

Registered number: 07444313

OIL CONSULTANTS HOLDCO LIMITED

Annual Report and Financial Statements

For the Year Ended 30 June 2016

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OIL CONSULTANTS HOLDCO LIMITED

Company Information

Directors

Mr G Lennox
Mr R Fielding
Mrs J E Lennox
Mr D Spencer (resigned 30 March 2016)
Mrs C Fielding
Mr M Cooper (resigned 1 November 2016)
Mrs H M Smith
Mrs D M Cooper
Mr M J Clayton (appointed 22 November 2016)

Company secretary

Mr M J Clayton

Registered number

07444313

Registered office

Parsons House
Parsons Industrial Estate
Washington
Tyne And Wear
NE37 1EZ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Herald Way
East Midlands
DE74 2UZ

OIL CONSULTANTS HOLDCO LIMITED

Contents

	Page (s)
Group strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report to the members of Oil Consultants Holdco Limited	5 - 6
Consolidated statement of comprehensive income	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated statement of changes in equity	10 - 11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13
Notes to the financial statements	14 - 36

OIL CONSULTANTS HOLDCO LIMITED

Group Strategic Report For the Year Ended 30 June 2016

The directors present their Group Strategic Report for Oil Consultants Holdco Limited (the "company") and its subsidiary undertakings (together the "group") for the year ended 30 June 2016.

Principal activity

The principal activity of the company was that of a holding company. The principal activity of the group during the year continued to be that of the recruitment of personnel and consultants to the oil and gas industry.

Business review and future developments

The adverse market conditions within the oil and gas industry continued during the year, brought about by the well documented fall in the oil price. During the second half of the year the industry saw some of the lowest oil prices for over a decade. Whilst the overall result for the year shows a significant reduction in sales on the prior year, this was a strong result given the nature of the challenging market place which continued throughout the whole period. Gross margins reduced during the year as prices were decreased both at consultant pay rate levels and margin pressures incurred.

Administrative overhead was managed carefully during the year with this resulting in consistent expenditure with previous years when calculated as a percentage of total sales. Reductions were made in headcount which contributed to the overall administrative cost savings before exceptional items.

The balance sheet of the group remains strong and the current asset ratio has improved from 2.57 in 2015 to 3.04 in 2016.

The company did not utilise bank loan facilities during the year and the ongoing working capital requirements were funded through its own cash resources.

Looking forward the oil and gas market looks to remain challenging with continued downward pressures on consultant day rates and margins, as the oil price remains at low levels. The company has realigned itself to the new market conditions to ensure that it retains market share and a competitive position with its client base, which it has been successful in achieving. The company has strong relationships with its clients and has continued to maintain share in a market with reduced volumes. Many of the company's key customers have reduced their own head counts significantly and introduced internal restrictions on the hiring of staff and consultants. The company has developed some excellent business opportunities with its clients and established some strong opportunities with both existing and new clients for a range services and is well placed to return to a business growth model.

Principal risks and uncertainties

The group faces a number of risks and uncertainties as a result of operating in a competitive market that is heavily influenced by oil and gas commodity prices. A sustained fall in commodity prices can present a risk to the business in the form of downward pressure on prices and margins from those customers that rely on oil and gas as their main income stream. This can be mitigated by careful management of the cost base and some diversification in the mix of customers. Sensible pricing can also mitigate risks. Fixing prices to be competitive but deliver a high quality service in challenging market conditions is fundamental to managing business risk.

Financial risk management

The financial risks to business include foreign exchange risk, working capital or liquidity risk and credit risk. These are managed by:

- Matching costs and revenues in the same currency where possible. The majority of transactions in the oil and gas industry are in United States dollars;
- Working closely with our major clients to proactively manage credit control;
- Detailed forecasting to highlight future potential cash flow requirements in periods of growth and the availability of funding to meet these requirements as necessary.

