

Registered Number: 01674180

Hunting Energy Services Limited  
Annual Report and Financial Statements  
For the Year Ended 31 December 2017

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## Company Information

**Directors** Sam McClements (Resigned 1<sup>st</sup> Oct 2017)  
Peter Rose  
Bruce Ferguson  
Arthur J Johnson

**Secretary** Graeme Smith  
Badentoy Industrial Estate  
Badentoy Avenue  
AB12 4YB

**Company Number** 01674180

**Registered office** 15 Canada Square  
London, E14 5GL  
United Kingdom

**Independent auditors** PricewaterhouseCoopers LLP  
The Capitol  
431 Union Street  
AB11 6DA  
United Kingdom

**Bankers** Barclays Bank  
Barclays House  
5 St Ann's Street  
Quayside  
Newcastle Upon Tyne  
NE1 2BH  
United Kingdom

**Solicitors** CMS Cameron McKenna LLP  
6 Queens Road  
Aberdeen  
AB15 4ZT  
United Kingdom

## Report of the Directors

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2017. In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006..

### Principal Activities

The Company operates in the offshore oil and gas industry as part of the Hunting Energy Services (International) Limited Group. The majority of the business is conducted in the rental of steel and magnetic tools to drilling operators. This company was also responsible for the payment and recharging of the payroll for the Manufacturing staff to both Hunting Energy Services (UK) Limited and Hunting Energy Services (Well Intervention) Limited based at Badentoy with no mark up. However in June 2016 these costs began to be carried under the associated legal entities-. The Company ceased all trading in 2017 and has begun voluntary liquidation proceedings.

The results of the Company are set out in the Statement of Comprehensive Income on page 8.

### Registered Office

The registered office of the company is 15 Canada Square London E14 5GL.

### Dividend

*The Directors declared no dividend payment in 2017 (2016- nil).*

### Future Developments

The Company has ceased trading during 2017 and has begun voluntary liquidation proceedings. The appointed liquidators are KPMG. The financial statements will be prepared on a basis other than going concern.

### Directors

The Directors who held office during the year and up to the date of this report were:

Sam McClements (Resigned 1<sup>st</sup> Oct 2017)

Peter Rose

Bruce Ferguson

Arthur J Johnson

### Plant and Equipment

Details of movements in plant and equipment are shown in note 8 to the financial statements.

### Employee Policy

Full and fair consideration is given to applications for employment for disabled persons and in their training, career development and promotion. Every effort is made to retain in employment those who become disabled. The employment policies, degree of involvement by employees and the provision of information to them will vary. However, management encourages a common awareness of the financial and economic factors affecting the performance.

### Financial Risk Management

The company's financial risk factors are described in note 16.

## Report of the Directors (continued)

### Environment

The Company operates to the Hunting PLC Group's environmental policy. The Hunting PLC group's environmental policy is to look for opportunities and adopt practices that create a safer and cleaner environment. It is particularly sensitive to the challenges for the industry in which it operates. The Group has programmes in place to monitor environmental impact from its operational activities and remains focused on ensuring environmental consideration is at the forefront of its business practices.

The environmental policies aim to ensure that:

- Policies, procedures and practices are in place so that any adverse effects on the environment are reduced to a practicable minimum.
- The Group encourages the reduction of waste and emissions and promotes awareness of recycled materials and use of renewable resources.
- Each operating unit develops and implements its own procedures and conducts structured reviews to ensure that they are maintained and refined.
- Employees are encouraged to pay special regard to environmental concerns in the communities in which the Group operates.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Report of the Directors (continued)

### Statement of Disclosure of Information to Auditors

In accordance with the Companies Act 2006, all directors in office as at the date of this report have confirmed, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all reasonable steps necessary in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Basis other than going concern

Hunting Energy Service Limited stopped principle trading activities during 2017. The Directors decided in April 2018 to voluntary liquidate the Company in the near future. As a result, these financial statements have been prepared on a basis other than going concern.

### Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office as auditors. A resolution to reappoint them as auditors to the Company will be proposed at the Annual General Meeting.

### On behalf of the Board



**Bruce Ferguson – Director**  
28 June 2018

# Independent auditors' report to the members of Hunting Energy Services Limited

## Report on the audit of the financial statements

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### Opinion

In our opinion, Hunting Energy Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. During 2017, the Company ceased its principal trading activities following the finalisation of the sale of its rental assets. It is the directors' intention to liquidate the Company in the near future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

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### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Report of the Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## Other required reporting

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### Companies Act 2006 exception reporting

*Under the Companies Act 2006 we are required to report to you if, in our opinion:*

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Bruce Collins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen  
28 June 2018

## Statement of Comprehensive Income

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Revenue</b>	3	-	1,152
Cost of sales	4	-	(756)
<b>Gross profit</b>		-	396
Administrative expenses	4	-	(396)
<b>Operating Result</b>		-	-
Finance costs	6	-	(3)
<b>Loss before tax</b>		-	(3)
Income tax credit	7	-	1
<b>Loss from continuing operations</b>		-	(2)
Profit / (loss) from discontinued operations	23	1,950	(1,806)
<b>Profit / (loss) for the year</b>	18	1,950	(1,808)
<b>Other comprehensive expense for the year (Items that may subsequently be reclassified to profit or loss, net of tax)</b>			
Translation adjustment	18	-	(9)
<b>Total other comprehensive expenses for the year, net of tax</b>		-	(9)
<b>Total comprehensive income / (expense) for the year</b>		1,950	(1,817)

The current and prior year results have been derived from continuing and discontinuing activities.

