

Registered number: 05390685

DRY LUBE LIMITED

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

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DRY LUBE LIMITED

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DRY LUBE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO DRY LUBE LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of Dry Lube Limited for the year ended 31 March 2015 prepared under section 396 of the Companies Act 2006.

Our report has been prepared pursuant to the requirements of section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Alastair Rae (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Edinburgh
United Kingdom

3 November 2015


BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

DRY LUBE LIMITED
REGISTERED NUMBER: 05390685

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Intangible assets	2		226,689		271,317
Tangible assets	3		923,965		1,051,704
			<u>1,150,654</u>		<u>1,323,021</u>
CURRENT ASSETS					
Stocks		16,237		23,432	
Debtors		390,596		635,499	
Cash at bank		23,135		29,984	
		<u>429,968</u>		<u>688,915</u>	
CREDITORS: amounts falling due within one year	5	(811,885)		(1,375,439)	
NET CURRENT LIABILITIES			<u>(381,917)</u>		<u>(686,524)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>768,737</u>		<u>636,497</u>
CAPITAL AND RESERVES					
Called up share capital	6		177,313		110,526
Share premium account			2,451,178		2,164,474
Profit and loss account			(1,859,754)		(1,638,503)
SHAREHOLDERS' FUNDS			<u>768,737</u>		<u>636,497</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 20th October 2015.


David Mowat
 Director

The notes on pages 3 to 7 form part of these financial statements.

DRY LUBE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the group will continue in operational existence and be able to meet its liabilities as they fall due.

At 31 March 2015 the company had net current liabilities of £381,917 (2014 - £686,524). As a result of the continued investment made by the company in growing the business, the company breached a bank covenant during the course of the year. The company has continued to repay the related bank loan in line with the loan agreement. However, in accordance with accounting standards, the loan has been classified as repayable on demand and has been included within creditors falling due within one year.

The company meets its day to day working capital requirements through its cash balances and banking facilities. On the basis of current and forecast operating performance and the funding secured, both during the year and subsequent to the year end from shareholders and the bank, to support the continued growth of the business, the directors believe the company have adequate working capital facilities in place to operate and grow the business for the foreseeable future.

The directors have prepared cashflow projections for at least the next 12 months which show that the company expects to be able to operate within the facilities provided. Accordingly, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover represents amounts receivable for the installation, monitoring and maintenance of dry lubrication systems. Turnover is recognised on a straight line basis over the period of the contract.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	10% to 50% straight line
Office equipment	-	50% straight line
Other fixed assets	-	Not depreciated

The directors performed a review of the useful lives of the plant and machinery during the year. Previously all the costs associated with the construction of installed dry lubricating equipment were depreciated over the length of the initial contract. The directors have reassessed the life of these assets and the equipment is now being written off over 10 years, being its expected useful life. Installation costs continue to be depreciated over the length of the rental contract.

1.5 Investments

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

DRY LUBE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.10 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

DRY LUBE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

2. INTANGIBLE FIXED ASSETS

	£
Cost	
At 1 April 2014	321,395
Additions	25,729
	<hr/>
At 31 March 2015	347,124
Amortisation	
At 1 April 2014	50,078
Charge for the year	70,357
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At 31 March 2015	120,435
Net book value	
At 31 March 2015	226,689
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At 31 March 2014	271,317
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3. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 April 2014	1,683,528
Additions	71,626
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At 31 March 2015	1,755,154
Depreciation	
At 1 April 2014	631,824
Charge for the year	199,365
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At 31 March 2015	831,189
Net book value	
At 31 March 2015	923,965
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At 31 March 2014	1,051,704
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Included within plant and machinery are assets under construction of £30,745 (2014 - £68,970). No depreciation charge has been made during the year on assets under construction.

DRY LUBE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

4. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Dry Lube Inc - Incorporated in the USA	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Dry Lube Inc - Incorporated in the USA	(1,107,981)	(320,020)

5. CREDITORS:

Amounts falling due within one year

Creditors totalling £226,042 (2014 - £361,358) are secured by a fixed and floating charge over all the assets of the company

6. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
17,731,279 (2014 - 11,052,600) Ordinary shares of £0.01 each	177,313	110,526

On 30th April 2014 6,678,647 ordinary shares of 1p each were issued at a price of 5.3p per share. Of this 5,970,145 shares were issued in relation to the conversion of £315,991 of stakeholder loans (including accrued interest) and 708,502 shares were issued in relation to new equity subscriptions of £37,500.

DRY LUBE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

7. RELATED PARTY TRANSACTIONS

FRS8 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group. The group is taking advantage of this exemption.

Included within group and company other loans are amounts of £Nil (2014 - £203,609) due to Gordon Galloway, a director of the company during the year. Interest of £4,924 (2014 - £13,253) was charged during the year in respect of the loan. The outstanding loan was converted into equity on 30 April 2014.

During the year Sanday Ventures, a company controlled by David Mowat, a director, charged the company £23,976 (2014 - £18,007) in respect of directors' fees. Included within group and company other creditors is an amount of £3,000 (2014 - £3,000) due to that company at the year end.

During the year David Mowat provided a loan of £10,000 (2014 - £Nil) to the company. Interest of £37 (2014 - £nil) was charged during the year in respect of the loan. The outstanding loan was converted into equity on 30 April 2014.

Interest of £Nil (2014 - £676) was paid to Ian Wylie in the year, a director of the company. Travel expenses of £1,432 (2014 - £9,767) were reimbursed to Ian Wylie in the year.