

**Furmanite 1986 (unlimited with  
share capital)**

Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 02004499



## **Furmanite 1986 (unlimited with share capital)**

### **Company Information**

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<b>Directors</b>	J A Jarvis G L Boane A C Bouchard
<b>Company secretary</b>	R Dixon
<b>Registered number</b>	02004499
<b>Registered office</b>	Furman House Shap Road Kendal Cumbria LA9 6RU
<b>Independent auditor</b>	BDO LLP 3 Hardman Street Manchester M3 3AT

# **Furmanite 1986 (unlimited with share capital)**

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# **Furmanite 1986 (unlimited with share capital)**

## **Strategic Report For the Year Ended 31 December 2017**

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### **Introduction**

The directors present the strategic report together with the audited financial statements for the year ended 31 December 2017.

### **Business review**

The company did not trade during the year. The company is an intermediate holding company.

### **Principal risks and uncertainties**

Due to the nature of Furmanite 1986 as a holding company it has limited risks and uncertainties, however the key risk facing the business is the investments not being held at the right carrying value due to underperformance in the group companies.

### **Financial key performance indicators**

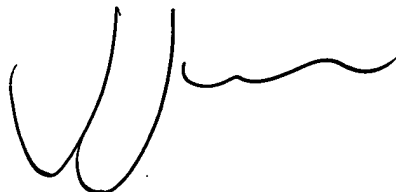
The company has no key performance indicators.

### **Future developments**

The directors consider that the company will continue in existence as a holding company.

This report was approved by the board on 27/08/2018 and signed on its behalf.

**J A Jarvis**  
Director



# **Furmanite 1986 (unlimited with share capital)**

## **Directors' Report For the Year Ended 31 December 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

### **Business review**

A review of the business and its principal risks and uncertainties is set out in the strategic report on page 1 of the financial statements.

### **Directors**

The directors who served during the year were:

J A Jarvis  
G L Boane  
A C Bouchard

### **Matters covered in the strategic report**

In accordance with s414C(11) of the Companies Act, information on financial risk management and exposure to risk has been disclosed in the Strategic Report

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Post balance sheet events**

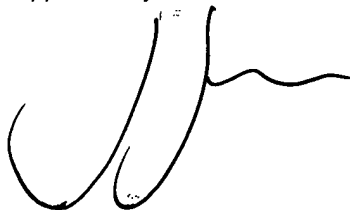
There have been no significant events affecting the company since the year end.

### **Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27/09/2018 and signed on its behalf.

J A Jarvis  
Director



## **Furmanite 1986 (unlimited with share capital)**

### **Directors' Responsibilities Statement For the Year Ended 31 December 2017**

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The directors are responsible for preparing the strategic report, 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; 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 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.

# **Furmanite 1986 (unlimited with share capital)**

## **Independent Auditor's Report to the Members of Furmanite 1986 (unlimited with share capital)**

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### **Opinion**

We have audited the financial statements of Furmanite 1986 for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) .

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

## **Furmanite 1986 (unlimited with share capital)**

### **Independent Auditor's Report to the Members of Furmanite 1986 (unlimited with share capital) (continued)**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

#### **Auditor's 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 auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## **Furmanite 1986 (unlimited with share capital)**

### **Independent Auditor's Report to the Members of Furmanite 1986 (unlimited with share capital) (continued)**

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#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

**Steven Roberts** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom

*28/09/2018*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Furmanite 1986 (unlimited with share capital)

### Statement of Comprehensive Income For the Year Ended 31 December 2017

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 9 to 13 form part of these financial statements.

### Statement of Financial Position As at 31 December 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
<b>Fixed assets</b>					
Investments	6		3,565		3,565
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	4,350		4,350	
Creditors: amounts falling due within one year	8	(2,494)		(2,494)	
<b>Net current assets</b>			1,856		1,856
<b>Total assets less current liabilities</b>			5,421		5,421
<b>Net assets</b>			5,421		5,421
<b>Capital and reserves</b>					
Called up share capital	9		2,994		2,994
Share premium account	10		734		734
Other reserves	10		1,693		1,693
<b>Total equity</b>			5,421		5,421

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27/09/2018.

J A Jarvis  
Director

The notes on pages 9 to 13 form part of these financial statements.

