Registered number: 07444313

OIL CONSULTANTS HOLDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

OIL CONSULTANTS HOLDCO LIMITED

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OIL CONSULTANTS HOLDCO LIMITED

COMPANY INFORMATION

Directors	Mr G Lennox Mr R Fielding Mrs J E Lennox Mrs C Fielding Mrs H M Smith Mrs D M Cooper Mr C V Ramplin
Company secretary	Mr C V Ramplin
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

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the Group Strategic Report for Oil Consultants Holdco Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 December 2018.

Principal activity

The principle 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 consultants to the oil and gas industry.

Business review and future developments

2018 saw significant growth of the business throughout the period, with revenue for the 12 months ending 31 December 2018 exceeding the 18 month period ending 31 December 2017. Despite the continuing challenging market conditions, the more stable oil price over the year provided increased volumes, however gross margins and consultant pay rates remained lower than in previous years as a result of changes in the market during the industry downturn. The overall result is excellent, given how challenging the market was throughout the period, although gross margin percentage decreased slightly from the prior year mainly as a result of market mix.

Administrative overhead has been managed carefully in the period, reflecting an absolute of only $5,181k or 8.9% of sales, compared to an absolute of $4,931k or 9.1% of sales for the prior period.

In order to fund the sales growth, the Company utilised its cash reserves and continues to use a blend of finance to support the business.

Looking forwards the oil and gas market remains challenging, however optimism that consultant day rates and margins will stabilise and begin to increase dependent on oil prices continuing to rise over the upcoming year as consultant demand increases. The Company has strong relationships with its key customers and continues to expand its customer base. Many of the Company's clients have established revised, well-structured approaches to the hiring of personnel and temporary contractors with the Company aligning its operational procedures to support these. Despite the market difficulties we have some excellent opportunities with both new and existing customers and whilst margins will remain at their current levels, we expect volumes to remain strong in the current period.

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.

Key performance indicators

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

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

This report was approved by the board and signed on its behalf by:

Mr C V Ramplin
Director

27/9/2019

Date:

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and the audited financial statements of Oil consultants Holdco Limited (the "Company") and its subsidiary undertaking (together the "Group") for the year ended 31 December 2018.

Results and dividends

The profit for the financial year and minority interests amounted to $371,729 (2017: $3,108,522).

The directors have not recommended a dividend (2017: $Nil).

Directors

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

Mr G Lennox
Mr R Fielding
Mrs J E Lennox
Mrs C Fielding
Mrs H M Smith
Mrs D M Cooper
Mr M J Clayton (resigned 22 October 2018)
Mr C V Ramplin (appointed 22 October 2018)

Matters covered in the strategic report

Details of future developments and the financial risk management process can be found in the Strategic Report on page 2.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Group and Company and of the profit or loss of the Group for that period. In preparing the 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 applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Disclosure of Information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the the Group and Company's auditors are unaware; and
- they have taken all the 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 the Group and Company'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 financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:

Mr C V Ramplin
Director

Date: 27/9/2019

Report on the audit of the financial statements

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 31 December 2018 and of the Group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Consolidated and Company Balance Sheet as at 31 December 2018; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company's financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

