loss	106	(927)	(2,640)
Depreciation	-	4	9
Impairment of intangible assets	-	361	1,421
(Increase) / Decrease in receivables	(387)	67	338
Decrease in payables	(412)	(101)	(187)
Decrease in inventories	-	33	33
Foreign exchange differences	6	(5)	(10)
	_____	_____	_____
Net cash outflow from operating activities	(687)	(568)	(1,036)
	_____	_____	_____
<b>Returns on investments and servicing of finance</b>			
Interest received	2	5	6
	_____	_____	_____
Net cash inflow from returns on investments and servicing of finance	2	5	6
	_____	_____	_____
<b>Investing activities</b>			
Payments to acquire intangible assets	-	-	(39)
	_____	_____	_____
Net cash outflow from investing activities	-	-	(39)
	_____	_____	_____
<b>Cash flows from financing activities</b>			
Proceeds on issuing of ordinary shares	-	-	3,500

Cost of issue of ordinary shares		-	-	(722)
		_____	_____	_____
Net cash inflow from financing activities		-	-	2,778
		_____	_____	_____
Net decrease/(increase) in cash and cash equivalents		(685)	(563)	1,709
Cash and cash equivalents at beginning of period		2,460	751	751
		_____	_____	_____
Cash and cash equivalents at end of period		1,775	188	2,460
		=====	=====	=====

Consolidated Statement of Changes in Equity

For the 6 months ended 30 June 2016

	Share premium	Share-based payment reserve	Retained loss	Foreign exchange differences	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2015	30,407	590	(29,191)	-	1,806
Total comprehensive loss for the period	-	-	(922)	-	(922)
Foreign exchange differences	-	-		12	12
At 30 June 2015	30,407	590	(30,113)	12	896
	=====	=====	=====	=====	=====

Total comprehensive loss for the period	-	(1,713)	-	(1,713)
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Transactions with owners in their capacity as owners

Shares issued	3,500	-	-	-	3,500
Cost of shares issued	(722)	-	-	-	(722)
Expiration of unexercised warrants	373	(373)	-	-	-
	_____	_____	_____	_____	_____
At 31 December 2015	33,558	218	(31,826)	-	1,961
	=====	=====	=====	=====	=====

Total comprehensive profit for the period		-	108	5	113
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Transactions with owners in their capacity as owners

Expiration of unexercised warrants	54	(54)	-	-	-
	_____	_____	_____	_____	_____
At 30 June 2016	33,612	163	(31,718)	(17)	2,074
	=====	=====	=====	=====	=====

## Notes to the Interim Report

### 1. PRINCIPAL ACCOUNTING POLICIES

#### Presentation of Interim results

This interim report was approved by the Directors on 30<sup>th</sup> September 2016. The results for the 6 months ended 30 June 2016 have not been audited. The figures have been prepared using applicable accounting policies and practices consistent with those adopted in the 2015 annual report and to be adopted in the 2016 annual report. The financial information contained in this interim report does not constitute statutory accounts as defined by the Companies (Jersey) Law 1991.

The interim accounts have been prepared under the historical cost convention in accordance with International Financial Reporting Standards as adopted by the European Union.

The Directors acknowledge their responsibility for the interim report and confirm that, to the best of their knowledge, the interim consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Financial Reporting Standards, including IAS 34 "Interim Financial Statements", and complies with the listing requirements for companies trading securities on the AIM market. This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2015.

The Directors are of the opinion that the funds held indicate that preparation of the accounts on a going concern basis is appropriate.

The Group's functional currency is US dollars and assets and liabilities are translated into pounds sterling, the presentation currency, at the rate of exchange ruling at the balance sheet date. The Group's profit or loss is translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

## 2. LOSS PER SHARE

					Six months ended 30 June 2016	Six months ended 30 June 2015	Year ended 31 December 2015
					(Unaudited)	(Unaudited)	(Audited)
					£'000	£'000	£'000
Profit/(Loss) for the period					108	(922)	(2,634)
Weighted average number of ordinary shares in issue - millions					703	703	703
Profit/(Loss) per share - basic (pence)					0.02	(0.13)	(0.37)

No diluted loss per share is presented as the effect of the exercise of outstanding warrants is to decrease the loss per share.