**Balance Sheet****At 31 December 2017**

	<b>Note</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	-	2
Intangible assets	9	-	-
Deferred tax asset	14	-	-
		-	2
<b>Current assets</b>			
Inventories		-	-
Trade and other receivables	10	-	-
Current tax asset		-	-
Cash and cash equivalents	11	-	-
<b>Total current assets</b>		-	-
<b>Total current assets held for sale</b>	13,24	-	729
<b>Total non-current assets held for sale</b>	13,24	-	1,305
<b>Total assets</b>		-	2,036
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	-	-
<b>Total liabilities</b>		-	-
<b>Total current liabilities held for sale</b>	13,23	-	(3,986)
<b>Net liabilities</b>		-	(1,950)
<b>Equity attributable to owners of the parent</b>			
Share capital	17	<b>2,000</b>	2,000
Accumulated losses	18	<b>(2,000)</b>	(3,987)
Cumulative translation reserve	18	-	37
<b>Total Equity</b>		-	(1,950)

## Balance Sheet (continued)

The notes on pages 13 to 35 are an integral part of these financial statements.

The financial statements on pages 8 to 35 were approved by the board of Directors on 28th June 2018 and were signed on its behalf by:



**Bruce Ferguson - Director**

**Hunting Energy Services Limited**

**Registered Number: 01674180**

## Statement of Changes in Equity

For the year ended 31 December 2017

	Share Capital £'000	Accumulated Losses £'000	Cumulative translation reserve £'000	Total equity £'000
<b>At 1 January</b>	<b>2,000</b>	<b>(3,987)</b>	<b>37</b>	<b>(1,950)</b>
Profit for the year	-	1,950	-	1,950
Other comprehensive result	-	-	-	-
Reclassification	-	37	(37)	-
<b>Total comprehensive income</b>	<b>-</b>	<b>1,987</b>	<b>(37)</b>	<b>1,950</b>
<b>Balance at 31 December</b>	<b>2,000</b>	<b>(2,000)</b>	<b>-</b>	<b>-</b>

For the year ended 31 December 2016

	Share Capital £'000	Accumulated Losses £'000	Cumulative translation reserve £'000	Total equity £'000
<b>At 1 January</b>	<b>2,000</b>	<b>(2,179)</b>	<b>46</b>	<b>(133)</b>
Loss for the year	-	(1,808)	-	(1,808)
Other comprehensive expense	-	-	(9)	(9)
<b>Total comprehensive expense</b>	<b>-</b>	<b>(1,808)</b>	<b>(9)</b>	<b>(1,817)</b>
Dividends paid	-	-	-	-
<b>Total dividends paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December</b>	<b>2,000</b>	<b>(3,987)</b>	<b>37</b>	<b>(1,950)</b>

## Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Operating activities</b>			
Cash (used in) / generated from operating activities	21	-	(978)
Interest paid	7	-	(3)
Tax received		-	-
<b>Net cash (used in) / generated from operating activities</b>		-	(981)
<b>Investing activities</b>			
Purchase of property, plant and equipment	8	-	-
Purchase of intangible asset	9	-	-
Proceeds from inter group transfer of property, plant and equipment	8	1	-
Disposal of Intangible asset	9	-	48
<b>Net (used in) / generated from investing activities</b>		1	48
<b>Financing activities</b>			
Dividends paid		-	-
<b>Net cash used in financing activities</b>		-	-
<b>Net (outflow) / inflow in cash and cash equivalents</b>		1	(933)
<b>Cash and cash equivalents at beginning of year</b>		(1,177)	(235)
<b>Effect of foreign exchange rate changes</b>		-	(9)
<b>Cash and cash equivalents at the end of the year</b>		(1,176)	(1,177)
Cash flows from / (used in) discontinued operations	23	1,176	1,177
<b>Total Cash flows from continuing and discontinued operations</b>	12	-	-

## Notes to the Financial Statements

### 1. Basis of Preparation

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using IFRS and those International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) Interpretations as adopted by the European Union. The financial statements have been prepared on a basis other than going concern.

During 2017, the Company ceased its principal trading activities following the finalisation of the sale of rental assets. It is the director's intention to liquidate the Company in the near future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern. The comparative financial statements continue to be prepared on a going concern basis. No adjustments have been required in these financial statements to reduce assets to their realisable value or to provide for liabilities arising from the decisions to liquidate.

The principal accounting policies applied in the preparation of these financial statements are set out in note 22. These policies have been consistently applied to all the years presented.

#### Changes in accounting policies and disclosures

##### a) New standards, amendments and interpretations

No new standards, amendments and interpretations, effective for the first time for the financial year beginning on or after 1 January 2017, have had a material impact on the financial statements of the Company.

##### b) *New standards, amendments and interpretations not yet adopted*

A number of new standards and amendments to the standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the company.