L Gartside

Lucy Gartside (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
Date: 27 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	**Continuing operations Year ended 31 December 2018 $**	**Discontinued operations Year ended 31 December 2018 $**	**Total Year ended 31 December 2018 $**	Continuing operations 18 months ended 31 December 2017 $	Discontinued operations 18 months ended 31 December 2017 $	Total 18 months ended 31 December 2017 $
Turnover	4	**58,350,025**	-	**58,350,025**	54,024,388	7,842,394	61,866,782
Cost of sales		**(50,380,914)**	-	**(50,380,914)**	(46,023,974)	(6,874,840)	(52,898,814)
Gross profit		**7,969,111**	-	**7,969,111**	8,000,414	**967,554**	8,967,968
Administrative expenses		**(5,509,356)**	-	**(5,509,356)**	(4,791,620)	(545,176)	(5,336,796)
Profit on disposal of subsidiaries	5	-	-	-	1,299,626	-	1,299,626
Operating profit	6	**2,459,755**	-	**2,459,755**	4,508,420	**422,378**	4,930,798
Interest receivable and similar income	10	-	-	-	702	-	702
Interest payable and similar expenses	11	**(441,434)**	-	**(441,434)**	(132,024)	-	(132,024)
Profit before taxation		**2,018,321**	-	**2,018,321**	4,377,098	**422,378**	4,799,476
Tax on profit	12	**(1,646,592)**	-	**(1,646,592)**	(1,768,781)	77,827	(1,690,954)
Profit for the financial year/period		**371,729**	-	**371,729**	2,608,317	**500,205**	3,108,522
Other comprehensive income/expense:							
Currency translation differences				**118,539**			(132,004)
Other comprehensive income/expense for the financial year/period				**118,539**			(132,004)
Total comprehensive income for the financial year/period				**490,268**			2,976,518

OIL CONSULTANTS HOLDCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Continuing operations	**Discontinued operations**	**Total**	Continuing	Discontinued operations	Total
				18 months	18 months	18 months
	Year ended 31 December 2018	**Year ended December**	**Year ended 31 December 2018**	ended 31 December 2017	ended 31 December 2017	ended 31 December 2017
	$	**$**	**$**	$		$
Profit for the financial year/period attributable to:						
Non-controlling interests	**1,248**	**-**	**1,248**	88,204	16,915	105,119
Owners of the parent Company	**370,481**	**-**	**370,481**	2,520,113	483,290	3,003,403
Profit for the financial year/period	**371,729**	**-**	**371,729**	2,608,317	**500,205**	3,108,522
Total comprehensive income for the financial year/period attributable to:						
Non-controlling interest			**(3,026)**			101,093
Owners of the parent Company			**493,294**			2,875,425
Total comprehensive income for the financial year/period			**490,268**			2,976,518

The notes on pages 17 to 38 form part of these financial statements.

OIL CONSULTANTS HOLDCO LIMITED
REGISTERED NUMBER: 07444313

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 $		2017 $
Fixed assets					
Intangible assets	13		**1,865,586**		2,139,838
Tangible assets	14		**17,181**		12,774
			1,882,767		2,152,612
Current assets					
Debtors	16	**24,519,867**		15,456,145	
Cash at bank and in hand	17	**1,044,658**		2,318,074	
		25,564,525		17,774,219	
Creditors: amounts falling due within one year	18	**(16,896,150)**		(9,661,353)	
Net current assets			**8,668,375**		8,112,866
Total assets less current liabilities			**10,551,142**		10,265,478
Creditors: amounts falling due after more than one year	19		**(5,996,237)**		(6,200,841)
Net assets			**4,554,905**		4,064,637
Capital and reserves					
Called up share capital	22		**1,573**		1,573
Profit and loss account	23		**4,437,174**		3,943,880
Equity attributable to owners of the parent Company			**4,438,747**		3,945,453
Non-controlling interests			**116,158**		119,184
Total shareholders' funds			**4,554,905**		4,064,637

The financial statements on pages 9 to 38 were approved and authorised for issue by the board and were signed on its behalf by:

Mr C V Ramplin
Director

Date: 07/9/2019

The notes on pages 17 to 38 form part of these financial statements.