### 3. INTANGIBLE ASSETS - Exploration Expenditure

	£'000	
Cost		
As at 1 January 2015	8,096	
Additions in the six months ended 30 June 2015:	-	
Currency translation differences	(77)	
	_____	
As at 30 June 2015:	8,019	
	_____	
Additions in the six months ended 31 December 2015:	40	
Currency translation differences	501	
	_____	
As at 31 December 2015:	8,560	
	_____	
Additions in the six months ended 30 June 2016:	-	
Currency translation differences	901	
	_____	_____
As at 30 June 2016:	9,461	
	_____	_____
Accumulated amortisation and impairment		
As at 1 January 2015	6,740	
Impairment charge	350	
Currency translation differences	(64)	
As at 30 June 2015	7,026	

Impairment charge						1,096	
Currency translation differences						438	
As at 31 December 2015:						8,560	
Impairment charge						-	
Currency translation differences						901	
						9,461	
As at 30 June 2016:							
Carrying value at 30 June 2016						-	
Carrying value at 31 December 2015						_____ -	
Carrying value at 30 June 2015						993	
						_____	

The Directors undertook an impairment review of the Group's intangible assets as at 31 December 2015 and determined it prudent to record a full impairment reserve.

#### 4. REVENUE AND SEGMENTAL ANALYSIS

Segment information is presented in respect of the Group's management and internal reporting structure. The Group had no revenue during the year.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating and Geographical segments

The Group comprises the following operating segments:

Corporate - Parent company administrative costs, general business development and AIM related costs.

Exploration & development - costs in relation to the Group's direct oil and gas exploration operations.

Six months ended 30 June 2016 Business Segments					Corporate	Exploration & development	Total
					£'000	£'000	£'000
Result							
Profit for the period					108	-	108
					=====	=====	=====
Balance sheet							
Segment assets					2,161	-	2,161
Segment liabilities					(87)	-	(87)
					_____	_____	_____
Net assets					2,074	-	2,074
					=====	=====	=====

Geographical segments					Denmark	Belize	Jersey	Total
					£'000	£'000	£'000	£'000
Result								
Profit for the period					-	-	108	108
					=====	=====	=====	=====
Balance Sheet								
Segment assets - Intangible					-	-	-	-
- Other					-	-	2,161	2,161
Segment liabilities					-	-	(87)	(87)
					_____	_____	_____	_____
Net assets					-	-	2,074	2,074
					=====	=====	=====	=====

Six months ended 30 June 2015 Business Segments					Corporate	Exploration & development	Total
					£'000	£'000	£'000

Result								
Loss for the period						(539)	(382)	(921)
						=====	=====	=====
Balance sheet								
Segment assets						410	1,040	1,450
Segment liabilities						(549)	(5)	(554)
						_____	_____	_____
Net assets						(139)	1,035	896
						=====	=====	=====

Geographical Segments					Denmark	Belize	Jersey	Total
					£'000	£'000	£'000	£'000
Result								
Loss for the period					(373)	(9)	(539)	(921)
					=====	=====	=====	=====
Balance Sheet								
Segment assets - Intangible					-	993	-	993
- Other					18	29	409	456
Segment liabilities					(5)	-	(549)	(554)
					_____	_____	_____	_____
Net assets					13	1,022	(140)	895
					=====	=====	=====	=====

Year ended 31 December 2015 Business Segments					Corporate	Exploration & development	Total
					£'000	£'000	£'000
Result							
Loss for the period					(1,157)	(1,477)	(2,634)
					=====	=====	=====
Balance sheet							
Segment assets					2,443	17	2,460
Segment liabilities					(483)	(16)	(499)
					_____	_____	_____

Net assets	1,960	1	1,961
	=====	=====	=====

Geographical Segments	Denmark	Belize	Jersey	Total
	£'000	£'000	£'000	£'000
<b>Result</b>				
Loss for the period	(408)	(1,069)	(1,157)	(2,634)
	=====	=====	=====	=====
<b>Balance Sheet</b>				
Segment assets - Intangible	-	-	-	-
- Other	8	9	2,443	2,460
Segment liabilities	(16)	-	(483)	(499)
	_____	_____	_____	_____
Net assets	(8)	9	1,960	1,961
	=====	=====	=====	=====

## 5. EVENTS AFTER THE REPORTING DATE

- On 19 July 2016, the second tranche of the £500,000 loan to Big Sofa Limited for working capital purposes, being £250,000, was drawn down in full.

- On 1 September 2016, a further loan of £100,000 was provided to Big Sofa Limited on the same terms as the loan already advanced and as announced on 19 July 2016.