



**RIGFIT7SEAS LIMITED
(FORMERLY KNOWN AS
RIGFIT OFFSHORE LIMITED)**

**UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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COMPANIES HOUSE

RIGFIT7SEAS LIMITED

COMPANY INFORMATION



Directors

B Knowles
I R MacGregor
J A MacGregor
A C Matheson

Company secretary

A C Matheson

Registered number

SC229316

Registered office

First Floor Aurora House
8 Inverness Campus
Inverness
IV25NA

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RIGFIT7SEAS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**



The directors present their report and the financial statements for the year ended 31 March 2019.

Results and dividends

The loss for the year, after taxation, amounted to £210,000 (2018 - profit £4,000).

No dividends were paid during the year (2018 - £Nil).

Directors

The directors who served during the year were:

B Knowles (appointed 1 February 2019)
I R MacGregor (appointed 1 February 2019)
J A MacGregor (appointed 1 February 2019)
A C Matheson (appointed 1 February 2019)
J D MacDonald (resigned 1 February 2019)
W Hamilton (resigned 1 February 2019)
R J MacGregor (resigned 1 February 2019)

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'I R MacGregor', is written over a horizontal dotted line.

I R MacGregor
Director

Date: 5/12/19

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

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 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 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.



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

| | Note | 2019 £000 | Unaudited 2018 £000 |
|---|------|---------------------|---------------------------|
| Turnover | | 50 | - |
| Cost of sales | | (35) | - |
| Gross profit | | <u>15</u> | <u>-</u> |
| Administrative expenses | | (228) | - |
| Operating (loss)/profit | | <u>(213)</u> | <u>-</u> |
| Tax on (loss)/profit | 4 | 3 | 4 |
| (Loss)/profit for the financial year | | <u><u>(210)</u></u> | <u><u>4</u></u> |

There was no other comprehensive income for 2019 (2018:£NIL).

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



BALANCE SHEET
AS AT 31 MARCH 2019

| | Note | 2019 £000 | Unaudited 2018 £000 |
|--|------|---------------------|---------------------------|
| Fixed assets | | | |
| Fixed Asset Investments | 5 | 1,048 | 1,048 |
| | | <u>1,048</u> | <u>1,048</u> |
| Current assets | | | |
| Stocks | | 41 | - |
| Debtors Within One Year | 6 | 2,798 | 2,795 |
| Cash At Bank And In Hand | 7 | 35 | 233 |
| | | <u>2,874</u> | <u>3,028</u> |
| Creditors: Amounts Falling Due Within One Year | 8 | (56) | - |
| Net current assets | | <u>2,818</u> | <u>3,028</u> |
| Total assets less current liabilities | | <u>3,866</u> | <u>4,076</u> |
| Net assets | | <u><u>3,866</u></u> | <u><u>4,076</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 1 | 1 |
| Revaluation Reserve | | 1 | 1 |
| Profit And Loss Account | | 3,864 | 4,074 |
| | | <u>3,866</u> | <u>4,076</u> |

RIGFIT7SEAS LIMITED
REGISTERED NUMBER:SC229316



BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'I R MacGregor', is written over a horizontal dotted line.

I R MacGregor
Director

Date: 5/12/19

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

| | Called up share capital £000 | Revaluation reserve £000 | Profit and loss account £000 | Total equity £000 |
|--|------------------------------------|--------------------------------|------------------------------------|----------------------|
| At 1 April 2017 | 1 | 1 | 4,070 | 4,072 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 4 | 4 |
| At 1 April 2018 | 1 | 1 | 4,074 | 4,076 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (210) | (210) |
| At 31 March 2019 | 1 | 1 | 3,864 | 3,866 |



1. General information

Rigfit7Seas Limited is a limited liability company incorporated in Scotland. The registered office address is First Floor Aurora House, 8 Inverness Campus, Inverness, IV2 5NA. The principal activity of the company is Marine & Offshore Living Quarters Refurbishment and New Build.