## Furmanite 1986 (unlimited with share capital)

### Statement of Changes in Equity For the Year Ended 31 December 2017

	Share capital £000	Share premium £000	Other reserves £000	Total equity £000
At 1 January 2017	2,994	734	1,693	5,421
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2017</b>	<b>2,994</b>	<b>734</b>	<b>1,693</b>	<b>5,421</b>

### Statement of Changes in Equity For the Year Ended 31 December 2016

	Share capital £000	Share premium £000	Other reserves £000	Total equity £000
At 1 January 2016	2,994	734	1,693	5,421
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2016</b>	<b>2,994</b>	<b>734</b>	<b>1,693</b>	<b>5,421</b>

The notes on pages 9 to 13 form part of these financial statements.

# **Furmanite 1986 (unlimited with share capital)**

## **Notes to the Financial Statements For the Year Ended 31 December 2017**

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### **1. General information**

Furmanite 1986 is a company unlimited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page. The nature of the company's operations and its principal activities are given in the Strategic Report.

### **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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency is pounds sterling and all amounts in these financial statements have been rounded to the nearest thousand pound.

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 (see note 3).

The following principal accounting policies have been applied:

#### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Team Inc. as at 31 December 2017 and these financial statements may be obtained from [www.teaminc.com](http://www.teaminc.com).

#### **2.3 Consolidated financial statements**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Team Inc, a company incorporated in the United States of America, and included in the consolidated accounts of that company.

#### **2.4 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

# **Furmanite 1986 (unlimited with share capital)**

## **Notes to the Financial Statements For the Year Ended 31 December 2017**

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### **2. Accounting policies (continued)**

#### **2.5 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.

#### **2.6 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

#### **2.7 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.

## Furmanite 1986 (unlimited with share capital)

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

There were no other key sources of estimation uncertainty.

#### 4. Auditor's remuneration

The audit fee of £1,000 (2016: £1,000) was borne by TeamFurmanite Limited, a subsidiary.

#### 5. Employees

The company has no employees other than the directors, who did not receive any remuneration (2016 - £Nil).

The emoluments of the directors are paid by a fellow group undertaking, which means no recharge to the company. They are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

#### 6. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2017	3,565
At 31 December 2017	3,565
<b>Net book value</b>	
At 31 December 2017	3,565
At 31 December 2016	3,565

## Furmanite 1986 (unlimited with share capital)

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 6. Fixed asset investments (continued)

##### Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
TeamFurmanite Limited	Ordinary	100 %	Provision of specialist online engineering services on continuous process plant
Team Industrial Services Inspection Limited	Ordinary	100 %	Provision of specialist plant inspection services

##### Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Furmanite Middle East SPC**	Ordinary	100 %	Specialist Engineering
Furmanite West Africa Limited**	Ordinary	100 %	Specialist Engineering

\*\* The investments in Furmanite Middle East SPC and Furmanite West Africa Limited are held by TeamFurmanite Limited.

TeamFurmanite Limited and Team Industrial Services Inspection Limited are companies incorporated in England and Wales, their registered office is Furman House, Shap Road, Kendal, Cumbria, LA9 6RU.

Furmanite Middle East SPC is a company incorporated in Bahrain, with the registered office being Building 90, Road 60, Block 604, Qarya, Kingdom of Bahrain.

Furmanite West Africa Limited is a company incorporated in Nigeria, with the registered office being 13 Sumbo Jibowu Street, Ikoyi, Lagos, Nigeria.

#### 7. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	4,350	4,350

#### 8. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	2,494	2,494

## Furmanite 1986 (unlimited with share capital)

### Notes to the Financial Statements For the Year Ended 31 December 2017

#### 9. Share capital

	2017 £000	2016 £000
<b>Allotted, called up and fully paid</b>		
2,994,000 ordinary shares of £1 each	<u>2,994</u>	<u>2,994</u>

#### 10. Reserves

The company's capital and reserves are as follows:

##### Share capital

Called up share capital represents the nominal value of the shares issued.

##### Share premium account

Amount subscribed for share capital in excess of nominal value.

##### Other reserves

Amount transferred from share capital or redemption of issued shares.

#### 11. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 Section 33.1A from the requirement to disclose details of transactions with other wholly owned group companies.

#### 12. Controlling party

The company is a wholly owned subsidiary of Furmanite Limited, a company registered in England and Wales at Furman House, Shap Road, Kendal, Cumbria, LA9 6RU. Team, Inc, a company incorporated in the USA, is the ultimate parent company.

The company's results are consolidated in the accounts of Team, Inc, and is the smallest and largest group for which consolidated accounts are prepared and publicly available. Copies of the Team, Inc accounts are available from the registered office at Team, Inc, 13131 Dairy Ashford, Suite 600, Sugar Land, TX 77478, United States of America or on their website at <http://investor.teaminc.com>.