### 2. Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements and assumptions about the future, resulting in the use of accounting estimates. These will, by definition, seldom equal the related actual results and adjustments will consequently be necessary. Estimates are continually evaluated, based on experience, consultation with experts and reasonable expectations of future events. Following the property, plant and equipment impairment in 2015 of £1,859k the Company then impaired the assets further by £89k in 2016. These assets were then re-classified from property, plant and equipment to assets held for sale. A fair value adjustment was then made to the assets held for sale of £1,151k in line with the sales value achieved in March 2017. Further details provided in note 8. In addition to this a provision was made for dilapidations on the leased property held. See note 23 for analysis of discontinued operations.

## Notes to the Financial Statements (continued)

### 3. Revenue

	2017	2016
	£'000	£'000
Revenue from recharges	-	1,152
Management fee income	-	-
<b>Total revenue from continuing operations</b>	<b>-</b>	<b>1,152</b>

### 4. Nature of expenses

	2017	2016
	£'000	£'000
Total staff costs	-	1,152
Management fee expense	-	-
Other administrative expenses	-	-
	<b>-</b>	<b>1,152</b>

### 5. Employee information and directors' remuneration

Employee costs are analysed as follows:

	2017	2016
	£'000	£'000
Wages and salaries	-	1,034
Social security costs	-	112
Other pension costs	-	6
Termination Benefits	-	-
	<b>-</b>	<b>1,152</b>

Nothing to report for 2017. In 2016 the average number of employees recharged at no mark up to Hunting Energy Services (UK) Limited and Hunting Energy Services (Well Intervention) Limited was 27, Hunting Equipment Management Services with 9 employees providing services to the company. There was nil director's remuneration in the year. (2016:nil)

## Notes to the Financial Statements (continued)

### 5. Employee information and directors' remuneration (continued)

The average monthly number of persons employed during the year was:

	2017	2016
	No.	No.
Factory Direct – HEMS	-	6
Factory Direct – Manufacturing	-	25
Quality Assurance	-	2
Management and Administration	-	2
Sales and Marketing	-	1
	-	36

### 6. Finance costs

	2017	2016
	£'000	£'000
<b>Finance costs</b>		
Interest expense	-	-
Foreign exchange losses	-	(3)
<b>Total finance cost from continuing operations</b>	-	(3)

## Notes to the Financial Statements (continued)

### 7. Income tax credit

	2017	2016
	£'000	£'000
<b>Current tax</b>		
- Tax charge on profit for the year	410	269
- Adjustments in respect of prior years	19	30
<b>Total current tax charge for the year</b>	<b>429</b>	<b>299</b>
<b>Deferred tax</b>		
- Origination and reversal of timing differences	(329)	84
- Adjustments in respect of prior years	38	(22)
- Change in tax rate adjustment	(14)	(40)
<b>Total deferred income tax benefit</b>	<b>(305)</b>	<b>22</b>
<b>Total income tax credit for the year</b>	<b>124</b>	<b>321</b>
<b>Income tax credit is attributable to:</b>		
Tax from continuing operations	-	1
Tax from discontinued operations	124	320

The tax on the Company's profit before tax differs (2016: differs) from the theoretical amount that would arise using standard tax rate in the UK applicable to the profits as follows:

## Notes to the Financial Statements (continued)

### 7. Income tax credit (continued)

	2017 £'000	2016 £'000
<b>Profit / (Loss) before tax</b>	<b>1,826</b>	<b>(2,129)</b>
Loss before tax multiplied by standard rate in the UK 19.25% (2016 – 20%)	(351)	426
Effects of:		
- Adjustments in respect of prior years - current tax	5	30
- Adjustments in respect of prior years - deferred tax	-	(22)
- Non-taxable income	-	1
- Expenses not deductible for tax purposes	437	(35)
- Withholding taxes not deductible	(5)	(39)
- Rate difference on deferred tax items		(13)
- Change in tax rate adjustment	38	(27)
<b>Total income tax credit for the years</b>	<b>124</b>	<b>321</b>

The tax on loss before tax from continuing operations is not significant to the financial statements.

### Factors affecting current and future tax charges

A number of changes to the UK corporation tax system were announced in the Chancellor's Budget on 8 March 2017. The finance (No 2) Act 2017 received Royal Assent on 16 November 2017. The Finance (No 2) Bill 2017-19 includes changes announced in the Autumn Budget 2017. The Finance Bill 2015 included a reduction to the main corporation tax rate to 19% from 1 April 2017. The Finance Bill 2016, which received Royal Assent on 15 September 2016, included reductions to the main rate of corporation tax to reduce the rate to 17% from 1 April 2020. The changes are not expected to have a material impact on the Company's deferred tax balances.

## Notes to the Financial Statements (continued)

### 8. Property, plant and equipment

Year ended 31 December 2017

	Land and Buildings	Plant and equipment	Rental assets	Total
	£'000	£'000	£,000	£'000
<b>Cost:</b>				
At 1 January	-	41	-	41
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers in / out	-	(41)	-	(41)
Reclassification	-	-	-	-
<b>At 31 December</b>	-	-	-	-
<b>Accumulated Depreciation:</b>				
At 1 January	-	39	-	39
Charge for the financial year	-	1	-	1
Exchange Adjustment	-	-	-	-
Disposals	-	-	-	-
Transfers in / out	-	(40)	-	(40)
Reclassification	-	-	-	-
Impairment	-	-	-	-
<b>At 31 December</b>	-	-	-	-
<b>Net book amount</b>	-	-	-	-

In 2016 an impairment review of property, plant and equipment was undertaken. This resulted in an additional impairment loss of £89,000 within the statement of comprehensive income. (2015 Impairment: £1,859,000). The assets have subsequently been re-classed to held for sale at fair value of £1,000,000. In 2017 the remain IT assets were transferred Hunting Energy Services (Well Intervention) Ltd via intergroup.