OIL CONSULTANTS HOLDCO LIMITED
REGISTERED NUMBER: 07444313

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Fixed assets					
Investments	15		**4,536,685**		4,536,685
Creditors: amounts falling due within one year	18	**(2,016,307)**		(1,970,345)	
Net current liabilities			**(2,016,307)**		(1,970,345)
Total assets less current liabilities			**2,520,378**		2,566,340
Creditors: amounts falling due after more than one year	19		**(4,699,169)**		(4,592,225)
Net liabilities			**(2,178,791)**		(2,025,885)
Capital and reserves					
Called up share capital	22		**1,000**		1,000
Profit and loss account brought forward		**(2,026,885)**		(1,947,025)	
Loss for the financial year		**(152,906)**		(79,860)	
Profit and loss account carried forward			**(2,179,791)**		(2,026,885)
Total shareholders' deficit			**(2,178,791)**		(2,025,885)

The financial statements on pages 9 to 38 were approved and authorised for issue by the board and were signed on its behalf by:

Ramplin

Mr C V Ramplin
Director

Date: 27/9/2019

The notes on pages 17 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total shareholders' funds
	$	$	$	$	$
At 1 July 2016	1,573	1,068,455	1,070,028	18,091	1,088,119
Comprehensive income for the financial period					
Profit for the financial period	-	3,003,403	3,003,403	105,119	3,108,522
Currency translation differences on retranslation of net assets of subsidiaries	-	(127,978)	(127,978)	(4,026)	(132,004)
Other comprehensive expense for the financial period	-	(127,978)	(127,978)	(4,026)	(132,004)
Total comprehensive income for the financial period	-	2,875,425	2,875,425	101,093	2,976,518
At 31 December 2017 and 1 January 2018	1,573	3,943,880	3,945,453	119,184	4,064,637
Comprehensive income for the financial year					
Profit for the financial year	-	370,481	370,481	1,248	371,729
Currency translation differences on retranslation of net assets of subsidiaries	-	122,813	122,813	(4,274)	118,539
Total comprehensive income for the financial year	-	493,294	493,294	(3,026)	490,268
Contributions by and distributions to owners					
Total transactions with owners	-	-	-	-	-
At 31 December 2018	1,573	4,437,174	4,438,747	116,158	4,554,905

The notes on pages 17 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
At 1 July 2016	**1,000**	**(1,947,025)**	**(1,946,025)**
Comprehensive expense for the financial period			
Loss for the financial period	-	(79,860)	(79,860)
Total comprehensive expense for the financial period	**-**	**(79,860)**	**(79,860)**
At 31 December 2017 and 1 January 2018	**1,000**	**(2,026,885)**	**(2,025,885)**
Comprehensive expense for the financial year			
Loss for the financial year	-	(152,906)	(152,906)
Total comprehensive expense for the financial year	**-**	**(152,906)**	**(152,906)**
At 31 December 2018	**1,000**	**(2,179,791)**	**(2,178,791)**

The notes on pages 17 to 38 form part of these financial statements.

OIL CONSULTANTS HOLDCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Cash flows from operating activities		
Profit for the financial year	**371,729**	3,108,522
Adjustments for:		
Interest payable and similar charges	**441,434**	132,024
Interest receivable and similar income	**-**	(702)
Taxation charge	**-**	1,690,954
Amortisation of intangible assets	**156,554**	248,499
Depreciation of tangible assets	**3,557**	6,199
Increase in debtors	**(8,831,523)**	(10,734,348)
Increase in creditors	**2,666,683**	4,732,665
Corporation tax paid	**(46,526)**	(1,814,004)
Currency retranslation differences	**250,543**	(463,495)
Gain on disposal of subsidiary investment	**-**	(1,299,626)
Net cash utilised in operating activities	**(4,987,549)**	(4,393,312)
Cash flows from investing activities		
Purchase of tangible assets	**(8,623)**	-
Disposal of fixed asset investment net of cash acquired	**-**	(991,308)
Loan note interest paid	**(441,434)**	(131,323)
Net cash used in investing activities	**(450,057)**	(1,122,631)
Cash flows from financing activities		
Repayment of loans	**(550,403)**	(595,541)
Draw down on facility	**56,421,110**	13,315,130
Repayments against facility	**(52,706,175)**	(10,732,554)
New secured loans	**1,020,812**	1,291,900
Net cash from financing activities	**4,185,344**	3,278,935

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 $	2017 $
Net decrease in cash and cash equivalents	**(1,252,262)**	(2,237,008)
Cash and cash equivalents at beginning of financial year	**2,318,074**	4,583,289
Foreign exchange gains and losses	**(21,154)**	(28,207)
Cash and cash equivalents at the end of financial year	**1,044,658**	2,318,074
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	**1,044,658**	2,318,074

The notes on pages 17 to 38 form part of these financial statements.