OIL CONSULTANTS HOLDCO LIMITED

Group Strategic Report For the Year Ended 30 June 2016

Key performance indicators

Management measure certain key performance indicators on an on-going basis. These include:

- Weekly consultant numbers;
- Pricing and gross margins;
- Debt collection period.

This report was approved by the board on 28th March 2017 and signed on its behalf by:

M. Clayton

M Clayton
Director

OIL CONSULTANTS HOLDCO LIMITED

Directors' Report For the Year Ended 30 June 2016

The directors present their annual report and the audited financial statements of Oil Consultants Holdco Limited (the "company") and its subsidiary undertakings (together the "group") for the year ended ended 30 June 2016.

Results and dividends

The loss for the financial year amounted to £981,381 (2015: profit of £1,026,337).

The directors have not recommended a dividend (2015: £Nil).

Directors

The directors who served during the year and up to the date of signing, unless otherwise stated, were:

Mr G Lennox
Mr R Fielding
Mrs J E Lennox
Mr D E Spencer (resigned 30 March 2016)
Mrs C Fielding
Mr M L Cooper (resigned 1 November 2016)
Mrs H M Smith
Mrs D M Cooper
Mr M J Clayton (appointed 22 November 2016)

Future developments

The growth of the business and consequent increase in the working capital requirement continues to be funded entirely by the shareholders, although alternative sources of capital may be reviewed for the coming year. This gives the group the flexibility to make long-term strategic investments that are key to continuing the success of the business.

The market outlook remains positive with new projects coming on stream supporting the business growth on a global basis. The group is well placed to take advantage of this given the increased investment in human resources and infrastructure in the group over the past years.

Matters covered in the strategic report

Details of financial risk management process can be found in the Strategic Report.

Going concern

The group meets its day to day working capital requirements through its available cash reserves. The current economic conditions continue to create uncertainty over the level of demand for the group's services. The group forecasts and projections, taking account of reasonably possibly changes in trading performance, show that the group should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

OIL CONSULTANTS HOLDCO LIMITED

Directors' Report (continued) For the Year Ended 30 June 2016

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, Directors' report and the group and parent company financial statements (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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

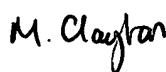
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are 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 and the group's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on **28th March 2017** and signed on its behalf by:



M Clayton
Director

OIL CONSULTANTS HOLDCO LIMITED

Independent Auditors' Report to the Members of Oil Consultants Holdco Limited

Report on the financial statements

Our opinion

In our opinion, Oil Consultants Holdco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2016 and of the group's loss and cash flows 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated and company balance sheet as at 30 June 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the consolidated and company statement in changes of equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

OIL CONSULTANTS HOLDCO LIMITED

Independent Auditors' Report to the Members of Oil Consultants Holdco Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Gillian Hinks (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

Date: 29 March 2017

OIL CONSULTANTS HOLDCO LIMITED

Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	20,385,042	33,952,130
Cost of sales		(17,036,206)	(27,769,870)
Gross profit		3,348,836	6,182,260
Administrative expenses (excluding exceptional administrative expenses)		(2,057,102)	(3,514,937)
Exceptional administrative expenses		(1,300,121)	-
Total administrative expenses		(3,357,223)	(3,514,937)
Operating (loss)/profit	5	(8,387)	2,667,323
Interest payable and similar charges	9	(531)	(268,126)
(Loss)/profit on ordinary activities before taxation		(8,918)	2,399,197
Tax on (loss)/profit on ordinary activities	10	(972,463)	(1,372,860)
(Loss)/profit for the financial year		(981,381)	1,026,337
Other comprehensive (expense)/ income			
Currency translation differences on retranslation of net assets of subsidiaries		(54,010)	23,551
Other comprehensive (expense)/income for the year		(54,010)	23,551
Total comprehensive (expense)/income for the year		(1,035,391)	1,049,888
(Loss)/profit for the financial year attributable to:			
Non-controlling interests		5,709	(5,889)
Owners of the parent company		(987,090)	1,032,226
		(981,381)	1,026,337
Total comprehensive (expense)/income for the year attributable to:			
Non-controlling interest		5,709	(5,889)
Owners of the parent company		(1,041,100)	1,055,777
		(1,035,391)	1,049,888

The notes on pages 14 to 36 form part of these financial statements.

