

OVAL (2005) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

REGISTERED NUMBER: 05278490

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OVAL (2005) LIMITED

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OVAL (2005) LIMITED
DIRECTORS AND ADVISORS

Directors Mr Nigel John Wright
Mr Nicholas Brian Pye
Mr Duncan Paul Stonehouse

Company secretary Mr Nigel John Wright

Auditors Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

Registered office Cedar Court
Guildford Road
Leatherhead
Surrey
KT22 9RX

OVAL (2005) LIMITED STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2013.

Review of the business

Petrochem Carless Holdings Limited, a parent of Oval (2005) Limited, was purchased by PCL Bidco in the year. As a result the company statutory auditor and banker have been changed.

The company's loss for the 2013 financial year was £2,698,000 (2012: £2,954,000), driven by interest charges on intercompany loans.

Key performance indicators ("KPI"s)

The directors of the UK parent, PCL Holdco Limited, manage the operations on a Group basis. For this reason, together with the nature of the business of the company, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of development, performance and position of Oval (2005) Limited.

Principal risks

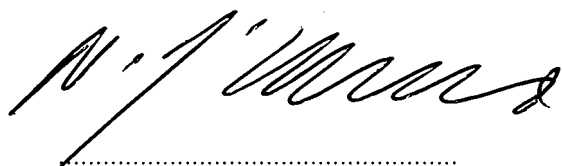
The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring and managing levels of risk.

Credit risk

Credit risk is attributable to intercompany balances with other group companies. The directors monitor the performance of any company that the company has intercompany balances with.

The company is not materially impacted by commodity price risk, liquidity risk, interest rate risk or foreign exchange.

Approved by the board on ²⁵⁻⁴⁻¹⁴, signed on its behalf by



.....
Nigel John Wright
Director
Oval (2005) Limited
Registration number: 05278490

OVAL (2005) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 2013.

Dividends

No dividends were declared in the year (2012: £nil).

Going concern

As at 31 December 2013, the company had net current liabilities of £91,412,000 (2012: £88,714,000). In preparing the financial statements for the period ended 31 December 2013, the directors have considered the going concern basis of preparation and, based on the support of Petrochem UK Limited, a fully owned subsidiary, believe that the company will be in operation for a period of at least 12 months from the date of signing the financial statements. As a result of which, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

Directors liabilities

There were third party indemnity provisions in place for the directors during the year and at the date of approval of the financial statements.

Directors of the company

The directors who held office during the year, and up to the date of signing the financial statements, were as follows:

Mr D Barclay (resigned 13 August 2013)

Mr R A Butler (resigned 15 April 2013)

Mr P Gemski (resigned 15 April 2013)

Mr N James (resigned 15 April 2013)

Mr Nigel John Wright - Company secretary and director (appointed 15 April 2013)

Mr Nicholas Brian Pye (appointed 15 April 2013)

Mr Duncan Paul Stonehouse (appointed 15 April 2013)

Financial instruments

Management have a fit for purpose financial risk management system in place that monitors the principal risks of the company. Please see the strategic report for more detail.

Appointment of Ernst and Young LLP

The directors have appointed Ernst and Young LLP as statutory auditors, as a result of the acquisition of Petrochem Carless Holdings Limited by PCL Bidco Limited.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

OVAL (2005) LIMITED

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 25-4-14 and signed on its behalf by:



.....
Mr Nigel John Wright
Company secretary and director

OVAL (2005) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and apply them consistently;
- 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVAL (2005) LIMITED

We have audited the company financial statements of Oval (2005) Limited for the year ended 31 December 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OVAL (2005) LIMITED (CONTINUED)**

Matters on which we are required to report by exception

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:

- 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.

Ernst & Young LLP

.....
Andrew Smyth (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place
London
SE1 2AF

Date: *25 April 2014*

OVAL (2005) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £ 000	2012 £ 000
Interest payable and similar charges	5	<u>(2,698)</u>	<u>(2,954)</u>
Loss on ordinary activities before taxation		(2,698)	(2,954)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss for the financial year	10	<u><u>(2,698)</u></u>	<u><u>(2,954)</u></u>

The results for the period relate to the company's continuing activities.

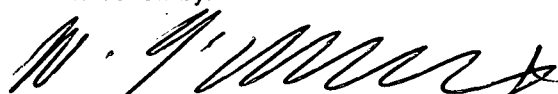
There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The company has no recognised gains or losses for the year other than the results above.

OVAL (2005) LIMITED
(REGISTRATION NUMBER: 05278490)
BALANCE SHEET AT 31 DECEMBER 2013

	Note	2013 £ 000	2012 £ 000
Fixed assets			
Investments	7	81,000	81,000
Creditors: Amounts falling due within one year	8	<u>(91,412)</u>	<u>(88,714)</u>
Net liabilities		<u>(10,412)</u>	<u>(7,714)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	<u>(10,412)</u>	<u>(7,714)</u>
Shareholders' deficit	11	<u>(10,412)</u>	<u>(7,714)</u>

The financial statements on pages 8 to 15 were approved by the Board on 25-4-14 and signed on its behalf by:



.....
Mr Nigel John Wright
Company secretary and director

OVAL (2005) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

The following accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and under historical cost accounting rules.

The going concern basis of preparation has been considered appropriate as, based on the support of Petrochem UK Limited, a fellow group company, the directors believe that the company will be in operation for a period of at least 12 months from the date of signing the financial statements.