## Notes to the Financial Statements (continued)

### 8. Property, plant and equipment (continued)

Year ended 31 December 2016

	Land and Buildings	Plant and equipment	Rental assets	Total
	£'000	£'000	£,000	£'000
<b>Cost:</b>				
At 1 January	56	564	5,082	5,702
Additions	-	56	16	72
Disposals	(56)	(117)	(53)	(226)
Transfers out	-	-	(182)	(182)
Reclassification	-	(462)	(4,863)	(5,325)
<b>At 31 December</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>41</b>
<b>Accumulated Depreciation:</b>				
At 1 January	41	520	3,741	4,302
Charge for the financial year	7	36	-	43
Exchange adjustment	-	-	1	1
Disposals	(48)	(83)	(14)	(145)
Transfers out	-	-	(77)	(77)
Reclassification	-	(318)	(3,856)	(4,174)
Impairment	-	(116)	205	89
<b>At 31 December</b>	<b>-</b>	<b>39</b>	<b>-</b>	<b>39</b>
<b>Net book amount</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>

## Notes to the Financial Statements (continued)

### 9. Intangible Assets

Year ended 31 December 2017	2017	2016
	£'000	£'000
<b>Cost:</b>		
At 1 January	-	73
Disposals	-	(73)
<b>At 31 December</b>	<b>-</b>	<b>-</b>
<b>Accumulated Amortisation:</b>		
At 1 January	-	(11)
Charge for the financial year	-	(15)
Disposals	-	(26)
<b>At 31 December</b>	<b>-</b>	<b>-</b>
<b>Net book amount</b>	<b>-</b>	<b>-</b>

### 10. Trade and other receivables

	2017	2016
	£'000	£'000
Net trade receivables	-	242
Amounts owed by group undertakings	-	84
Prepayments	-	-
Other receivables	-	1
Accrued revenue	-	94
<b>Total trade and other receivables</b>	<b>-</b>	<b>421</b>

Amounts owed by group undertakings are unsecured and are repayable on demand. 'Group' companies are those that are part of Hunting PLC group.

Trade receivables that are neither past due nor impaired are expected to be fully recoverable as there is no recent history of default or any indications that the debtors will not meet their payment obligations.

At 31 December 2017 no trade receivables (2016 – £136,000) were past due but not impaired. The ageing of these trade receivables at the year-end is as follows:

## Notes to the Financial Statements (continued)

### 10. Trade and other receivables (continued)

Number of days overdue:	2017 £'000	2016 £'000
1 – 30 days	-	16
31 – 60 days	-	12
61 - 90 days	-	-
91-120 days	-	4
Over 120 days	-	104
<b>At 31 December</b>	<b>-</b>	<b>136</b>

Balances are nil. In 2016 all of these balances relate to customers for whom there is no recent history of default. There is no provision for impairment of trade receivables; this is based on the age of the receivables and the likelihood of default, which is deemed to be very low.

*There are no amounts owed by group or accrued revenues which are past due or impaired (2016: nil).*

### 11. Cash and cash equivalents

	2017 £'000	2016 £'000
Total cash at bank	-	-

### 12. Non-current assets held for sale

	2017 £'000	2016 £'000
Held for sale assets	-	1,000
<b>Total non-current assets held for sale</b>	<b>-</b>	<b>1,000</b>

The assets held for sale relate to the rental equipment of Hunting Energy Services Limited in its entirety and have been presented as held for sale following the approval of the company's management to dispose of these assets. The completion date for the disposal was March 2017.

## Notes to the Financial Statements (continued)

### 13. Trade and other payables

	2017	2016
	£'000	£'000
Amounts owed to group undertakings	-	3,031
Accruals and other payables	-	911
Trade payables	-	44
	-	3,986

In 2017 amounts owed to group undertakings include interest bearing loans amounting to £2,404,000 were written off. (2016: £2,979,000) which bear interest at 0.5% - 1% (2016 – 0.5% - 1%), these are repayable on demand. Other amounts owed to group undertakings are unsecured and are repayable on demand.

### 14. Deferred tax asset

The analysis of the deferred tax asset is as follows:

Deferred tax asset:	2017	2016
	£'000	£'000
Accelerated capital allowances	-	305
The gross movement on the deferred income tax account is as follows:	2017	2016
At 1 January	305	283
Credit to income statement for accelerated capital allowances	(305)	22
At 31 December	-	305

The company has no unrecognised deferred tax assets or liabilities at the end of the year.

Deferred tax was calculated in full on the temporary differences under the liability method using a tax rate of 17% in 2016.

The deferred amount was deemed to be recoverable following calculations by the Hunting tax department, this related to the fixed assets purchased previously. The amounts resulted from variations in timing for depreciation under Hunting's policy and under tax regulations.