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 judgement in applying the Company's accounting policies.

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 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.

2.6 Taxation

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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**
2. Accounting policies (continued)
2.9 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.

2.10 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.

2.11 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.

2.12 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.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2018 - 3).

4. Taxation

| | 2019 £000 | 2018 £000 |
|-------------------------------------|--------------|--------------|
| Corporation tax | | |
| Current tax on profits for the year | (3) | (4) |
| | <u>(3)</u> | <u>(4)</u> |
| Total current tax | <u>(3)</u> | <u>(4)</u> |

4. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| (Loss)/profit on ordinary activities before tax | (213) | - |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | (40) | - |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 37 | - |
| Adjustments to tax charge in respect of prior periods | - | (4) |
| Total tax charge for the year | (3) | (4) |

Factors that may affect future tax charges

The UK Corporation Tax rate will reduce to 17% for financial years beginning 1 April 2020. Deferred tax balances have been calculated at a rate of 17% as this is the rate at which the majority of timing differences are expected to reverse.

5. Fixed asset investments

| | Investments in subsidiary companies £000 |
|--------------------------|---|
| Cost or valuation | |
| At 1 April 2018 | 1,048 |
| At 31 March 2019 | 1,048 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. Fixed asset investments (continued)
Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Class of shares | Holding |
|--|---|------------------------|----------------|
| Seven Sea Services LLC | C/o Rigfit7Seas, 31 E02, IRise Towers, Al Thanya First, Barsha Heights, Dubai, PO 48271, United Arab Emirates | Ordinary | 100% |
| Seven Seas Decor SPC | Flat No. 285, Building No. 2648, Road No. 5720, Block No. 257, Amwaj, Kingdom of Bahrain | Ordinary | 100% |
| Rigfit Middle East Ship Maintenance L.L.C (Formerly known as Seven Seas Services Ship Maintenance LLC) | Shop 7, MW4, Plot 130, Musaffah, Abu Dhabi, United Arab Emirates | Ordinary | 100% |

6. Debtors

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 2,795 | 2,795 |
| Other debtors | 3 | - |
| | <u>2,798</u> | <u>2,795</u> |

7. Cash and cash equivalents

| | 2019 £000 | 2018 £000 |
|------------------------|--------------|--------------|
| Bank and cash balances | 36 | 233 |
| | <u>36</u> | <u>233</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Creditors: Amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Other taxation and social security | 20 | - |
| Other creditors | 32 | - |
| Accruals and deferred income | 4 | - |
| | <u>56</u> | <u>-</u> |

9. Share capital

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Allotted, called up and fully paid | | |
| 1,000 (2018 - 1,000) Ordinary shares of £1.00 each | <u>1</u> | <u>1</u> |

10. Contingent liabilities

The Company is party to a cross corporate guarantee with its ultimate parent undertaking Envoy & Partners Limited and other companies within the Envoy & Partners group.

11. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A from the requirement to disclose transactions with 100% owned subsidiaries within the same Group.

During the year the Company entered into transactions, in the normal course of business, with other related parties. Transactions entered into, and the trading balances outstanding at 31 March 2019 are as follows:

| | Creditors £000 |
|-------------------------------|-------------------|
| Global Energy (Group) Limited | <u>31</u> |
| | <u>31</u> |

Global Energy (Group) Limited is a related party as RJ MacGregor, a close family member of IR MacGregor and JA MacGregor is a Director of this Company.

12. Controlling party

The ultimate parent undertaking is Envoy & Partners Limited. The controlling party of Envoy & Partners Limited is IR MacGregor and JA MacGregor..

Modutec Limited (formerly GEG (Process & Equipment) Limited) is the parent undertaking of the smallest, and Envoy & Partners Limited is the ultimate parent undertaking, and the largest groups of which Rigit7Seas Limited is a member and for which group financial statements are drawn up.

The group financial statements can be obtained from First Floor, Aurora House, 8 Inverness Campus, Inverness, IV2 5NA