Consolidation

The company has exercised its right under section 400 of the Companies Act 2006 to exemption from the requirement to prepare group financial statements because the company is a wholly owned subsidiary of a group which prepares publicly available financial statements. The company and all of its subsidiary undertakings are included in the consolidated financial statements of PCL Holdco Limited, its ultimate UK parent, drawn up to the same date.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Fixed asset investments

In the company's financial statements, investment in subsidiary undertakings are stated at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment. Provisions for impairment which are no longer required are released to the profit and loss account.

Financial instruments

The company's financial instruments comprise loans to and from other group companies.

The company has not adopted FRS 26 'Financial Instruments: Recognition and Measurement'.

Recognition and derecognition

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

Financial assets are removed from the balance sheet when the rights to the cash flows from the asset expire or when the risks and rewards of ownership of the asset are transferred or when control of the asset is transferred from the group.

Financial liabilities are removed from the balance sheet when the related obligation is discharged, cancelled or expires.

OVAL (2005) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

Foreign currency

Transactions in foreign currencies are translated into sterling using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated into sterling using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

2 Operating profit

The audit fee of this company is borne by a fellow Group undertaking in both current and prior year.

3 Directors' emoluments

The directors did not receive or waive any emoluments in respect of their services to the company during the year ended 31 December 2013 or the previous financial year. The directors were also directors of Petrochem Carless Limited, a fellow group undertaking, in whose financial statements the information required by the Companies Act 2006 as regards directors' emoluments is given.

4 Staff numbers and costs

The company had no employees during the year ended 31 December 2013, or previous financial year.

OVAL (2005) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

5 Interest payable and similar charges

	2013 £ 000	2012 £ 000
Interest on loans from group undertakings	2,698	2,954
	<u>2,698</u>	<u>2,954</u>

6 Taxation

Tax on loss on ordinary activities

	2013 £ 000	2012 £ 000
Total tax on loss on ordinary activities	-	-

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%).

The differences are reconciled below:

	2013 £ 000	2012 £ 000
Loss on ordinary activities before taxation	(2,698)	(2,954)
Corporation tax at standard rate	(627)	(724)
Expenses not deductible for tax purposes	474	374
Group relief	153	350
Total current tax	-	-

Factors that may affect future tax charges

The deferred tax asset not recognised in the period was £nil (31 December 2012 - £nil).

A reduction in the UK corporation tax rate from 24% to 23% took effect from 1 April 2013. A further reduction from 23% to 21% was substantially enacted in July 2013 and will be effective from 1 April 2014. The rate of UK corporation tax will further reduce to 20% from 1 April 2015. Accordingly, these rates have been applied in the measurement of the deferred tax assets and liabilities at 31 December 2013.

OVAL (2005) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

7 Investments held as fixed assets

	2013 £ 000	2012 £ 000
Shares in Petrochem Carless Limited	81,000	81,000
	Subsidiary undertakings £ 000	Total £ 000
Cost		
At 1 January 2013	81,000	81,000
At 31 December 2013	81,000	81,000
Net book value		
At 31 December 2013	81,000	81,000

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Petrochem Carless Limited Incorporated in England & Wales	Ordinary shares	100%	Petrochemical refining & distribution
Carless Inc. Incorporated in USA	Ordinary shares	100%	Distribution services
Petrochem Carless BVBA Incorporated in Belgium	Ordinary shares	100%	Distribution services
Joint ventures			
Electrical Oil Services Limited Incorporated in England & Wales	Ordinary shares	50%	Marketing and distribution of electrical oils

OVAL (2005) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

Petrochem Carless Limited is a direct subsidiary of the company. All other investments are held via subsidiary undertakings.

In the opinion of the directors, the value of investments in and amounts due from subsidiary undertakings and joint ventures is not less than amounts which are stated in the financial statements.

8 Creditors: Amounts falling due within one year

	2013 £ 000	2012 £ 000
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>91,412</u>	<u>88,714</u>

Amounts owed to group undertakings are unsecured loans that bear interest at LIBOR +2.5%.

9 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Reserves

	Profit and loss account £ 000	Total £ 000
At 1 January 2013	(7,714)	(7,714)
Loss for the year	<u>(2,698)</u>	<u>(2,698)</u>
At 31 December 2013	<u>(10,412)</u>	<u>(10,412)</u>

OVAL (2005) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

11 Reconciliation of movement in shareholders' funds

	2013 £ 000	2012 £ 000
Loss attributable to the members of the company	(2,698)	(2,954)
Net reduction to shareholders' funds	(2,698)	(2,954)
Shareholders' deficit at 1 January	(7,714)	(4,760)
Shareholders' deficit at 31 December	<u>(10,412)</u>	<u>(7,714)</u>

12 Contingent liabilities

The company is a guarantor of the PCL Holdco Group financing arrangements with a number of other subsidiaries of PCL Holdco.

13 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

14 Immediate parent undertaking and ultimate parent undertaking

The company is controlled by HCS GmbH

The immediate parent undertaking is Petrochem UK Limited, The ultimate parent is H.I.G. Europe Capital Partners L.P..

At 31 December 2013, the controlling party and largest group to consolidate these financial statements is HCS GmbH, a German company. The consolidated financial statements of HCS GmbH are available from HCS Group, Gateway Gardens, Edmund-Rumpler-Strasse 3, 60549 Frankfurt, Germany.

PCL Holdco Limited is the smallest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of PCL Holdco Limited can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.