OIL CONSULTANTS HOLDCO LIMITED
Registered number: 07444313

Consolidated Balance Sheet
As at 30 June 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	13		1,768,757		1,891,446
Tangible assets	14		15,923		33,051
			<u>1,784,680</u>		<u>1,924,497</u>
Current assets					
Debtors	16	4,777,264		5,451,441	
Cash at bank and in hand	17	3,446,961		2,735,651	
		<u>8,224,225</u>		<u>8,187,092</u>	
Creditors: amounts falling due within one year	18	(2,703,176)		(3,204,615)	
Net current assets			<u>5,521,049</u>		<u>4,982,477</u>
Total assets less current liabilities			<u>7,305,729</u>		<u>6,906,974</u>
Creditors: amounts falling due after more than one year	19		(6,437,627)		(5,003,563)
Deferred taxation	21	(82)		-	
			<u>(82)</u>		<u>-</u>
Net assets			<u><u>868,020</u></u>		<u><u>1,903,411</u></u>
Capital and reserves					
Called up share capital	22		1,000		1,000
Profit and loss account	23		867,837		1,908,937
Equity attributable to owners of the parent company			<u>868,837</u>		<u>1,909,937</u>
Non-controlling interests			<u>(817)</u>		<u>(6,526)</u>
Total equity			<u><u>868,020</u></u>		<u><u>1,903,411</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
28 MARCH 2017 by:

M. Clayton

M Clayton

Director

The notes on pages 14 to 36 form part of these financial statements.

OIL CONSULTANTS HOLDCO LIMITED
Registered number: 07444313

Company Balance Sheet
As at 30 June 2016

		2016 £	2015 £
Fixed assets			
Investments	15	4,536,685	4,536,685
Creditors: amounts falling due within one year	18	<u>(2,429,146)</u>	<u>(1,479,147)</u>
Total assets less current liabilities		2,107,539	3,057,538
 Creditors: amounts falling due after more than one year	 19	 <u>(4,053,564)</u>	 <u>(5,003,563)</u>
Net liabilities		<u>(1,946,025)</u>	<u>(1,946,025)</u>
 Capital and reserves			
Called up share capital	22	1,000	1,000
Profit and loss account	23	<u>(1,947,025)</u>	<u>(1,947,025)</u>
Total equity		<u>(1,946,025)</u>	<u>(1,946,025)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
28 March 2017 by:

M. Clayton

M Clayton

Director

OIL CONSULTANTS HOLDCO LIMITED

**Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2016**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total equity £
At 1 July 2015	1,000	1,908,937	1,909,937	(6,526)	1,903,411
Comprehensive expense for the year					
Loss for the financial year	-	(987,090)	(987,090)	5,709	(981,381)
Currency translation differences	-	(54,010)	(54,010)	-	(54,010)
Other comprehensive expense for the year	-	(54,010)	(54,010)	-	(54,010)
Total comprehensive expense for the year	-	(1,041,100)	(1,041,100)	5,709	(1,035,391)
At 30 June 2016	1,000	867,837	868,837	(817)	868,020

OIL CONSULTANTS HOLDCO LIMITED

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2015

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total equity £
At 1 July 2014	1,000	853,160	854,160	(637)	853,523
Comprehensive income for the year					
Profit for the financial year	-	1,032,226	1,032,226	(5,889)	1,026,337
Currency translation differences	-	23,551	23,551	-	23,551
Other comprehensive income for the year	-	23,551	23,551	-	23,551
Total comprehensive income for the year	-	1,055,777	1,055,777	(5,889)	1,049,888
Total transactions with owners	-	-	-	-	-
At 30 June 2015	1,000	1,908,937	1,909,937	(6,526)	1,903,411

The notes on pages 14 to 36 form part of these financial statements.