It was expected that this was recovered in the next 12 months due to the assets of the business being sold.

## Notes to the Financial Statements (continued)

### 15. Financial instruments

#### Fair values of financial assets and financial liabilities

The carrying amounts of each measurement category of the Company's financial assets and financial liabilities are stated below, together with a comparison of fair value and carrying amount for each class of financial asset and financial liability.

Under IFRS 13, fair value measurements should be classified using a fair value hierarchy that reflects the significance of the inputs used in the measurements, according to the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Interest bearing loans included in amounts owed to group undertakings are all shown at Level 2. All other financial instruments are all shown at Level 3.

	Loans and Receivables	Financial Liabilities Measured at Amortised Cost	Total Carrying Value	Total Fair Value
2017	£'000	£'000	£'000	£'000
<b>Current Assets</b>				
Trade receivables (Note 10)	-	-	-	-
Amounts owed by group undertakings (Note 10)	-	-	-	-
Assets Held for Sale (Note 12)	-	-	-	-
Other Receivables (Note 10)	-	-	-	-
Accrued revenues (Note 10)	-	-	-	-
<b>Total current assets</b>	-	-	-	-
<b>Current Liabilities</b>				
Trade payables (Note 13)	-	-	-	-
Accruals and other payables (Note 13)	-	-	-	-
Amounts owed to group undertakings (Note 13)	-	-	-	-
<b>Total current liabilities</b>	-	-	-	-
<b>Total current assets and liabilities</b>	-	-	-	-

## Notes to the Financial Statements (continued)

### 15. Financial instruments (continued)

	Loans and receivables	Financial Liabilities Measured at Amortised Cost	Total Carrying Value	Total Fair Value
2016	£'000	£'000	£'000	£'000
<b>Current Assets</b>				
Trade receivables (Note 10)	242	-	242	242
Amounts owed by group undertakings (Note 10)	84	-	84	84
Assets Held for Sale (Note 12)	1,000	-	1,000	1,000
Other Receivables (Note 10)	1	-	1	1
Accrued revenues (Note 10)	94	-	94	94
<b>Total current assets</b>	<b>1,421</b>	<b>-</b>	<b>1,421</b>	<b>1,421</b>
<b>Current Liabilities</b>				
Trade payables (Note 13)	-	(44)	(44)	(44)
Accruals and other payables (Note 13)	-	(911)	(911)	(911)
Amounts owed to group undertakings (Note 13)	-	(3,031)	(3,031)	(3,031)
<b>Total current liabilities</b>	<b>-</b>	<b>(3,986)</b>	<b>(3,986)</b>	<b>(3,986)</b>
<b>Total current assets and liabilities</b>	<b>1,421</b>	<b>(3,986)</b>	<b>(2,565)</b>	<b>(2,565)</b>

### 16. Financial risk factors

The activities of the Company expose it to certain financial risks, namely foreign exchange risk, credit risk, liquidity risk, and sensitivity to the interest rate. The Company's risk management strategy seeks to minimise potential adverse effects on its financial performance.

There are clearly defined objectives and principles for managing financial risk established by the Board of Directors, with policies, parameters and procedures covering foreign currency and cash management.

The Company works closely with the treasury function of Hunting PLC to ensure proper implementation of the policies for foreign currency and cash management.

#### (a) Foreign exchange risk

The Company is exposed to foreign exchange risk from its operating activities carried out in its foreign branch (HEMS Holland). Foreign exchange risks arise from future transactions and cash flows and from recognised monetary assets and liabilities that are not denominated in the functional currency of the Company's local operations. The company does not use derivative instruments to hedge foreign currency exposures. However, the management aims to minimise open positions in foreign currencies to the extent that is necessary to conduct its activities. The table below shows the foreign currency positions at 31 December in Sterling:

## Notes to the Financial Statements (continued)

### 16. Financial risk factors (continued)

#### (a) Foreign exchange risk (continued)

	2017		2016	
	US Dollars	Euros	US Dollars	Euros
	£'000	£'000	£'000	£'000
<b>Current Assets</b>				
Trade receivables	-	-	98	94
Accrued foreign currency invoices	-	-	73	21
Amounts owed by group undertakings	-	-	92	169
<b>Current Liabilities</b>				
Trade payables	-	-	-	-
Amounts owed to group undertakings	-	-	-	(53)
Accruals and other payables	-	-	-	-
<b>Totals</b>	<b>-</b>	<b>-</b>	<b>263</b>	<b>231</b>

#### (i) Transactional risk

The Company prepares quarterly rolling twelve month cash flow forecasts to enable working capital currency exposures to be identified. Action is then taken to eliminate any potential exposures that are arising. No speculative positions are entered into by the Company. HESL generates a loan liability position with Hunting Knightsbridge Holdings to offset trade and other receivable assets negating the effects of changes in exchange rates.

#### (ii) Translational risk

Foreign exchange risk also arises from the Company's investment in foreign operations. However, it is deemed that the risk is not material and as a result no hedging instruments are required.

#### (b) Credit risk

The Company's credit risk arises on its outstanding receivables which are continuously monitored. Credit account limits are primarily based on the credit quality of the customer and past experience through trading relationships. The maximum exposure to credit risk as at 31 December 2017 is the carrying value of each class of receivables in note 11. To reduce credit risk exposure from outstanding receivables, the Company is covered by the Group credit insurance policy taken out with an external insurer, subject to certain conditions.

