
Phoenix Oil & Marine Limited
Annual report and financial statements
Registered number 04012370
31 December 2020

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Strategic report

The directors present the strategic report on the company for the year ended 31 December 2020.

Principal activities

The principal activity of the company is that of a holding company. The principal activity of the subsidiary undertaking, Dunlop Oil & Marine Limited, is the manufacture and sale of oil and marine hoses and associated equipment to a worldwide market.

Review of the business

Due to the nature of the company, financial key performance indicators are not used by the directors.

Principal risks and uncertainties

The principal risks and uncertainties affecting the company are the ability to service the inter-company loan and the carrying value of the investment in its subsidiary. These risks are closely monitored and, where appropriate and practical, the directors take steps to minimise the effects of these risks.

The decision to leave the E.U. following the Brexit referendum will have limited impact on the company due to its principal activity being that of a holding company.

Future developments

Due to the nature of the company, no changes arising from future developments are anticipated.

Section 172(1) statement

The Directors of the company act in a way that considers and promotes the success of the company, and its subsidiary, in line with the requirements of s172 of the Companies Act 2006. This is done in good faith, to benefit its members as a whole.

When making decisions, the Directors take into consideration that the company is an intermediate parent holding company and consider all its stakeholders and the wider impacts of such decisions, including the impact upon its subsidiary company.

By order of the board



Peter Krofchak
Director

Moody Lane
Pyewipe
Grimsby
North East Lincolnshire
DN31 2SY

13 August 2021

Directors' report

The directors present the annual report and the audited financial statements of the company for the year ended 31 December 2020.

Results and proposed dividend

The profit and loss account is set out on page 7 and shows a loss for the year. The directors do not recommend the payment of a dividend (2019: £nil).

Directors

The directors who held office during the year were as follows:

Andreas Qual

Peter Krofchak — Appointed 26 February 2020

The directors did not have any beneficial interest in the share capital of the company.

Political contributions

The company made no political donations or incurred any political expenditure during the year.

Statement of directors' responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Greenhouse gas emissions and energy consumption

As the company is an intermediary holding company, it did not consume any energy or generate any greenhouse gas emissions.

Directors' report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

PwC LLP have been appointed the auditor of the Ultimate Parent undertaking, Continental AG, and, pursuant to section 487 of the Companies Act 2006, will be appointed auditor of the Company with respect to the year end 31 December 2021.

By order of the board



Peter Krofchak
Director

Moody Lane
Pyewipe
Grimsby
North East Lincolnshire
DN31 2SY

13 August 2021

Independent auditor's report to the members of Phoenix Oil & Marine Limited

Opinion

We have audited the financial statements of Phoenix Oil and Marine Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, Statement of changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- ~~have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and~~
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the company's policies and procedures to prevent and detect fraud that apply to this company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

Independent auditor's report to the members of Phoenix Oil & Marine Limited (continued)

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of Phoenix Oil & Marine Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

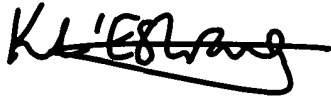
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Katharine L'Estrange (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

13 August 2021

Profit and loss account
for the year ended 31 December 2020

	<i>Note</i>	2020 £000	2019 £000
Turnover		-	-
Administrative expenses		-	-
		<u>-</u>	<u>-</u>
Operating result	3	-	-
Interest payable and similar charges	4	(39)	(69)
		<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation		(39)	(69)
Taxation on loss on ordinary activities	5	8	13
		<u>-</u>	<u>-</u>
Loss for financial year	10	<u>(31)</u>	<u>(56)</u>

All results are derived from continuing activities.

Other comprehensive income
for year ended 31 December 2020

	<i>Note</i>	2020 £000	2019 £000
Loss for the year	10	(31)	(56)
		<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of income tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year	10	<u>(31)</u>	<u>(56)</u>

The notes on pages 10 to 13 form part of these financial statements.