OIL CONSULTANTS HOLDCO LIMITED

Company Statement of Changes in Equity For the Year Ended 30 June 2016

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2015	1,000	(1,947,025)	(1,946,025)
Profit for the financial year	-	-	-
	-	-	-
Total comprehensive income for the year			
At 30 June 2016	1,000	(1,947,025)	(1,946,025)

For the Year Ended 30 June 2015

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2014	1,000	(1,678,899)	(1,677,899)
Comprehensive expense for the year			
Loss for the financial year	-	(268,126)	(268,126)
	-	(268,126)	(268,126)
Total comprehensive expense for the year			
At 30 June 2015	1,000	(1,947,025)	(1,946,025)

The notes on pages 14 to 36 form part of these financial statements.

OIL CONSULTANTS HOLDCO LIMITED

Consolidated Statement of Cash Flows For the Year Ended 30 June 2016

	2016 £	2015 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(981,381)	1,026,337
Adjustments for:		
Amortisation of intangible assets	122,689	122,689
Depreciation of tangible assets	26,120	23,927
Impairments of fixed assets	1,300,121	-
Interest paid	531	268,126
Taxation	972,463	1,372,860
Decrease in debtors	1,240,948	1,343,271
Decrease in creditors	(782,274)	(1,128,630)
Corporation tax paid	(880,962)	(1,309,417)
Currency translation differences	(80,484)	-
Net cash generated from operating activities	<u>937,771</u>	<u>1,719,163</u>
Cash flows from investing activities		
Purchase of tangible assets	-	(7,025)
Purchase of fixed asset investments	720,223	-
Loan note interest paid	-	(268,126)
Net cash used in investing activities	<u>720,223</u>	<u>(275,151)</u>
Cash flows from financing activities		
Repayment of loans	(946,684)	(299,998)
Net cash used in financing activities	<u>(946,684)</u>	<u>(299,998)</u>
Net increase in cash and cash equivalents	<u>711,310</u>	<u>1,144,014</u>
Cash and cash equivalents at beginning of year	<u>2,735,651</u>	<u>1,591,637</u>
Cash and cash equivalents at the end of year	<u><u>3,446,961</u></u>	<u><u>2,735,651</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>3,446,961</u></u>	<u><u>2,735,651</u></u>

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

1. General information

Oil Consultants Holdco Limited (the "company") and its subsidiaries (together the "group") are principally engaged in that of the recruitment of personnel consultants to the oil and gas industry.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: Parsons House, Parsons Industrial Estate, Washington, Tyne And Wear, NE37 1EZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied throughout the year:

2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

2.3 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.4 Going concern

The group meets its day to day working capital requirements through its available cash reserves. The current economic conditions continue to create uncertainty over the level of demand for the group's services. The group forecasts and projections, taking account of reasonably possibly changes in trading performance, show that the group should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

2.5 Exemptions for the parent company under FRS 102

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.

2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and value added taxes.

The company recognises the revenue when (a) the significant risk and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the service; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and e) when the specific criteria relating to the service have been met as described below.

Sale of services

The company recruits personnel to the oil and gas industry. Revenue is recognised in the accounting period in which the services are rendered when the outcome of the contract can be estimated reliably.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

The estimated useful lives range as follows:

Goodwill	-	20	years
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Goodwill associated with the acquisition of Rust Resources Holdco Limited was to be amortised over 10 year period however in line with impairment review performed this was fully impaired during the year.

2.8 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.10 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.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.12 Financial instruments

The group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price 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.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies 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.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, which include forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount 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.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is the pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.15 Leased assets

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Operating lease costs are charged to the statement of comprehensive income in equal amounts over the period of the lease.

(ii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

The group has taken the transition exemption under paragraph 35.10(p) of FRS 102 to continue to recognise the existing lease incentives at the transition date on the same basis as previous UK GAAP. Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent.

