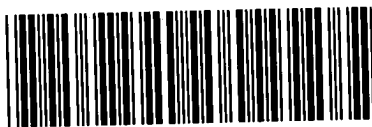


**PHUEL OIL TOOLS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
**PAGES FOR FILING WITH REGISTRAR**

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# PHUEL OIL TOOLS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mark McCorry Colin McCracken Sturla Sand Eimund Sletten
<b>Secretary</b>	James and George Collie LLP
<b>Company number</b>	SC269131
<b>Registered office</b>	1 East Craibstone Street Aberdeen AB11 6YQ
<b>Auditor</b>	Johnston Carmichael LLP Bishop's Court 29 Albyn Place ABERDEEN AB10 1YL

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# **PHUEL OIL TOOLS LIMITED**

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# PHUEL OIL TOOLS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	4	237,546		182,011	
Tangible assets	5	92,454		110,184	
Investments	6	30,645		30,645	
			360,645		322,840
<b>Current assets</b>					
Stocks		678,074		701,348	
Debtors	7	439,551		550,946	
Cash at bank and in hand		116,574		342,163	
			1,234,199		1,594,457
<b>Creditors: amounts falling due within one year</b>	8	(767,886)		(567,689)	
<b>Net current assets</b>			466,313		1,026,768
<b>Total assets less current liabilities</b>			826,958		1,349,608
<b>Creditors: amounts falling due after more than one year</b>	9		(200,000)		(400,000)
<b>Net assets</b>			626,958		949,608
<b>Capital and reserves</b>					
Called up share capital	11	2,052,185		2,052,185	
Share premium account		259,900		259,900	
Profit and loss reserves		(1,685,127)		(1,362,477)	
<b>Total equity</b>			626,958		949,608

# PHUEL OIL TOOLS LIMITED

## BALANCE SHEET (CONTINUED)

**AS AT 31 DECEMBER 2017**

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The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on .....  
and are signed on its behalf by:

 15/6/18

Mark McCorry  
Director

Company Registration No. SC269131

# PHUEL OIL TOOLS LIMITED

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

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### 1 Accounting policies

#### Company information

Phuel Oil Tools Limited ("the company") is a private company limited by shares incorporated and domiciled in Scotland. The registered office is 1 East Craibstone Street, Aberdeen, AB11 6YQ. The company's trading address is Unit 12 Barratt Trading Estate, Denmore Road, Bridge of Don, Aberdeen, AB23 8JW.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised as goods are despatched.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets other than goodwill

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual installments over their estimated useful lives of 5 years.

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. Amortisation is calculated to write off the cost in equal annual installments over their estimated useful lives of 3 years.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Tenant's improvements	15% straight line
Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% - 33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.8 Stocks and work in progress

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Work in progress is valued at the lower of cost plus direct overheads or net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and held at bank.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in profit or loss for the period.

#### 1.16 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemption provided by section 399 of the Companies Act 2006 not to prepare group accounts.

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **2 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 readily 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.

The following are considered to be either judgements that have the most significant effect on amounts recognised in the financial statements, or estimates that are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date:

#### ***Recoverability of group receivables***

The company makes an assessment of the recoverable value of amounts due from fellow group undertakings. When assessing the recoverability of these amounts owed, management considers factors such as the market value of certain assets held by the group undertakings and the cash generating ability of the counterparty.

#### ***Carrying value of fixed assets***

Management consider whether fixed assets are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the fixed asset's value in use. This requires the estimation of future cash flows and also the selection of appropriate discount rates in order to calculate the net present value of those cash flows.

#### ***Stock and work in progress obsolescence***

The company makes an assessment of the recoverable value of stock and work in progress. When assessing the recoverability of this, management considers factors such as the age of the stock and work in progress plus any potential technical obsolescence. Provisions are made on the basis of the relevant items estimated selling price less costs to complete.

