

Company Registration No. 05081024 (England and Wales)

**WHESOE OIL & GAS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**



# WHESOE OIL & GAS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	C J Droogan	(Appointed 10 July 2017)
<b>Company number</b>	05081024	
<b>Registered office</b>	Cleveland House Yarm Road Darlington Co Durham DL1 4DE	
<b>Auditor</b>	Goodman Jones LLP 29-30 Fitzroy Square London W1T 6LQ	
<b>Bankers</b>	Arab National Bank P O Box 2LB 35 Curzon Street London W1J 7TT	
	HSBC Bank plc 110 - 116 Grey Street Newcastle upon Tyne NE1 6JG	
	HSBC New Delhi Main Branch 52/60 Mahatma Gandhi Road P.O. Box 631 Mumbai 400 001 India	

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# WHESOE OIL & GAS LIMITED

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# WHESOE OIL & GAS LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The director presents his report and financial statements for the year ended 31 December 2016.

#### Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

#### Principal activities

The principal activity of the company continued to be that of engineering, procurement and construction supervision services in the oil and gas, and petrochemical industries.

#### Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Dr S I A Ismail

(Resigned 10 July 2017)

C J Droogan

(Appointed 10 July 2017)

#### Auditor

In accordance with the company's articles, a resolution proposing that Goodman Jones LLP be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**WHESOE OIL & GAS LIMITED**

**DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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On behalf of the board



.....  
C J Droogan

Director  
28-09-2017  
.....

# WHESSOE OIL & GAS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WHESSOE OIL & GAS LIMITED

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We have audited the financial statements of Whessoe Oil & Gas Limited for the year ended 31 December 2016 which comprise and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

#### **Respective responsibilities of director and auditor**

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Basis of qualified opinion on financial statements**

The company has taken a prudent approach to creditor balances shown in the financial statements; accruals and deferred income on contracts are shown with a carrying amount of £4,426k (2015 - £4,426k) in the closing balance sheet as at 31 December 2016. The audit evidence available to us was limited because the supporting documentation to allow us to review the stage of completion and outcome of long term contracts as at 31 December 2016 is not available. Owing to the nature of the company's records, we were unable to obtain sufficient audit evidence by using other audit procedures.

We were also unable to verify the trade creditors balance of £907k (2015 - £897k) in the closing balance sheet as at 31 December 2016. This was similarly due to lack of accounting records, as the entire balance, exclusive of revaluation adjustments, relates to transactions that pre-dates the current and prior period.

#### **Qualified opinion on the financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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; and

# WHESSOE OIL & GAS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF WHESSOE OIL & GAS LIMITED

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#### Emphasis of matter

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are not prepared on the going concern basis for the reasons set out in that note.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Director's Report has been prepared in accordance with applicable legal requirements.

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

In respect solely of the limitation on our work relating to accruals and deferred income on contracts described above:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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

- 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
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Graeme Bursack (Senior Statutory Auditor)  
for and on behalf of Goodman Jones LLP

29<sup>th</sup> September 2017

Chartered Accountants  
Statutory Auditor

29-30 Fitzroy Square  
London  
W1T 6LQ

# WHESOE OIL & GAS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

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	Notes	2016 £'000	2015 £'000
Turnover		228	167
Cost of sales		(2)	(48)
		<hr/>	<hr/>
Gross profit		226	119
Administrative expenses		(239)	(16)
		<hr/>	<hr/>
(Loss)/profit before taxation		(13)	103
Taxation		-	-
		<hr/>	<hr/>
(Loss)/profit for the financial year		(13)	103
		<hr/>	<hr/>



# WHESOE OIL & GAS LIMITED

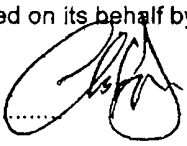
## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
<b>Current assets</b>			
Debtors	3	-	161
Cash at bank and in hand		538	248
		<u>538</u>	<u>409</u>
<b>Creditors: amounts falling due within one year</b>	4	(7,187)	(7,046)
<b>Net current liabilities</b>		<u>(6,649)</u>	<u>(6,637)</u>
<b>Capital and reserves</b>			
Called up share capital	5	835	835
Capital redemption reserve		47,706	47,706
Profit and loss reserves		(55,190)	(55,178)
<b>Total equity</b>		<u>(6,649)</u>	<u>(6,637)</u>

These financial statements have been prepared 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 28-09-2017 and are signed on its behalf by:

  
C J Droogan  
Director

Company Registration No. 05081024

# WHESOE OIL & GAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

##### Company information

Whessoe Oil & Gas Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cleveland House, Yarm Road, Darlington, Co Durham, DL1 4DE.

#### 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 £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Whessoe Oil & Gas Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Management intend that the company will cease to trade in the near future. As such the financial statements have not been prepared on a going concern basis. As a result, all assets and liabilities are classified as current in these financial statements.

#### 1.2 Turnover

Turnover represents the sales value of work done in the period and is net of VAT and trade discounts. Profit on contracts is calculated in accordance with relevant UK accounting standards and industry practice and may not relate to turnover.

The principle estimation technique used by the company in establishing attributable profit on long term contracts is on a contract by contract basis, focusing on costs to complete and evaluating the final outcome anticipated on that contract, once this can be foreseen with reasonable certainty.

Profit on short term contracts is recognised on completion.

Provision is made for losses incurred on contracts (or foreseen to be incurred) as soon as they become apparent.

#### 1.3 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# WHESSOE OIL & GAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 1.4 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.

##### **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 and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### 1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### 1.6 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 the profit and loss account for the period.

# WHESSOE OIL & GAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 2 Operating (loss)/profit

	2016 £'000	2015 £'000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	10	10

### 3 Debtors

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Trade debtors	-	20
Amounts due from group undertakings	-	141
	-	161

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

	2016 £'000	2015 £'000
Trade creditors	907	897
Amounts due to group undertakings and undertakings in which the company has a participating interest	1,558	1,419
Other creditors	4,722	4,730
	7,187	7,046

Included within other creditors are contract accruals of £4,426k (2015: £4,426k). In the opinion of the director, these relate entirely to trade and contract balances that were not sold to a fellow group subsidiary in January 2013.

Other creditors includes deferred income of £273k (2015: £273k) relating to a government grant in respect of which the director believes there is no more than a remote risk of repayment being sought by the relevant Government agency at amounts greater than those provided in these financial statements.

Amounts due to group undertakings includes an outstanding loan of £1,157k (2015: £1,080k) due to the ultimate parent undertaking, which has no fixed repayment terms, no interest charge and is unsecured. Historically it was agreed that the loan would be repaid when the company returned to profit, it is classified as due in under one year as it is strictly repayable on demand.

### 5 Called up share capital

	2016 £'000	2015 £'000
Ordinary share capital Issued and fully paid 834,518 ordinary shares of £1 each	835	835

# **WHESOE OIL & GAS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

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### **6 Financial commitments, guarantees and contingent liabilities**

The outcome of ongoing litigation is uncertain therefore it is not possible to quantify any gain or loss arising from this.

### **7 Parent company**

The Company's immediate parent is ARPIC LNG Investment Company Limited, a company incorporated in the British Virgin Islands.

The Company's ultimate parent undertaking, in the opinion of the director, is the Al Rushaid Petroleum Investment Company of Saudi Arabia, whose registered office is at PO Box 31685 - Al-Khobar 31952, Saudi Arabia.

The ultimate controlling party is Sheikh Abdullah Al Rushaid, who has a majority shareholding in the Al Rushaid Petroleum Investment Company of Saudi Arabia. The registered office for the company is at PO Box 31685, Al-Khobar 31952. Saudi Arabia.