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.

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

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company 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.

In the prior period, a transition of functional and presentational currency of the Group to USD was enacted. Further information can be viewed in Note . The Company functional and presentational currency remains in GBP.

2. Accounting policies (continued)

2.4 Going concern

The Group meets its day to day working capital requirements through a combination of its available cash resource, an uncommitted invoice discounting facility which was originally taken out in 2017, and overdraft facilities specific to operations within the Kingdom of Saudi Arabia that were available from April 2018. Despite the continuing challenging market conditions, the stable oil price provided increased demand for services during the period. The Group forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to continue to operate within its current facilities for at least 12 months following finalisation of these financial statements, assuming the continued availability of the uncommitted revolving invoice financing facility. The bank have not indicated there are any reasons why this facility would be withdrawn. 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.

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.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	20	years

2.8 Tangible assets

Tangible 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.

Depreciation is provided on the following basis:

Plant and machinery	-	20% straight line

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. Accounting policies (continued)

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.

2.10 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 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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 Group's cash management.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Accounting policies (continued)

2.15 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 Consolidated 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 Consolidated 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.

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.

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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 Consolidated 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.

2.16 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is USD.

The Company functional and presentational currency remains GBP.

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 Dollars 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. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 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 plan

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 recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.21 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.22 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 charge 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.

2.23 Exceptional items

Exceptional items are transactions that are one-off and / or unusual in nature. The transactions fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies 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.

Impairment of intangibles
The Group holds intangible assets, in the form of Goodwill, arising from the acquisition of subsidiaries. Goodwill is amortised over its useful life. Despite the Group enjoying positive trading conditions in the past few years management assess the carrying value of goodwill for any circumstances where an impairment is required. The key assumptions required for the cash flow forecast for the impairment review include the timing and quantum of operating cash flows generated by these investments and the appropriate discount rate to apply to these cash flows. These are all considered to be critical estimates and are based on management's best view of future conditions for the Group and the risks in delivering these cash flows.

4. Turnover

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

Analysis of turnover by country of destination:

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
United Kingdom	**5,874,640**	5,818,149
Overseas	**52,475,385**	56,048,633
	58,350,025	61,866,782

5. Other operating income

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Profit on disposal of fixed asset investments	**-**	1,299,626

6. Operating profit

The operating profit is stated after charging:

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Depreciation of tangible assets	**3,557**	6,199
Amortisation of intangible assets, including goodwill	**156,554**	248,499
Foreign exchange gains	**93,825**	9,676
Operating lease rentals	**100,280**	146,010

7. Auditors' remuneration

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	**3,566**	2,713

Fees payable to the Group's auditors in respect of:

Audit fees for subsidiary undertakings	**45,379**	26,032
Other services relating to taxation	**25,827**	45,928
Other audit related fees	**9,462**	9,689
All other services	**17,545**	8,598
	98,213	90,247

8. Employees

Staff costs, including directors' remuneration were as follows:

	Group 2018 $	Group 2017 $
Wages and salaries	**3,279,451**	2,889,012
Social security costs	**208,690**	178,620
Other pension costs	**90,348**	118,330
	3,578,489	3,185,962

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

	Year ended 31 December 2018 Number	18 months ended 31 December 2017 Number
Administrative staff	**39**	33

The Company does not have any employees (2017: Nil).