The directors consider that there are no other judgements, estimates and underlying assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

### **3 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 14 (2016 - 14).

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 4 Intangible fixed assets

	Patents £	Development Costs £	Total £
<b>Cost</b>			
At 1 January 2017	61,221	193,303	254,524
Additions	-	116,763	116,763
At 31 December 2017	61,221	310,066	371,287
<b>Amortisation</b>			
At 1 January 2017	61,221	11,292	72,513
Amortisation charged for the year	-	61,228	61,228
At 31 December 2017	61,221	72,520	133,741
<b>Carrying amount</b>			
At 31 December 2017	-	237,546	237,546
At 31 December 2016	-	182,011	182,011

#### 5 Tangible fixed assets

	Tennant's improvements £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 January 2017	39,857	418,460	458,317
Additions	1,996	17,999	19,995
At 31 December 2017	41,853	436,459	478,312
<b>Depreciation</b>			
At 1 January 2017	29,276	318,857	348,133
Depreciation charged in the year	3,161	34,564	37,725
At 31 December 2017	32,437	353,421	385,858
<b>Carrying amount</b>			
At 31 December 2017	9,416	83,038	92,454
At 31 December 2016	10,581	99,603	110,184

The net book value of tangible fixed assets includes £nil (2016: £6,122) in respect of assets held under finance leases or hire purchase contracts. The aggregate depreciation charge in respect of such assets amounted to £nil (2016: £4,322). The asset under hire purchase in 2016 was fully paid off in the year and as such there are no balances in relation to assets under finance lease or hire purchase contracts in the current year.

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Fixed asset investments

	2017 £	2016 £
Investments	30,645	30,645

#### Movements in fixed asset investments

	Shares in group undertakings and participating interests £
<b>Cost</b>	
At 1 January 2017 & 31 December 2017	30,645
<b>Carrying amount</b>	
At 31 December 2017	30,645
At 31 December 2016	30,645

### 7 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	283,950	243,527
Amounts due from group undertakings	-	140,689
Other debtors	118,738	129,867
	402,688	514,083
<b>Amounts falling due after more than one year:</b>		
Amounts due from group undertakings	36,863	36,863
<b>Total debtors</b>	439,551	550,946

Amounts due from group undertakings within one year are interest free and repayable on demand. Amounts due from group undertakings due after more than one year are interest free and are due to be repaid in full on 31 December 2019.

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	200,000	200,000
Trade creditors	302,460	128,197
Amounts due to group undertakings	5,010	645
Taxation and social security	19,113	20,760
Other creditors	241,303	218,087
	<u>767,886</u>	<u>567,689</u>

Amounts due to group undertakings are interest free and repayable on demand.

### 9 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans	<u>200,000</u>	<u>400,000</u>

The bank loan is secured by a parent company guarantee.

### 10 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	<u>-</u>	<u>770</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 11 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
480,200 Ordinary shares of £1 each	480,200	480,200
1,499,985 Ordinary-A shares of £1 each	1,499,985	1,499,985
72,000 Ordinary B shares of £1 each	72,000	72,000
	<u>2,052,185</u>	<u>2,052,185</u>

All share classifications carry equal rights but for voting rights. Ordinary A shares are non-voting shares. Ordinary B shares are also non-voting shares until they are fully paid.

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The senior statutory auditor was Stephen McIlwaine.  
The auditor was Johnston Carmichael LLP.

#### 13 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017	2016
£	£
296,616	444,924

#### 14 Related party transactions

The company has taken advantage of the exemption available in accordance with section 33 of FRS 102 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Entities with control, joint control or significant influence over the company	7,281	-	2,404	2,706

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2017	2016
	£	£
Entities with control, joint control or significant influence over the company	667	1,957

# PHUEL OIL TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2017**

### **14 Related party transactions**

**(Continued)**

The following amounts were outstanding at the reporting end date:

	<b>2017</b>
	<b>Balance</b>
<b>Amounts owed by related parties</b>	<b>£</b>
Entities with control, joint control or significant influence over the company	307
	<u>          </u>

There were no amounts owed in the previous period.

The company's ultimate parent company, Habu Holdings AS, has provided a guarantee to the bank in respect of the company's borrowings. A charge of £34,163 (2016: £47,726) was made during the year in relation to this guarantee. At year end £112,271 (2016: £78,108) was accrued.

### **15 Parent company**

The company's immediate parent company is Habu Services AS, Norway. The ultimate parent company is Habu Holdings AS, Norway.