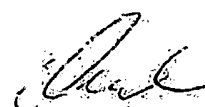
Balance sheet
at 31 December 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	6	20,056	20,056
Current assets			
Debtors	7	8	13
Creditors: amounts falling due within one year	8	(5,692)	(5,666)
Net current liabilities		(5,684)	(5,653)
Total assets less current liabilities		14,372	14,403
Net assets		14,372	14,403
Capital and reserves			
Called up share capital	9	17,000	17,000
Profit and loss account		(2,628)	(2,597)
Shareholders' funds		14,372	14,403

The financial statements on pages 7 to 13 were approved by the Board of Directors on 13 August 2021 and were signed on its behalf by:



Peter Krofchak
Director



Andreas Qual
Director

Company registered number: 04012370

Statement of changes in equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2019	17,000	(2,541)	14,459
Total comprehensive income for the year			
Loss for the year		(56)	(56)
Other comprehensive income			
Total comprehensive income for the year		(56)	(56)
Transactions with owners, recorded directly in equity			
Issue of shares			
Dividends			
Total contributions by and distributions to owners			
Balance at 31 December 2019	17,000	(2,597)	14,403

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	17,000	(2,597)	14,403
Total comprehensive income for the year			
Loss for the year		(31)	(31)
Other comprehensive income			
Total comprehensive income for the year		(31)	(31)
Transactions with owners, recorded directly in equity			
Issue of shares			
Dividends			
Total contributions by and distributions to owners			
Balance at 31 December 2020	17,000	(2,628)	14,372

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

Phoenix Oil & Marine Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Continental AG, includes the Company in its consolidated financial statements. The consolidated financial statements of Continental AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Vahrenwalder Strasse 9, D-30165, Hannover, Germany.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Continental AG include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared in Sterling and rounded to the nearest thousand, unless otherwise stated.

Notes (continued)

1 Accounting policies (continued)

Change in accounting policy

No changes to accounting policies were made in the year and there are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the company's financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

Notwithstanding net current liabilities of £5,684,000 as at 31 December 2020, and a loss for the year then ended of £31,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Continental AG, to meet its liabilities as they fall due for that period.

The company's ultimate parent company, Continental AG has indicated that it will provide financial and other support to the company to the extent necessary to enable the company to pay its liabilities as and when they fall due. Continental AG has indicated it will provide this financial and other support for the period of at least 12 months from the date of signing of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

2 Information regarding directors and employees

No director received any emoluments during the current year (2019: £nil).

The average number of employees (including directors) during the year was two (2019: one).

3 Expenses and auditor's remuneration

The auditors' remuneration of £1,200 (2019: £1,200) was borne by its subsidiary undertaking in the current and previous years.

4 Interest payable and similar charges

	2020 £000	2019 £000
Loan from group undertakings	39	69

5 Tax on loss on ordinary activities

The tax assessed for the year is equal to the standard rate of corporate tax in the UK of 19.00% (2019: 19.00%).

The tax credit comprises:

	2020 £000	2019 £000
Group relief	8	13

6 Fixed asset investments

The Company has the following investment in subsidiaries:

			Group undertakings £000
Cost			
At 31 December 2019 and 31 December 2020			20,056
Net book value			
At 31 December 2019 and 31 December 2020			20,056
	Country of Incorporation	Class of shares held	Ownership
			2020 2019
Dunlop Oil & Marine Limited Moody Lane, Pyewipe, Grimsby, DN31 2SY	England	• Ordinary	100% 100%

Notes (continued)

7 Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	8	13

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Amounts payable to group undertakings	5,692	5,666

Amounts payable to group undertakings are unsecured, interest bearing at 0.55% (2019: 1.22%), have no fixed date of repayment and are repayable on demand.

9 Share capital

	2020 £000	2019 £000
Authorised		
20,000,000 Ordinary shares of £1 each	20,000	20,000
Allotted, called up and fully paid		
17,000,000 of £1 each	17,000	17,000

10 Reconciliation of movements in Shareholders' funds

	2020 £000	2019 £000
Loss for the financial year	(31)	(56)
Opening equity shareholders' funds	14,403	14,459
	14,372	14,403

11 Ultimate parent company

The ultimate parent undertaking is Continental AG which is incorporated in Germany.

The largest group in which the results of the company are consolidated is that headed by Continental AG. No other group financial statements include the results of the company. The consolidated financial statements of Continental AG are available to the public and may be obtained from Vahrenwalder Strasse 9, D-30165, Hanover, Germany.