9. Directors' remuneration

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Aggregate directors' remuneration	**306,079**	334,490
Directors pension costs - defined contribution scheme	**15,482**	19,316
	321,561	353,806

During the year retirement benefits were accruing to 3 directors (2017: 2) in respect of defined contribution pension schemes.

The remuneration 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 remuneration of $447,425 (2017: $541,766).

Of the remuneration shown above, the amount awarded to the highest paid director for the year ended 31 December 2018 was $186,104 (2017: $222,896 for the 18 month period).

10. Interest receivable and similar income

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Other interest receivable	**-**	702

11. Interest payable and similar expenses

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Bank interest payable	**237,149**	106,278
Other interest payable	**204,285**	25,746
	441,434	132,024

12. Tax on profit

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Corporation tax		
Current tax on profits for the financial year/period	**333,334**	430,026
Adjustments in respect of previous periods	**44,916**	(73,356)
	378,250	356,670
Double taxation relief	**(371,596)**	(112,467)
	6,654	244,203
Foreign tax		
Foreign tax on income for the financial year/period	**1,640,202**	1,504,427
Total current tax	**1,646,856**	1,748,630
Deferred tax		
Origination and reversal of timing differences	**(478)**	(541)
Changes to tax rates	**214**	64
Adjustments in respect of prior year	**-**	(56,166)
Group relief	**-**	(1,033)
Total deferred tax	**(264)**	(57,676)
Total tax	**1,646,592**	1,690,954

12. Tax on profit (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.0% (2017: 19.5%). The differences are explained below:

	Year ended 31 December 2018 $	18 months ended 31 December 2017 $
Profit before taxation	**2,018,321**	4,799,476
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.0% (2017: 19.5%)	**383,481**	935,898
Effects of:		
Expenses not deductible for tax purposes	**703**	123,897
Adjustments in respect of prior years	**44,916**	(129,522)
Income not taxable	**(50,824)**	(634,651)
Double tax relief	**(371,596)**	(112,467)
Effects of overseas tax rates	**1,640,202**	1,504,427
Tax rate changes	**(290)**	3,372
Total tax charge for the year/period	**1,646,592**	1,690,954

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the Balance Sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13. Intangible assets

Group

	Goodwill $
Cost	
At 1 January 2018	**6,125,845**
Currency exchange movement	**(336,941)**
At 31 December 2018	**5,788,904**
Accumulated amortisation	
At 1 January 2018	**3,986,007**
Charge for the year	**156,554**
Currency exchange movement	**(219,243)**
At 31 December 2018	**3,923,318**
Net book value	
At 31 December 2018	**1,865,586**
At 31 December 2017	2,139,838

14. Tangible assets

Group

	Plant and machinery $
Cost	
At 1 January 2018	**219,076**
Additions	**8,623**
Currency exchange movements	**(3,677)**
At 31 December 2018	**224,022**
Accumulated depreciation	
At 1 January 2018	**206,302**
Charge for the year	**3,557**
Currency exchange movements	**(3,018)**
At 31 December 2018	**206,841**
Net book value	
At 31 December 2018	**17,181**
At 31 December 2017	12,774

15. Investments

Company

	Investments in subsidiary companies $
Cost	
At 1 January 2018	**4,536,685**
At 31 December 2018	**4,536,685**