#### (c) Liquidity risk

The company needs to ensure it has sufficient liquid funds to support its working capital and capital expenditure requirements.

The Company is party to the Hunting Plc group set-off arrangement with Barclays Bank Plc.

Surplus funds are loaned to the Company's parent company with interest paid at the Bank of England base rate + 1% prevailing during the loan.

All of the Company's financial liabilities are payable on demand or within one year (2016 – on demand or within one year).

## Notes to the Financial Statements (continued)

### 16. Financial risk factors (continued)

#### (d) Sensitivity analysis

The following sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on profit or loss and shareholder's equity. The sensitivity analysis relates to the position as at 31 December 2017.

##### (i) Interest rate sensitivity

Interest rate risk arises from loans payable included in amounts owed to group undertakings. At 31 December, if UK interest rates had been 0.5% higher or lower, with all other variables held constant, the post-tax effects for the year would have been as follows:

	2017		2016	
	Income Statement	Equity	Income Statement	Equity
	£'000	£'000	£'000	£'000
UK Interest Rates +0.5%	-	-	(15)	-
UK Interest Rates -0.5%	-	-	15	-

These movements arise from the GBP Sterling floating rate on the inter-group loans.

##### (ii) Foreign exchange rate sensitivity

At 31 December, if the US dollar had strengthened or weakened by 15% against GBP Sterling, with all other variables held constant, the impact on post-tax-profit end equity for the year would have been as follows:

	2017		2016	
	Income Statement	Equity	Income Statement	Equity
	£'000	£'000	£'000	£'000
US dollar exchange rates +15%	-	-	(20)	-
US dollar exchange rates -15%	-	-	23	-

The movement on the post-tax profit is a result of a change in the value of cash, receivable and payable balances denominated in US dollars.

At 31 December, if the Euro had strengthened or weakened by 15% against GBP Sterling, with all other variables held constant, the impact on post-tax-profit end equity for the year would have been as follows:

	2017		2016	
	Income Statement	Equity	Income Statement	Equity
	£'000	£'000	£'000	£'000
Euro exchange rates +15%	-	-	(23)	-
Euro exchange rates -15%	-	-	26	-

The movement on the post-tax profit is a result of a change in the value of cash, receivable and payable balances denominated in Euro.

## Notes to the Financial Statements (continued)

### 17. Share capital

	2017 £'000	2016 £'000
<b>Authorised:</b>		
5,000,000 (2016: 5,000,000) ordinary shares of £1 each	5,000	5,000
<b>Allotted, called up and fully paid</b>		
2,000,000 (2016: 2,000,000) ordinary shares of £1 each	2,000	2,000

Hunting Energy Services Limited is a private limited company incorporated and domiciled in England and Wales.

#### Dividend paid

	2017 £'000	2016 £'000
Hunting Energy Services (International) Limited	-	-

There were no dividend payments in 2017 (2016: nil)

### 18. Accumulated losses and other reserves

	2017			2016		
	Accumulated Losses	Cumulative Translation Reserve	Total	Accumulated Losses	Cumulative Translation Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January	(3,987)	37	(3,950)	(2,179)	46	(2,133)
Profit / (Loss) for the year	1,950	-	1,950	(1,808)	-	(1,808)
Translation adjustment	-	-	-	-	(9)	(9)
Reclassification	37	(37)	=	=	=	=
<b>At 31 December</b>	<b>(2,000)</b>	<b>-</b>	<b>(2,000)</b>	<b>(3,987)</b>	<b>37</b>	<b>(3,950)</b>

## Notes to the Financial Statements (continued)

### 19. Operating leases

The company transferred its lease obligations to Huntaven Ltd.

	2017	2016
	£'000	£'000
	Land and buildings	Land and buildings
Within one year	-	153
Between two to five years	-	395
After five years	-	-

### 20. Ultimate parent undertaking and related party transactions

Hunting Energy Services (International) Limited, a company registered in England and Wales, is the immediate parent undertaking of the Company. Hunting PLC is the ultimate parent undertaking and the ultimate controlling party, and the only group to consolidate these financial statements.

Companies under common control are companies controlled by Hunting PLC. Copies of the financial statements of Hunting PLC may be obtained from the Company Secretary, Hunting PLC, 5 Hanover Square, London W1S 1HE.

The following transactions were carried out with related parties in 2017:

	Immediate Parent Undertakings £000's	Under Common Control £000's	Total £000's
Interest paid net, to	-	-	-
Amounts payable to related parties	-	-	-
Amounts receivable from related parties	-	-	-

The following transactions were carried out with related parties in 2016:

	Immediate Parent Undertakings £000's	Under Common Control £000's	Total £000's
Interest paid net	-	(30)	(30)
Amounts payable to related parties	-	(3,031)	(3,031)
Amounts receivable from related parties	-	84	84

## Notes to the Financial Statements (continued)

### 21. Cash generated from operating activities

Reconciliation of loss to cash generated from operating activities:

