

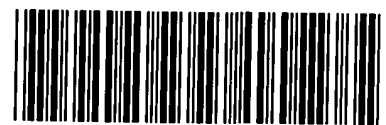
Registered number: 03507060

OIL PRODUCTIONS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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OIL PRODUCTIONS LIMITED

COMPANY INFORMATION

Director	Deborah White
Registered number	03507060
Registered office	1st Floor 2 Royal Exchange Steps The Royal Exchange London EC3V 3DG
Independent auditors	Nexia Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA
Solicitors	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH

OIL PRODUCTIONS LIMITED

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OIL PRODUCTIONS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

The director presents her report and the financial statements for the year ended 30 September 2016.

Principal activity

The principal activity of the company continues to be the provision of multimedia and technology solutions.

Results and dividends

The loss for the year, after taxation, amounted to £59,551 (2015 - loss £171,849).

Oil Productions Limited trades under the name Relative.

Director

The director who served during the year was:

Deborah White

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that she gives a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the director is required to:

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

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

Future developments

Going forwards the team will continue to support the Group whilst focusing on winning new business with the Milestone Foundation and the Passion Project network already actively promoting the in house team's services. By engaging with new members as they join the Passion Project, Oil Productions has a natural growing business development opportunity with its services already expanding into social media optimisation and industry related training.

OIL PRODUCTIONS LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

Going concern

Whilst the company has made a loss in the year and had net liabilities of £1,108,077 (2015: £1,048,527) at the year-end, the Board feel it is appropriate to adopt the going concern basis in preparing the annual report and financial statements. There are significant risks and uncertainties surrounding the going concern assumption and these are fully discussed and disclosed in note 1 to the annual report and accounts.

Disclosure of information to auditors

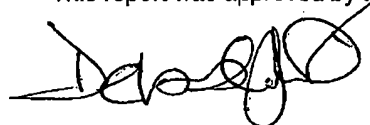
The director at the time when this Director's Report is approved has confirmed that:

- so far as she is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- she has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 March 2017 and signed on its behalf.



Deborah White
Director

OIL PRODUCTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF OIL PRODUCTIONS LIMITED

We have audited the financial statements of Oil Productions Limited for the year ended 30 September 2016, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's member 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 member those matters we are required to state to them in an Auditors' 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Director's Responsibilities Statement on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £59,551 during the year ended 30 September 2016 and, at that date, the company's liabilities exceeded its total assets by £1,108,077 and it had net current liabilities of £1,108,077. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

OIL PRODUCTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF OIL PRODUCTIONS LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Jonathan Talbot (Senior Statutory Auditor)

for and on behalf of
Nexia Smith & Williamson

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date:

13 March 2017

OIL PRODUCTIONS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Note	2016 £	2015 £
Turnover		34,627	237,995
Cost of sales		(10,651)	(114,092)
Gross profit		23,976	123,903
Administrative expenses		(119,242)	(295,750)
Operating loss	4	(95,266)	(171,847)
Interest payable and expenses	6	(623)	(2)
Loss before tax		(95,889)	(171,849)
Tax on loss	7	36,338	-
Loss after tax		(59,551)	(171,849)
Retained earnings at the beginning of the year		(1,123,695)	(951,846)
Loss for the year		(59,551)	(171,849)
Retained earnings at the end of the year		(1,183,246)	(1,123,695)

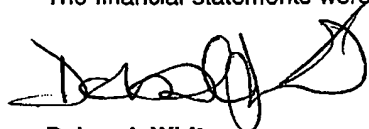
The notes on pages 7 to 13 form part of these financial statements.

OIL PRODUCTIONS LIMITED
REGISTERED NUMBER: 03507060

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	8	36,338	20,790
Cash at bank and in hand	9	5,624	58
		<u>41,962</u>	<u>20,848</u>
Creditors: amounts falling due within one year	10	(1,150,039)	(1,069,374)
Net current liabilities		<u>(1,108,077)</u>	<u>(1,048,526)</u>
Total assets less current liabilities		<u>(1,108,077)</u>	<u>(1,048,526)</u>
Net liabilities		<u>(1,108,077)</u>	<u>(1,048,526)</u>
Capital and reserves			
Called up share capital	11	233	233
Share premium account	12	74,936	74,936
Profit and loss account	12	(1,183,246)	(1,123,695)
		<u>(1,108,077)</u>	<u>(1,048,526)</u>

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



13 March 2017

Deborah White
Director

The notes on pages 7 to 13 form part of these financial statements.

OIL PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

Oil Productions Limited is a private limited company incorporated in England and Wales. The address of the registered office is 2-8 Scrutton Street, London, EC2A 4RT.