2.16 Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognized as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2.20 Business combinations

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated into goodwill.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

3. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of debtors, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the group.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	1,280,210	4,696,217
Overseas	19,104,832	29,255,913
	<u>20,385,042</u>	<u>33,952,130</u>

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	21,201	23,927
Amortisation of intangible assets, including goodwill	122,689	122,689
Foreign exchange gains	(679,278)	(278,635)
Operating lease rentals	31,500	31,500
Impairment of Rust Resources Holdco Limited	<u>1,300,121</u>	<u>-</u>

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	2,000	2,000
Fees payable to the group's auditor and its associates in respect of:		
Audit fees for subsidiary undertakings	18,500	16,500
Other services relating to taxation	7,350	-
All other services	8,750	-

The parent company audit costs have been borne by a subsidiary of the company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,397,863	2,189,213
Social security costs	97,737	142,047
Other pension costs	59,510	70,705
	1,555,110	2,401,965

The average monthly number of employees, including the directors, during the year was as follows:

	2016 Number	2015 Number
Administrative staff	36	59

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	132,019	177,815
Company contributions to defined contribution pension schemes	6,841	6,600
	<u>138,860</u>	<u>184,415</u>

During the year retirement benefits were accruing to 1 director (2015: 1) in respect of defined contribution pension schemes.

The emoluments of the directors are paid by the subsidiary company, Oil Consultants Limited which makes no recharges to the group.

The key management personnel of the group received total emoluments of £366,290 (2015: £216,089).

9. Interest payable and similar charges

	2016 £	2015 £
Other interest payable	<u>531</u>	<u>268,126</u>

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

10. Tax on (loss)/profit on ordinary activities

	2016 £	2015 £
Corporation tax		
Current tax on (losses)/profits for the year	294,916	448,382
Adjustments in respect of previous periods	(10,584)	(159,208)
	<u>284,332</u>	<u>289,174</u>
Double taxation relief	(108,983)	(198,196)
	<u>175,349</u>	<u>90,978</u>
Foreign tax		
Foreign tax on income for the year	782,990	1,287,586
Total current tax	<u>958,339</u>	<u>1,378,564</u>
Deferred tax		
Origination and reversal of timing differences	3,750	(5,704)
Adjustment in respect of previous periods	10,374	-
Total deferred tax	<u>14,124</u>	<u>(5,704)</u>
Taxation on (loss)/profit on ordinary activities	<u><u>972,463</u></u>	<u><u>1,372,860</u></u>

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

10. Tax on (loss)/profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(8,918)	2,399,197
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	(1,784)	497,933
Effects of:		
Expenses not deductible for tax purposes	381,190	103,108
Capital allowances for year in excess of depreciation	-	5,919
Effects of overseas tax rates	769,234	1,287,552
Adjustments to tax charge in respect of prior periods	(210)	(159,208)
Non-taxable income	(74,054)	-
Movement in losses not recognised	7,070	-
Double taxation relief	(108,983)	(198,196)
Expense relief	-	(120,763)
Sundry tax adjusting items	-	(43,485)
Total tax charge for the year	972,463	1,372,860

Factors that may affect future tax charges

The July 2015 Budget Statement announced changes (which were subsequently enacted) to the UK Corporation tax regime which will reduce the main rate of Corporation Tax to 19% from 1 April 2017 and 18% from 1 April 2020. A further change was announced in the March 2016 Budget to further reduce the Corporation Tax rate to 17% by 1 April 2020, which was substantively enacted after the year end.

Accordingly, deferred tax has been calculated using a tax rate of 18%-19%, as applicable.

11. Exceptional items

	2016 £	2015 £
Impairment of Rust Resources Holdco Limited	1,300,121	-

During the year the company group acquired Rust Resources Holdco Limited group creating £1,300,121 of goodwill. After assessment of performance of the Rust group at the year end and future period forecasts this balance was impaired to nil.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

12. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The result after tax of the parent company for the year was £Nil (2015 - loss of £268,126).