Subsidiary undertakings

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

Name	Registered office	Principal activity	Class of shares	Holding
Oil Consultants Limited	Parsons House, Parsons Ind, Estate, Washington, Tyne And Wear, NE37 1EZ	Recruitment for the oil and gas industry	Ordinary	100%
Oil Consultants Limited	12/f, Shui On Plaza, 333 Huai Hai Zhong Road, Shanghai 200021, China	Recruitment for the oil and gas industry	Ordinary	100%
Oil Consultants PTY	Level 14, 344 Queen Street, Brisbane, Queensland, 4000, Australia	Recruitment for the oil and gas industry	Ordinary	95%
OGSR Consultants Inc	1221 Lamar, Suite 1000, Houston, Texas	Recruitment for the oil and gas industry	Ordinary	100%
Oil Consultants Malaysia SON BHD	No. 52 1st Floor, Jalan SS 21/58, Damansara Utama, 47400, Ptealing Haya, Selangor, Malaysia	Recruitment for the oil and gas industry	Ordinary	100%
PT Oil Consultants Indonesia	Skyline Building, 12th Floor, Jalan Thamrin No. 9, 10430, Jakarta, Indonesia	Recruitment for the oil and gas industry	Ordinary	100%
Oil Consultants Trinidad	18 Scott Bushe Street, Port of Spain, Trindad and Tobago	Recruitment for the oil and gas industry	Ordinary	100%
Oil Consulting Arabia LLC	Muhammad Street Office No. 7, Riyadh, Riyadh Province, Kingdom of Saudi Arabia	Recruitment for the oil and gas industry		0%

15. Investments (continued)

Subsidiary undertakings (continued)

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

Oil Consulting Arabia LLC is an entity incorporated during the 2018 financial year. The Company hold no shares in Oil Consulting Arabia LLC but have consolidated the results of the entity by virtue of control.

16. Debtors

	Group 2018 $	Group 2017 $	**Company 2018 £**	Company 2017 £
Trade debtors	**16,985,055**	11,043,537	-	-
Other debtors	**619,171**	49,123	-	-
Corporation tax	**93,044**	-	-	-
Deferred taxation	**782**	518	-	-
Prepayments and accrued income	**6,821,815**	4,362,967	-	-
	24,519,867	15,456,145	-	-

Trade debtors are stated after provisions for impairments of $Nil (2017: $Nil).

17. Cash at bank and in hand

	Group 2018 $	Group 2017 $	**Company 2018 £**	Company 2017 £
Cash at bank and in hand	**1,044,658**	2,318,074	-	-

18. Creditors: amounts falling due within one year

	Group 2018 $	Group 2017 $	Company 2018 £	Company 2017 £
Bank loans	**7,164,895**	2,582,576	**-**	-
Trade creditors	**7,073,874**	5,151,510	**-**	-
Amounts owed to group undertakings	**-**	-	**2,016,307**	1,970,345
Corporation tax	**-**	49,159	**-**	-
Other creditors	**725,715**	699,611	**-**	-
Other taxation and social security	**824,251**	316,391	**-**	-
Accruals and deferred income	**1,107,415**	862,106	**-**	-
	16,896,150	9,661,353	**2,016,307**	1,970,345

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

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

	Group 2018 $	Group 2017 $	Company 2018 £	Company 2017 £
Loan notes	**5,996,237**	6,200,841	**4,699,169**	4,592,225

Up until December 2014 interest was paid on the loan notes from the date of payment of the loan notes until the notes were to be redeemed. The interest was based on the principle amount of the loan, of £2,270,000, in line with the disclosure in note 26 and was charged to the statement of comprehensive income in the period to which it related. Redemption of the loan notes was due on 30 November 2015 when the principle 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. It was further resolved by the Board of Directors on 14 July 2017 that the repayment of these loan notes would be deferred until 30 November 2023.

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

On 14 July 2017, an additional balance of loan notes was taken out at the Oil Consultants Holdco Limited level to the value £1,000,000 (equivalent to $1,350,291 in USD). These loan notes accrue interest at a rate of 20% and are due for redemption in full, including any accrued interest on 31 August 2020. Interest is based on the principle amount of the loan, in line with the disclosure in note 26, and is charged to the Consolidated Statement of Comprehensive Income in the period to which it relates.

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

Interest of $204,285 (2017: $106,000) in total was paid in the period on these loans. Further details on the loan notes can be found in note 26 to these financial statements.