	2017 £'000	2016 £'000
Loss before tax	-	(3)
Adjustments for:		
- Depreciation	-	-
- Amortisation	-	15
- Finance income	-	-
- Finance costs	-	3
- Result on disposal of Property, Plant and Equipment	-	-
- Impairment of Property, Plant and Equipment	-	-
Re-class of PPE to Assets held for Sale	-	(1,000)
Changes in working capital:		
- Decrease in inventories	-	7
- Decrease in trade and other receivables	-	-
- (Decrease) in trade and other payables	-	-
<b>Cash (used in) / generated from operations</b>	<b>-</b>	<b>(978)</b>

### 22. Principal Accounting Policies

#### Investments

Investments are valued at the lower of cost and net realisable value and represent investments in the equity share capital of subsidiary undertakings, associates, and jointly controlled entities. Income from investments is credited to the profit and loss account when dividends are received. Impairment to investments is considered on an annual basis. Any impairment in carrying value which is deemed as being permanent is taken immediately as a charge to the income statement.

#### Revenue

Revenue represents the invoiced amount, excluding sales related taxes, of goods sold and services provided and are recognised when title passes to the customer or when the service has been rendered. The main focus of this company is the rental of drilling tools to drilling contractor companies, this revenue is recognised as an accrual at the end of each period, and the invoices are then issued the following period. Any tools where rental ends during a period are invoiced in the same period. Revenue from tools rentals is mainly on short term contracts; this revenue is recognised when the services are rendered. Revenue from services is made up of revenues generated from the workshop for repairs and maintenance of third party equipment.

Revenue was also generated by the Company on the recharge of the payroll for the manufacturing staff based at Badentoy. These costs were recharged with a zero mark up to the operating company, either Hunting Energy Services (UK) Limited or Hunting Energy Services (Well Intervention) Limited however in June 2016 it was decided for all costs to be borne by the legal entities.

#### Interest

Interest income and expense is recognised in the income statement using the effective interest method.

## Notes to the Financial Statements (continued)

### 22. Principal Accounting Policies (continued)

#### Foreign currencies

Functional currency of the Company is GBP. Exchange differences arising from trading transactions are dealt with in the income statement. Trading results are translated at the average rate for the period. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial year. Exchange gains or losses on monetary assets and liabilities are taken to the income statement. The year-end exchanges of GBP to US Dollar and to Euro are 1.35 (2016: 1.24) and 1.12 (2016: 1.17) respectively.

#### Taxation

The tax charge represents the sum of tax currently payable, deferred tax and managements estimated provision for a portfolio of tax claims. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from the profit reported in the income statement due to items that are taxable or deductible in a different year. The company's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, tax losses carried forward, and in relation to acquisitions, the difference between the fair values of the net assets acquired and their tax base. Tax rates enacted, or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

A tax charge is created to reflect management's best estimate of the amount payable in relation to a portfolio of tax claims and the risk of occurrence of each claim as at the balance sheet date.

#### Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition and installation of the asset.

Depreciation is charged so as to write off the cost of assets to their residual value, over their estimated useful lives. Assets are depreciated using the straight-line method at the following rates:

- Plant and equipment – 11% to 33%
- Land and Buildings – 9%
- Rental Assets – 10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income/income statement.

## Notes to the Financial Statements (continued)

### 22. Principal Accounting Policies (continued)

#### Impairment

The Company assesses at least annually whether there have been any events or changes in circumstances that indicate that plant and equipment and investments may be impaired. An impairment review is carried out whenever the assessment indicates that the carrying amount may not be fully recoverable. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Where impairment exists, the asset is written down to the higher of (a) its fair value minus costs of disposal; and (b) its value in use. Impairments are recognised immediately in the income statement. When applicable, an impairment of any asset is reversed, but only to the extent that the consequent carrying value does not exceed what would have been the carrying value had the impairment not originally been made.

#### Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with a maturity of less than three months from the date of deposit that are readily convertible to a known amount of cash.

For cash flow statement purposes, cash and cash equivalents include bank overdrafts and short-term deposits with a maturity of less than three months from the date of deposit. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

#### Financial Assets

Loans and receivables are initially recognised at fair value at the trade date which is normally the consideration paid plus transaction costs. Loans and receivables are carried at amortised cost using the effective interest method. If collection is expected in one year or less they are classified as current assets, otherwise they are presented as non-current assets.

The company assesses at each balance sheet date whether a loan or receivable is impaired and if necessary the carrying amount is reduced to the appropriate value. The loss is recognised immediately in the income statement. Loans and receivables cease to be recognised when the right to receive cash flows has expired or the company has transferred substantially all the risks and rewards of ownership.

#### Financial Liabilities

Financial liabilities are initially recognised at fair value at the trade date which is normally the consideration. The Company subsequently re-measures all of its non-derivative financial liabilities, including trade payables, at amortised cost.

#### Post-Employment Benefits

Payments made to defined contribution retirement schemes are charged to the income statement when they fall due. Payments to defined benefit retirement schemes is the increase in the retirement benefit obligation resulting from the additional service provided by the participating employees during the year which is measured using the projected unit method.

#### Share Capital

The Company's share capital comprises a single class of Ordinary shares, which are classified as equity. Incremental costs directly attributable to the issue of new shares are charged to equity as a deduction from the proceeds, net of tax.