13. Intangible assets

Group

	Goodwill £
Cost	
At 1 July 2015	2,453,770
On acquisition of subsidiaries	1,300,121
At 30 June 2016	<u>3,753,891</u>
Accumulated amortisation	
At 1 July 2015	562,324
Charge for the year	122,689
Impairment charge	1,300,121
At 30 June 2016	<u>1,985,134</u>
Net book value	
At 30 June 2016	<u>1,768,757</u>
At 30 June 2015	<u>1,891,446</u>

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

14. Tangible assets

Group

	Plant and machinery £
Cost	
At 1 July 2015	153,727
Additions	7,696
Acquisition of subsidiary	25,457
Disposals	(15,186)
At 30 June 2016	<u>171,694</u>
Accumulated depreciation	
At 1 July 2015	120,676
Charge for the year	21,201
Disposals	(2,571)
Acquisition of subsidiary	16,465
At 30 June 2016	<u>155,771</u>
Net book value	
At 30 June 2016	<u><u>15,923</u></u>
At 30 June 2015	<u><u>33,051</u></u>

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

15. Investments

Subsidiary undertakings

The company has the following subsidiaries that have been consolidated in the financial statements of Oil Consultants Holdco Limited:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Oil Consultants Limited	England and Wales	Ordinary	100 %	Recruitment for the oil and gas industry
Oil Consultants Limited	China	Ordinary	100 %	Recruitment for the oil and gas industry
Oil Consultants PTY	Australia	Ordinary	95 %	Recruitment for the oil and gas industry
OGSR Consultants Inc	USA	Ordinary	100 %	Recruitment for the oil and gas industry
Oil Consultants Malaysia SDN BHD	Malaysia	Ordinary	100 %	Recruitment for the oil and gas industry
PT Oil Consultants Indonesia	Indonesia	Ordinary	100 %	Recruitment for the oil and gas industry
Rust Resources Holdco Limited	United Kingdom	Ordinary	85 %	Recruitment for the oil and gas industry
Oil Consultants Trinidad	Trinidad	Ordinary	100 %	Recruitment for the oil and gas industry
Rust Resources Inc	USA	Ordinary	100 %	Recruitment for the oil and gas industry
Rust Resources Ltd	England and Wales	Ordinary	100 %	Recruitment for the oil and gas industry

All of the above undertakings are direct subsidiaries with the exception of Oil Consultants Limited, Oil Consultants PTY, OGSR Consultants Inc., Oil Consultants Trinidad, Rust Ltd and Rust Inc. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2015	4,536,685
At 30 June 2016	4,536,685
Net book value	
At 30 June 2016	4,536,685
At 30 June 2015	4,536,685

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

16. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	3,737,780	5,329,149	-	-
Other debtors	874,143	5,265	-	-
Prepayments and accrued income	165,341	102,985	-	-
Deferred taxation	-	14,042	-	-
	<u>4,777,264</u>	<u>5,451,441</u>	<u>-</u>	<u>-</u>

Trade debtors are stated after provisions for impairments of £Nil (2015: £Nil).

17. Cash at bank and in hand

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	<u>3,446,961</u>	<u>2,735,651</u>	<u>-</u>	<u>-</u>

18. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	1,306,721	2,515,213	-	-
Amounts owed to group undertakings	-	-	2,429,146	1,479,147
Corporation tax	34,888	87,241	-	-
Taxation and social security	96,124	50,110	-	-
Other creditors	522,223	490,695	-	-
Accruals and deferred income	743,220	61,356	-	-
	<u>2,703,176</u>	<u>3,204,615</u>	<u>2,429,146</u>	<u>1,479,147</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

19. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Loan notes	6,422,544	5,003,563	4,053,564	5,003,563
Other loans	15,083	-	-	-

Up until 31 December 2014 interest was paid on the loan notes from the date of payment of the notes until the notes were to be redeemed. The interest was based on the principal amount of the loan, in line with the disclosure in note 27 and was charged to the profit and loss in the period to which it related. Redemption of the notes was due on 30 November 2015 when the principal amount was due to be repaid by the company along with any accrued interest.

