

**DRY LUBE LIMITED**

**Abbreviated Accounts**

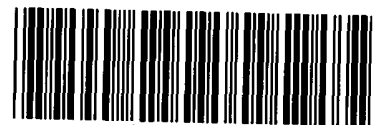
Period ended

31 December 2015

Company Number 05390685

COMPANIES HOUSE  
30 SEP 2016  
EDINBURGH FRONT DESK

FRIDAY



SCT \*S5GLS4GR\* 30/09/2016 #108  
COMPANIES HOUSE

## **DRY LUBE LIMITED**

### **Independent Auditor's report to Dry Lube Limited UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts which comprise the abbreviated balance sheet and the related notes, together with the financial statements of Dry Lube Limited for the period ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

Our report has been prepared pursuant to the requirements of section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

#### **Other information**

On 30/9/2016 we reported to the member of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraphs:

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

With respect to stock with a carrying value of £141,969 the audit evidence available to us was limited because we were not able to observe the counting of the physical stock as at 31 December 2015 because we had not been made aware of the change in accounting reference date until after 31 December 2015. Owing to the nature of the company's records we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

#### **Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.1 & 1.2 to the financial statements concerning the company no longer continuing as a going concern and the basis on which the financial statements are prepared. Further funds will be required to finance the company's planned work programme. The Directors have decided to hive the trade, assets and liabilities of the company to the parent company, Diversey Limited within the next 12 months and as a result the financial statements have not been prepared on a going concern basis.

*Alastair Rae*

**Alastair Rae** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Edinburgh  
United Kingdom

*30 September 2016*

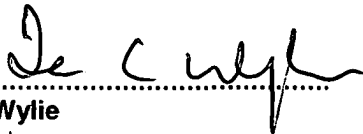
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**DRY LUBE LIMITED**  
Registered number: 05390685

**Abbreviated balance sheet**  
**As at 31 December 2015**

		31 December 2015	31 March 2015
	Note	£	£
<b>FIXED ASSETS</b>			
Intangible assets	2	169,494	226,689
Tangible assets	3	396,043	923,965
		<u>565,537</u>	<u>1,150,654</u>
<b>CURRENT ASSETS</b>			
Stocks		141,969	16,237
Debtors		348,127	390,596
Cash at bank		119,364	23,135
		<u>609,460</u>	<u>429,968</u>
<b>CREDITORS:</b> amounts falling due within one year	5	<u>(427,964)</u>	<u>(811,886)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>181,496</u>	<u>(381,918)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>747,033</u>	<u>768,736</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	201,503	177,313
Share premium account		2,499,559	2,451,178
Profit and loss account		<u>(1,954,029)</u>	<u>(1,859,755)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>747,033</u>	<u>768,736</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 22/9/16

  
.....  
**Ian Wylie**  
Director

The notes on pages 3 to 7 form part of these financial statements.

## DRY LUBE LIMITED

### Notes to the abbreviated accounts For the period ended 31 December 2015

#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### 1.10 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

#### 2. INTANGIBLE FIXED ASSETS

	£
<b>Cost</b>	
At 1 April 2015 and 31 December 2015	347,124
<b>Amortisation</b>	
At 1 April 2015	120,435
Charge for the period	57,195
At 31 December 2015	177,630
<b>Net book value</b>	
At 31 December 2015	169,494
At 31 March 2015	226,689

## **DRY LUBE LIMITED**

### **Notes to the abbreviated accounts For the period ended 31 December 2015**

#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **1.2 Going concern**

Since the period end the directors have started the process of hiving up the trade, assets and liabilities of the company to the parent company, Diversey Limited. The directors intend that this process will be fully completed within the next 12 months and at that point the company will be fully wound up and in the course of time will be struck off.

The directors have therefore not prepared the financial statements on the going concern basis. All assets have been included at their recoverable amount and all liabilities recorded at the amounts expected to be paid.

##### **1.3 Turnover**

Turnover represents amounts receivable for the installation, monitoring and maintenance of dry lubrication systems. Turnover is recognised on a straight line basis over the period of the contract.

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	- 10% to 50% straight line
Office equipment	- 50% straight line

The directors performed a review of the useful lives of the plant & machinery during the year. Previously all the costs associated with the construction of installed dry lubricating equipment were depreciated over the length of the initial contract. The directors have reassessed the life of these assets and the equipment is now being written off over 10 years, being its expected useful life. Installation costs continue to be depreciated over the length of the rental contract.

##### **1.5 Investments**

Investments held as fixed assets are shown at cost less any provision for impairment.

##### **1.6 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### **1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value.

## DRY LUBE LIMITED

### Notes to the abbreviated accounts For the period ended 31 December 2015

#### 3. TANGIBLE FIXED ASSETS

	£
<b>Cost</b>	
At 1 April 2015	1,755,154
Additions	54,993
Disposals	(358,479)
At 31 December 2015	1,451,668
<b>Depreciation</b>	
At 1 April 2015	831,189
Charge for the period	357,419
On disposals	(132,983)
At 31 December 2015	1,055,625
<b>Net book value</b>	
At 31 December 2015	396,043
At 31 March 2015	923,965

Included within plant & machinery are assets under construction of £27,202 (31 March 2015 - £30,745).  
No depreciation charge has been made during the year on assets under construction.

# **DRY LUBE LIMITED**

## **Notes to the abbreviated accounts For the period ended 31 December 2015**

### **4. FIXED ASSET INVESTMENTS**

	£
<b>Cost or valuation</b>	
At 1 April 2015 and 31 December 2015	<u>91,202</u>
<b>Impairment</b>	
At 1 April 2015 and 31 December 2015	<u>91,202</u>
<b>Net book value</b>	
At 31 December 2015	<u>-</u>
At 31 March 2015	<u>-</u>

### **Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Dry Lube Inc - Incorporated in the USA	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the 9 month period ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Dry Lube Inc - Incorporated in the USA	<u>(1,397,107)</u>	<u>(289,132)</u>

### **5. CREDITORS:**

#### **Amounts falling due within one year**

Creditors totalling £Nil (31 March 2015 - £226,042) are secured by a fixed and floating charge over all the assets of the company

### **6. SHARE CAPITAL**

	<b>31 December 2015 £</b>	<b>31 March 2015 £</b>
<b>Allotted, called up and fully paid</b>		
20,150,265 Ordinary shares shares of £0.01 each	<u>201,503</u>	<u>177,313</u>

During the period 2,418,986 ordinary shares of 1p each were issued at a price of 3p per share.

## **DRY LUBE LIMITED**

### **Notes to the abbreviated accounts For the period ended 31 December 2015**

#### **7. RELATED PARTY TRANSACTIONS**

The Financial Reporting Standard for Smaller Entities does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group. The group is taking advantage of this exemption.

Included within other loans are amounts of £Nil (31 March 2015 - £Nil) due to Gordon Galloway, a director of the company during the period. Interest of £Nil (31 March 2015 - £4,294) was charged during the period in respect of the loan. The outstanding loan was converted into equity on 30 April 2014.

During the period David Mowat provided a loan of £Nil (31 March 2015 - £10,000) to the company. Interest of £Nil (31 March 2015 - £37) was charged during the period in respect of the loan. The outstanding loan was converted into equity on 30 April 2014.