20. Financial instruments

	Group 2018 $	Group 2017 $	**Company 2018 £**	Company 2017 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**17,604,226**	11,092,660	**-**	-
Financial liabilities				
Financial liabilities measured at amortised cost	**(22,065,136)**	(15,496,460)	**(6,715,476)**	(6,562,570)

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.

21. Deferred taxation

Group

	2018 $
At beginning of the financial year	**518**
Credited to profit or loss	**264**
Disposal of subsidiary	**-**
At end of the financial year	**782**

The deferred tax asset is made up as follows:

	Group 2018 $	Group 2017 $
Accelerated capital allowances	**(1,686)**	518
Other timing differences	**2,468**	-
	782	518

22. Called up share capital

	2018 $	2017 $
Allotted, called up and fully paid		
1,000 (2017: 1,000) Ordinary shares of £1 (2017: £1) each	**1,573**	1,573

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.

24. 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 $90,348 (2017: $118,330).

25. Commitments under operating leases

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 $	Group 2017 $
Not later than 1 year	-	10,634
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	-	10,634

26. Related party transactions

$187,168 (2017: $65,345) was paid for consultancy services to Pre Eminent Solutions LLP, a partnership controlled by R Fielding and G Lennox, which is registered in England and Wales. At 31 December 2018 the Company owed Pre Eminent Solutions $16,545 (2017: $244).

R Fielding, G Lennox and H M Smith are all directors and shareholders of Rust Resources Holdco Limited, a company registered in England & Wales. During the year $Nil (2017: $4,651) was paid for outstanding services to Rust Resources Limited, a 100% subsidiary of Rust Resources Holdco Limited (which was disposed of by the Oil Consultants group on 31 December 2017) in which R Fielding, and G Lennox are directors. In addition, Oil Consultants Limited made recharges of $267.71 (2017:$44,957) to Rust Resources Limited. At 31 December 2018 the Oil Consultants Limited owed Rust Resources Limited $Nil (2017: $Nil) and was owed $Nil (2017: $46,509).

During the year, a subsidiary of the Company made recharges of $Nil (2017: $34,770) and paid $1,440 (2017: $Nil) to Rust Inc, a 100% subsidiary of Rust Resources Holdco Limited (which was disposed of by the Oil Consultants group on 31 December 2017) in which R Fielding and G Lennox are directors. At 31 December 2018 the subsidiary was owed $190 (2017: $190) and owed $Nil (2017: $Nil).

26. Related party transactions (continued)

During the year, OGSR Consultants Inc (which is 100% owned by Oil Consultants Limited) received recharges of $Nil (2017: $42,646) from Rust Resources Limited, in which R Fielding, DE Spencer and G Lennox are directors. At 31 December 2018, the Group owed Rust Resources Limited $Nil (2017: $Nil).

R Fielding and G Lennox are both directors of Oil Consultants Pty which is 95% owned by Oil Consultants Limited. During the year, recharges of $313,297.41 (2017: $319,304.93) were made by the Company. At the year end the Company owed Oil Consultants Limited $961,120 (2017: $933,933).

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

	2018	2017
	$	$
R Fielding	**1,145,314**	1,223,546
C Fielding	**1,013,845**	1,237,856
G Lennox	**1,655,723**	1,223,546
A Lennox	**1,013,845**	1,237,856
M Cooper	**521,010**	551,336
D Cooper	**349,206**	369,530
H Smith	**142,281**	193,136
R Smith	**155,013**	164,035
	5,996,237	6,200,841

From 1 January 2015, all the loan notes were converted to 0% interest.

Interest of $Nil (2017: $Nil) was paid in the period on these loans.

On 14 July 2017, an additional balance of loan notes was taken out at the Oil Consultants Holdco Limited level to the value of $1,350,291 (£1,000,000 in GBP). These loan notes accrue interest at a rate of 20%.

Interest of $204,285 (2017: $106,000) in total was paid in the period on these loans.

27. Ultimate parent undertaking and controlling party

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