On 29 May 2015 it was resolved by the Board of Directors to defer the repayment of the loan notes until 30 November 2018 by way of a deed-of variation. It was also resolved that from 1 January 2015 interest will no longer be charged on the outstanding loan notes.

Default on any of the terms in the loan note agreement will result in immediate repayment of the principal amount of the loan along with any accrued interest.

Interest of £nil (2015: £268,126) in total was paid in the year on these loans. Further details on the loan notes can be found in note 27 to these financial statements.

20. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	4,611,923	5,334,414	-	-
Financial liabilities				
Financial liabilities measured at amortised cost	(9,024,014)	(8,070,827)	(6,482,710)	(6,482,710)

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, amounts owed to group undertakings, loan notes and bank loans.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

21. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	14,042	8,338
Charged to the profit or loss	(14,124)	5,704
At end of year	(82)	14,042

The deferred taxation balance is made up as follows:

	Group 2016 £	Group 2015 £
Accelerated capital allowances	(608)	(1,499)
Other timing differences	526	15,541
	(82)	14,042

22. Called up share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 (2015: 1000) Ordinary shares of £1 (2015: £1) each	1,000	1,000

23. Reserves

Profit and loss account

The profit and loss account represents the cumulative profits and losses of the Group less any distributions made to the owners of the Group.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

24. Business combinations

Acquisition of Rust Resources Holdco Limited, which was acquired in January 2016.

	Book value £	Fair value adjustment £	Fair value £
Tangible	8,992	-	8,992
Intangible	-	-	-
	<u>8,992</u>	<u>-</u>	<u>8,992</u>
Stocks	-	-	-
Debtors	580,814	-	580,814
Cash at bank and in hand	721,323	-	721,323
Total assets	<u>1,311,129</u>	<u>-</u>	<u>1,311,129</u>
Creditors due within one year	(229,402)	-	(229,402)
Creditors due after more than one year	(2,380,748)	-	(2,380,748)
Fair value of net assets	<u>(1,299,021)</u>	<u>-</u>	<u>(1,299,021)</u>
Goodwill	1,300,121	-	1,300,121
Total purchase consideration	<u>1,100</u>	<u>-</u>	<u>1,100</u>
Purchase consideration settled in cash, as above	722,423	-	722,423
Cash and cash equivalents in subsidiary acquired	(721,323)	-	(721,323)
Net cash outflow on acquisition	<u>1,100</u>	<u>-</u>	<u>1,100</u>

The results of Rust Resources Holdco Limited since its acquisition are as follows:

	Current period since acquisition 2016 £
Turnover	1,450,278
Profit for the financial year	<u>34,511</u>

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

25. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £59,510 (2015: £70,705).

26. Commitments under operating leases

At 30 June 2016 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	31,500	31,500
Later than 1 year and not later than 5 years	-	31,500
	<u>31,500</u>	<u>63,000</u>

27. Related party transactions

£118,627 (2015: £182,967) was paid for consultancy services to Pre Eminent Solutions LLP, a partnership controlled by R Fielding and G Lennox, which is registered in England & Wales. At 30 June 2016 the company owed Pre Eminent Solutions LLP £nil (2015: £nil).

D E Spencer is a partner of DLJ Advisory Services LLP, which is registered in England & Wales. During the year £98,589 (2015: £54,144) was paid for consultancy services to DLJ Advisory Services LLP. At 30 June 2016 the company owed DLJ Advisory Services LLP £nil (2015: £11,391).

R Fielding, D E Spencer, G Lennox, and H M Smith are shareholders of Social Appreciation Limited, a company registered in England & Wales. R Fielding, D E Spencer and G Lennox are also directors of that company. During the year £nil (2015: £16,549) was received for the provision of IT services to Social Appreciation Limited.

