

Registered number: SC077855

**ABERDEEN DRILLING SCHOOL
LIMITED**

**UNAUDITED
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2017**

ABERDEEN DRILLING SCHOOL LIMITED

COMPANY INFORMATION

Directors	J D Sutherland T Harring I Sutherland
Registered number	SC077855
Registered office	50 Union Glen Aberdeen AB11 6ER
Accountants	Anderson Anderson & Brown LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors are responsible for preparing 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 the directors have 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 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	580,266	729,363
Investments	5	78,741	78,741
		<u>659,007</u>	<u>808,104</u>
Current assets			
Stocks	6	4,117	2,764
Debtors: amounts falling due within one year	7	1,087,399	677,499
Cash at bank and in hand	8	746,662	726,632
		<u>1,838,178</u>	<u>1,406,895</u>
Creditors: amounts falling due within one year	9	(1,972,121)	(1,822,026)
Net current liabilities		<u>(133,943)</u>	<u>(415,131)</u>
Total assets less current liabilities		<u>525,064</u>	<u>392,973</u>
Creditors: amounts falling due after more than one year	10	-	(7,656)
Provisions for liabilities			
Deferred tax		(4,801)	(56,780)
		<u>(4,801)</u>	<u>(56,780)</u>
Net assets		<u><u>520,263</u></u>	<u><u>328,537</u></u>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	12	141,711	141,711
Share premium account		290,683	290,683
Capital redemption reserve		28,329	28,329
Profit and loss account		59,540	(132,186)
		<u>520,263</u>	<u>328,537</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 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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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 by:

J D Sutherland
Director

Date: 5 July 2018

The notes on pages 4 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

Aberdeen Drilling School Limited is a limited company incorporated in the United Kingdom. The registered office is 50 Union Glen, Aberdeen, AB11 6ER. The principal activity of the business is training personnel within the Oil & Gas industry.

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 Section 1A of 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.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The

directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Cash Flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Property improvements	-	Over the term of the lease
Plant & machinery	-	3 - 8 years
Fixtures & fittings	-	4 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 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.

2.9 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.

2.10 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 non-puttable ordinary shares.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 the Statement of comprehensive income 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 comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.14 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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.

3. Average number of employees

The average monthly number of employees, including directors, during the year was 21 (2016 - 22).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Tangible fixed assets

	S/Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2017	530,512	740,824	38,284	1,309,620
Additions	-	4,689	-	4,689
At 31 December 2017	<u>530,512</u>	<u>745,513</u>	<u>38,284</u>	<u>1,314,309</u>
Depreciation				
At 1 January 2017	244,343	306,427	29,487	580,257
Charge for the year on owned assets	53,945	94,561	5,280	153,786
At 31 December 2017	<u>298,288</u>	<u>400,988</u>	<u>34,767</u>	<u>734,043</u>
Net book value				
At 31 December 2017	<u>232,224</u>	<u>344,525</u>	<u>3,517</u>	<u>580,266</u>
At 31 December 2016	<u>286,169</u>	<u>434,397</u>	<u>8,797</u>	<u>729,363</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	<u>-</u>	<u>224,706</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	78,741
At 31 December 2017	<u>78,741</u>
Net book value	
At 31 December 2017	<u>78,741</u>
At 31 December 2016	<u>78,741</u>

Subsidiary undertakings

The company holds 100% shareholdings in: Aberdeen Drilling International Limited, a company incorporated in the United Arab Emirates; and Aberdeen Drilling International Malaysia, a company incorporated in Malaysia.

The Principal activity of these subsidiary undertakings is the provision of training products and services to the oil and gas industry.

The aggregate of the share capital and reserves of Aberdeen Drilling International Limited at 31 December 2016 amounted to £2,591,629 (2016 - £2,482,916) and the profit for the year ended on that date was £608,713 (2016 - £786,698).

The aggregate of the share capital and reserves of Aberdeen Drilling International Malaysia at 31 December 2017 amounted to £(136,212) (2016 - £(212,857)) and the loss for the year ended on that date was £13,833 (2016 - £77,385).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>4,117</u>	<u>2,764</u>

7. Debtors

	2017 £	2016 £
Trade debtors	248,013	228,953
Amounts owed by group undertakings	774,387	365,401
Other debtors	2,517	198
Prepayments and accrued income	62,482	82,947
	<u>1,087,399</u>	<u>677,499</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>746,662</u>	<u>726,632</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	86,196	87,020
Amounts owed to group undertakings	1,707,638	1,582,024
Other taxation and social security	46,821	45,223
Obligations under finance lease and hire purchase contracts	-	30,623
Other creditors	36,435	27,482
Accruals and deferred income	95,031	49,654
	<u>1,972,121</u>	<u>1,822,026</u>

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>7,656</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	-	30,623
Between 1-2 years	-	7,656
	<u>-</u>	<u>38,279</u>

12. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
130,375 Ordinary shares of £1 each	130,375	130,375
11,336 A Ordinary shares of £1 each	11,336	11,336
	<u>141,711</u>	<u>141,711</u>

13. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases of £231,846 (2016 - £369,267).

14. Related party transactions

Control

Throughout the year the company was controlled by the directors

Transactions

The company has taken advantage of the exceptions within FRS 102 section 33 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.