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 15.

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 2).

The following principal accounting policies have been applied:

1.2 Going concern

The net liability balance sheet position as at 30 September 2016, being the company's financial year-end, was £1,108,077 (2015: £1,048,527).

The company is dependent on the continuing financial support of its parent company, Milestone Group Plc, to meet its obligations as they fall due. In the Group accounts, the directors of the parent company have concluded that the need to generate future funds from further fundraising and from trading activities to satisfy the settlement of its ongoing and future liabilities represents a material uncertainty, which may cast significant doubt upon the Group's and the Company's ability to continue as a going concern.

Nevertheless after making enquiries and considering this uncertainty and the measures that the directors of the Group can undertake to mitigate the uncertainty, the Director has a reasonable expectation that the Group and therefore the Company will have adequate resources to continue in existence for the foreseeable future. For these reasons the going concern basis in preparing the annual report and accounts continues to be adopted. The financial statements do not include any adjustments that would result if the Group and Company was unable to continue as a going concern.

1.3 Exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Milestone Group plc as at 30 September 2016 and these financial statements may be obtained from its registered address, 1st Floor, 2 Royal Exchange Steps The Royal Exchange, London, EC3V 3DG .

OIL PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. Accounting policies (continued)

1.4 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.

1.5 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.

1.6 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.

1.7 Turnover

Revenue is measured at the fair value of the right to consideration and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Revenue is recognised as the contract activity progresses. Revenue and associated costs are recognised in proportion to the work completed. Where, however, the outcome cannot be assessed with reasonable certainty before the contract's conclusion, revenue is recognised only to the extent that the expenses recognised are recoverable. Full provisions are made for any contracts that are forecast to be loss making as soon as it is identified.

1.8 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

OIL PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. Accounting policies (continued)

1.9 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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.

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

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

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

1.10 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the profit and loss account.

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

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period.

Going concern

The going concern status of the company requires judgements to be made by the director as to whether the future plans of the entity will provide sufficient funding for the company to continue trading. Further details of these considerations can be seen in Note 1.

3. Turnover

All turnover arose within the United Kingdom.

OIL PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

4. Operating loss

Auditor's remuneration is borne by the parent company and non-audit fee disclosure is made in the consolidated financial statements of Milestone Group plc.

5. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	52,213	157,170
Social security costs	4,966	17,255
	<u>57,179</u>	<u>174,425</u>

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

	2016 No.	2015 No.
Design and production	2	4
Directors and administration	1	1
	<u>3</u>	<u>5</u>

The director received no remuneration during the current or prior year.

6. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	<u>623</u>	<u>2</u>

OIL PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

7. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(36,338)	-
Total current tax	<u>(36,338)</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(36,338)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.00%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(95,889)	(171,849)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.00%)	(19,178)	(34,370)
Effects of:		
Expenses not deductible for tax purposes	-	406
Research and development tax credit	(36,338)	-
Unrecognised tax losses carried forward	19,178	33,964
Total tax charge for the year	<u>(36,338)</u>	<u>-</u>

Factors that may affect future tax charges

Finance Act 2016, which received Royal Assent on 15 September 2016, includes legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. Accordingly, deferred tax has been calculated at the tax rate of 17%.

At 30 September 2016, the Company had tax losses available to set off against future taxable profits of £1.2m (2015 - £1.1m). The Company has not recognised a deferred tax asset in respect of these losses as a result of uncertainty over the timing and extent of future profits against which they may be relieved.

OIL PRODUCTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

8. Debtors

	2016 £	2015 £
Trade debtors	-	9,990
Other debtors	36,338	10,800
	<u>36,338</u>	<u>20,790</u>

9. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	5,624	58
	<u>5,624</u>	<u>58</u>

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	39,255	52,799
Amounts owed to group undertakings	1,009,674	917,062
Other taxes and social security costs	69,792	78,078
VAT liability	17,564	16,736
Other creditors	2,853	4,699
Accruals and deferred income	10,901	-
	<u>1,150,039</u>	<u>1,069,374</u>

11. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
2,325 Ordinary shares shares of £0.10 each	<u>233</u>	<u>233</u>

OIL PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

12. Reserves

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the company's shares are issued at an amount in excess of nominal value.

Profit & loss account

This reserve relates to the cumulative profit and loss less amounts distributed to shareholders.

13. Commitments under operating leases

At 30 September 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land & buildings		
Not later than 1 year	-	6,637
	<u>-</u>	<u>6,637</u>

14. Controlling party

At 30 September 2016, the ultimate parent company was Milestone Group plc, which owns 100% of the issued shares in the company. The directors do not deem there to be an ultimate controlling party.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.