R Fielding, D E Spencer, G Lennox, M L Cooper and H M Smith are all directors and shareholders of Rust Resources Holdco Limited, a company registered in England & Wales. During the year £2,886 (2015: £77,887) was paid for outsourcing services to Rust Resources Limited, a 100% subsidiary of Rust Resources Holdco Limited in which R Fielding, D E Spencer and G Lennox are directors. In addition the company made recharges of £6,251 (2015: £2,466) to Rust Resources Limited. At 30 June 2016 the company owed Rust Resources Limited £nil (2015: £nil), and was owed £333 (2015: £nil).

During the year the company made recharges of £27,490 (2015: £nil) to Rust Inc, a 100% subsidiary of Rust Resources Holdco Limited in which R Fielding, D E Spencer and G Lennox are directors. At 30 June 2016 the company owed Rust Inc £nil (2015: £nil), and was owed £nil (2015: £nil).

R Fielding and G Lennox are directors of Smart Education PTY company registered in Australia. During the year £1,440 (2015: £35,325) was paid for outsourcing services to Smart Education Limited. £nil was outstanding at the year end (2015: £nil).

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

27. Related party transactions (continued)

R Fielding, C Fielding, G Lennox and J E Lennox are all directors and shareholders of East Coast Wine Limited, a company registered in England & Wales. During the year purchases of £156 (2015: £nil) were made by the company from East Coast Wine Limited. At 30 June 2016 the company owed East Coast Wine Limited £nil (2015: £nil).

R Fielding and G Lennox are both directors of Oil Consultants Pty which is 95% owed by Oil Consultants Limited. During the year recharges of £140,258 were made to the company. At the year end the company owed Oil Consultants Limited £329,144.

Included within other creditors at the balance sheet date, are loan notes payable to the directors and their partners to the value of:

	2016 £	2015 £
R Fielding	1,099,200	870,825
C Fielding	1,109,350	870,825
G Lennox	1,104,070	870,825
A Lennox	1,105,456	870,825
D Spencer	171,150	139,893
L Spencer	171,200	139,893
M Cooper	683,100	561,890
D Cooper	394,850	368,138
H Smith	182,300	155,225
R Smith	190,300	155,225
L Guiliano	105,784	-
L Polo	105,784	-
	6,422,544	5,003,564

For the six month period to 31 December 2014 Loan notes of £nil (2015: £3,419,000) bore interest at 10%, £nil (2015: £800,000) bore interest at 8% and £nil (2015: £1,084,561) bore interest at 12% per annum. These transactions were undertaken at market value, all transactions were on an arm's length basis. The loan notes are due for repayment on 30 November 2018. From 1 January 2015 all the outstanding loan notes were converted to 0% interest.

Interest of £nil (2015: £268,126) in total was paid in the year on these loans.

28. Ultimate controlling party

The directors do not consider there to be any one controlling party.

OIL CONSULTANTS HOLDCO LIMITED

Notes to the Financial Statements For the Year Ended 30 June 2016

29. First time adoption of FRS 102

The group and company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 July 2014

	Group £	Company £
Equity at 1 July 2014 under previous UK GAAP	873,668	(1,677,899)
Holiday pay accrual	(20,145)	-
Equity shareholders funds at 1 July 2014 under FRS 102	853,523	(1,677,899)

Reconciliation of equity at 30 June 2015

	Group £	Company £
Equity at 30 June 2015 under previous UK GAAP	1,924,063	(1,946,025)
Holiday pay accrual	(20,652)	-
Equity shareholders funds at 30 June 2015 under FRS 102	1,903,411	(1,946,025)

Reconciliation of profit and loss account for the year ended 30 June 2015

	Group £	Company £
Profit/(loss) for the year under UK GAAP	1,032,733	(268,126)
Holiday pay accrual	(507)	-
Profit/(loss) for the year ended 30 June 2015 under FRS 102	1,032,226	(268,126)

The following were changes in accounting policies arising from the transition to FRS 102:

Holiday pay accrual - FRS 102 requires short term employee benefits to be charged to the profit and loss accounts as the employee service is received. This has resulted in the Group recognising a liability for the holiday pay for its employees on the transition to FRS 102. Previously holiday pay accruals were not recognised and were charges to the profit and loss account as they were paid.