
NORTH SEA WELL ENGINEERING LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2021



NORTH SEA WELL ENGINEERING LIMITED
REGISTERED NUMBER: SC211425

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	19,288	30,601
		<u>19,288</u>	<u>30,601</u>
Current assets			
Debtors: amounts falling due after more than one year	6	1,970,177	1,804,442
Debtors: amounts falling due within one year	6	5,051,823	4,500,146
Cash at bank and in hand	7	4,565,746	5,453,042
		<u>11,587,746</u>	<u>11,757,630</u>
Creditors: amounts falling due within one year	8	(2,048,635)	(3,985,865)
Net current assets		<u>9,539,111</u>	<u>7,771,765</u>
Total assets less current liabilities		<u>9,558,399</u>	<u>7,802,366</u>
Provisions for liabilities			
Deferred taxation	10	(3,665)	(9,300)
		<u>(3,665)</u>	<u>(9,300)</u>
Net assets excluding pension asset		<u>9,554,734</u>	<u>7,793,066</u>
Net assets		<u>9,554,734</u>	<u>7,793,066</u>
Capital and reserves			
Called up share capital	11	200	200
Profit and loss account		9,554,534	7,792,866
		<u>9,554,734</u>	<u>7,793,066</u>

NORTH SEA WELL ENGINEERING LIMITED
REGISTERED NUMBER: SC211425

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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 on 30 March 2022.


Mr I Adams
Director

The notes on pages 5 to 14 form part of these financial statements.

NORTH SEA WELL ENGINEERING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	200	7,792,866	7,793,066
Comprehensive income for the year			
Profit for the year	-	1,761,668	1,761,668
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,761,668	1,761,668
Total transactions with owners	-	-	-
At 31 March 2021	200	9,554,534	9,554,734

The notes on pages 5 to 14 form part of these financial statements.

NORTH SEA WELL ENGINEERING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	200	7,944,987	7,945,187
Comprehensive income for the year			
Profit for the year	-	2,347,879	2,347,879
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	2,347,879	2,347,879
Dividends: Equity capital	-	(2,500,000)	(2,500,000)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(2,500,000)	(2,500,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	200	7,792,866	7,793,066

The notes on pages 5 to 14 form part of these financial statements.

NORTH SEA WELL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The company is a private limited company limited by shares in the UK, incorporated in Scotland, no SC411425. Its registered address and place of business is 78 Queens Road, Aberdeen, AB15 4YE.

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 following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the financial statements. There has been an impact on personnel working internationally in both office and field locations as travel and quarantine restrictions have been fluid, this has had a cost impact accommodating for extended working cycles and associated charges. Revenue has not been directly impacted however operational costs have increased and are expected to remain at an elevated level until travel restrictions have eased. Despite the increased costs, a long term contract remains in place and the directors do not consider that the ongoing situation has a material impact on going concern.

Administrative costs have increased in the year primarily due to the impact of foreign exchange movement

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP. Monetary amounts in these financial statements are rounded to the nearest £.

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.

NORTH SEA WELL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not really apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2.5 Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

2.6 Revenue recognition

Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the business and the amount of revenue can be measured reliably, which is a judgement. Revenue from services is recognised as the services are rendered. Revenue from product sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer which is normally upon delivery of products and customer acceptance.

2.7 Foreign exchange

Foreign exchange risk is suffered through sales and purchases in countries outside the United Kingdom.

Translation occurs at the spot rate of the date the transaction is enacted. The difference between exchange rate at the date of entering the transaction and settlement is an estimation. Hedging is not utilised.

NORTH SEA WELL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 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.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NORTH SEA WELL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 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 profit or loss 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.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Other intangible fixed assets	-	4	years
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NORTH SEA WELL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 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:

Office equipment	-	25% straight line
Computer equipment	-	25% straight line

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 profit or loss.

2.16 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.

2.17 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.

2.18 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.

NORTH SEA WELL ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.19 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 profit or loss 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.

2.20 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 ordinary shares.

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 10 (2020 - 13).

4. Foreign Exchange

Administrative expenses include a foreign exchange loss of £883,689 (2020 gain £129,598)

NORTH SEA WELL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. TANGIBLE FIXED ASSETS

	Office equipment £
Cost or valuation	
At 1 April 2020	67,491
Additions	1,640
	<hr/>
At 31 March 2021	69,131
	<hr/>
Depreciation	
At 1 April 2020	36,890
Charge for the year on owned assets	12,953
	<hr/>
At 31 March 2021	49,843
	<hr/>
Net book value	
At 31 March 2021	19,288
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At 31 March 2020	30,601
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6. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	1,970,177	1,804,442
	<hr/>	<hr/>
	1,970,177	1,804,442
	<hr/> <hr/>	<hr/> <hr/>
	2021 £	2020 £
Due within one year		
Trade debtors	2,061,444	3,166,930
Other debtors	2,955,798	1,302,290
Prepayments and accrued income	34,581	30,926
	<hr/>	<hr/>
	5,051,823	4,500,146
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NORTH SEA WELL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	4,565,747	5,453,042
	<u>4,565,747</u>	<u>5,453,042</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	583,967	346,415
Corporation tax	17,670	75,118
Other taxation and social security	33,508	19,818
Other creditors	113,856	3,078,806
Accruals and deferred income	1,299,634	465,708
	<u>2,048,635</u>	<u>3,985,865</u>

9. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	4,565,747	5,453,042
Financial assets that are debt instruments measured at amortised cost	5,481,910	5,589,329
	<u>10,047,657</u>	<u>11,042,371</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,997,456)</u>	<u>(1,365,287)</u>

NORTH SEA WELL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. Deferred taxation

	2021 £
At beginning of year	(9,300)
Charged to profit or loss	5,635
	<hr/>
At end of year	(3,665)
	<hr/> <hr/>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(3,665)	(9,300)
	<hr/>	<hr/>
	(3,665)	(9,300)
	<hr/> <hr/>	<hr/> <hr/>

NORTH SEA WELL ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
200 (2020 - 200) Ordinary shares of £1.00 each	200	200
	<u>200</u>	<u>200</u>

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £75,809 (2020 - £70,588). Contributions totalling £2,308 (2020 - £5,876) were payable to the fund at the balance sheet date.

13. Related party transactions

Mr K Fraser a director has advanced a short term loan to the company. It is interest free and the balance repayable as at 31 March 2021 was £NIL (2020 \$2.525 M). This was repaid in October 2020

14. Auditor's liability limitation agreement

The company has entered into a limitation of liability agreement ("the agreement") with the auditor Meston Reid & Co. In respect of the period ended 31 March 2021 this agreement was approved by the directors on 15 February 2022.

The principal term of the agreement is that our auditor has maximum liability, for any claim arising out of the provision of audit services, of the lower of 100 times the amount invoiced for the audit work performed or £1 million. This agreement does not restrict our auditor's liability for fraud or dishonesty or where a restriction is not permitted by law.