#### Capital Management

The company's objective when managing capital is to ensure that the Company will be able to continue as a going concern while maximising the return of the stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt (which includes loan from parent company, trade and other payables and accruals), cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and retained earnings.

## Notes to the Financial Statements (continued)

### 22. Principal Accounting Policies (continued)

#### Gearing Ratio

The management of the company reviews the capital structure regularly. As part of this review, the Company considers the cost of capital and the risks associated with the capital. The Company will balance its overall capital structure through the issues of new shares as well as the utilisation of bank borrowings.

#### Inventories

Inventories, including work in progress, are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method and net realisable value is the estimated selling price less costs of sale in the ordinary course of business. The cost of work in progress includes direct labour, material costs and production overheads.

#### Capital Management

The gearing ratio at the end of the year was as follows:

	2017 £'000	2016 £'000
Debts	-	(2,979)
Cash and cash equivalents	-	-
Net debt	-	(2,979)
Equity	-	(1,950)
Net debt to equity	-	153%

#### Dividend Distributions

Dividend distributions to the Company's shareholders are recognised as liabilities in the Company's financial statements in the period in which the dividends are paid in the case of interim dividends, and approved by the Company's shareholders in case of final dividends and are dealt with in the Statement of Changes in Equity.

#### Dividend Income

Dividend income received from subsidiary undertakings are recognised in the financial statements in the period that they are received and are dealt with in the Statement of Comprehensive Income, below operating profit (investing activity).

#### Leases

The company only has operating leases and the rental of these is charged to the Income Statement on a straight-line basis over the life of the lease.

## Notes to the Financial Statements (continued)

### 23. Discontinued Operations

#### Description

During 2016, the Company approved the sale of its rental assets which was completed within 1 year of approval. On this basis, the rental assets were classified as held for sale and re-measured at fair value. The fair value of £1million was determined based on the price at which the assets were sold in April 2017. The operations of the Company relative to the rental assets which was considered to be a separate major line of business were disclosed as discontinued operation. During 2017, the Company stopped its principal trading activities following the finalisation of the sale of its rental assets. It is the director's intention to liquidate the Company in the near future.

#### a) Financial performance

The financial performance information presented are for the year ended 31 December 2017 and 2016.

	Note	2017 £'000	2016 £'000
<b>Revenue</b>		<b>97</b>	644
Cost of sales		(56)	(646)
<b>Gross profit / (loss)</b>		<b>41</b>	(2)
Other expenses		-	(56)
Administrative expenses		1,844	(2,064)
<b>Operating Income / (Loss)</b>		<b>1,885</b>	(2,122)
Finance income		22	25
Finance costs		(81)	(30)
<b>Income / (loss) before tax</b>		<b>1,826</b>	(2,127)
Income tax credit	7	124	321
<b>Income / (loss) for the year</b>		<b>1,950</b>	(1,806)

#### b) Assets and liabilities reclassified as held for sale as at 31 December 2017

	2017 £'000	2016 £'000
<b>Assets classified as held for sale</b>		
Property, plant and equipment assets held for sale	-	1,000
Deferred tax asset	-	305
Trade and other receivables	-	421
Current tax asset	-	308
<b>Total assets held for sale</b>	-	2,034

## Notes to the Financial Statements (continued)

### b) Assets and liabilities reclassified as held for sale as at 31 December 2017 (continued)

	2017	2016
	£'000	£'000
<b>Liabilities classified as held for sale</b>		
Trade and other payables	-	(3,986)
<b>Total assets held for sale</b>	-	(3,986)

### c) Cashflow statement for discontinued operations

	Note	2017 £'000	2016 £'000
<b>Operating activities</b>			
Cash generated from / (used in ) operating activities	22	(1,693)	681
Interest paid	6	(81)	(30)
Interest received		22	25
Tax received		753	183
<b>Net cash generated / (used in) operating activities</b>		(999)	859
<b>Investing activities</b>			
Purchase of property, plant and equipment	8	-	(72)
Proceeds from sale of property, plant and equipment	8	1,000	129
Proceeds from inter group transfer of property, plant and equipment	8	-	-
<b>Net generated from / (used in) investing activities</b>		1,000	57
<b>Net inflow / (outflow) in cash and cash equivalents</b>		1	916
<b>Cash and cash equivalents at beginning of year</b>		1,177	261
<b>Cash and cash equivalents at the end of the year</b>		1,176	1,177

## Notes to the Financial Statements (continued)

### 24. Discontinued Operations (continued)

#### c) Cashflow statement for discontinued operations (continued)

#### Cash generated / (used in) from operations

*Reconciliation of loss to cash generated from operating activities*

	2017 £'000	2016 £'000
Profit / (loss) before tax	1,826	(2,127)
Adjustments for:		
- Depreciation	-	43
- Finance income	(22)	(25)
- Finance costs	81	30
- Loss on disposal of Property, Plant and Equipment	-	56
- Fair value adjustment of assets held for sale	-	152
- Impairment of Property, Plant and Equipment	-	89
- Re-class of Property, Plant and Equipment held for sale	-	1,000
Changes in working capital:		
- Change in trade and other payables	(3,986)	(380)
- Change in trade and other receivables	418	1,843
<b>Net cash generated / (used in) from operating activities</b>	<b>(1,693)</b>	<b>681</b>