
PETROPLAN EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



PETROPLAN EUROPE LIMITED

COMPANY INFORMATION

Directors J C Reeder
P Barnes
P Horton
J Thomerson
R Morrish (resigned 17 February 2021)

Registered number 08733447

Registered office Mercury House
117 Waterloo Road
London
SE1 8UL

Independent auditors Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

PETROPLAN EUROPE LIMITED

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PETROPLAN EUROPE LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Petroplan Group is a specialist global, talent acquisition, mobility and workforce solutions business, servicing employers and professionals in the oil, gas and energy sector. The Group's mission is to build strong business partnerships with clients, candidates and contractors, providing them with expert and tailored solutions. Service offerings cover talent acquisition (contract and permanent hire), executive search and talent sourcing, global mobility solutions, payrolling and managed solutions. Petroplan's consultancy services are delivered across 4 continents. The Group has regional offices in key locations including London, Houston, Calgary, Cape Town, Dubai, Muscat and Maputo to provide its clients and contractors with in-country support.

Petroplan remains committed to developing business partnerships with key clients around the world; the Group's aim is to be recognised as a leading international talent acquisition and workforce solutions business, serving key energy sectors – Oil & Gas, Midstream, LNG, Downstream & Chemicals, and Renewables – niche, expert, relationship driven, and a leader in the markets & geographic sectors it serves. The Group is committed to its clients, candidates and contractors, always putting them first and delivering exceptional service and value.

In 2020 Petroplan further developed its client focused strategy, emphasising the global reach of the Petroplan brand and its ability to offer consistent high levels of service throughout the world. The Group continues to focus on growing its business by developing deeper client relationships and enhancements to its services, through its regional management and specialist global service line teams. These teams target specialist technical functions within Upstream, Midstream, and Downstream, as well as specialist operational functions such as Technology, Project Services, Procurement & Supply Chain, Finance, HR and HSSE.

Petroplan has continued to develop its Client Relationship Management (CRM) system and online activity, building long term business partnerships within which it can successfully deliver solutions tailored to clients' needs. At the same time, the Group is driving forward its programme of improvement to ensure that the Petroplan team continuously broaden and deepen their knowledge and skills in their specialist areas.

Business review, key performance indicators and financial highlights

The Directors have monitored the performance of the Company with particular reference to key performance indicators ("KPI's"), which have been chosen by the Directors as those that measure the key elements of the Company's performance towards the achievement of the Company's business strategy. The Company's KPIs, being revenue, gross profit and margin and operating profit and margin, are set out below:

| | 2020 | 2019 |
|----------------------------------|---------------|-------------|
| | £m | £m |
| Turnover | 27.7 | 37.5 |
| Gross profit | 4.5 | 6.0 |
| Operating (loss) / profit | (1.4) | 1.0 |
| Gross profit margin | 16.2% | 16.0% |
| Operating (loss) / profit margin | (5.1)% | 2.7% |

Trading during the year was disappointing, with revenue decreasing by 26.1% to £27.7m (2019: £37.5m) and gross profit decreasing by 25.0% to £4.5m (2019: £6.0m). The decrease in gross profit reflects decreased placement activities as a whole for the Global Covid-19 pandemic.

The Company's operating loss for 2020 amounts to £1.4m as compared to operating profit of £1.0m in 2019. The Company's operating loss was impacted by foreign exchange losses of £0.2m (2019: gain of £0.2m) and other fixed administrative costs.

PETROPLAN EUROPE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The key risks and uncertainties facing the Company have been identified and are summarised below.

Uncertainty resulting from COVID-19 pandemic

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") with risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Since that date additional variants have emerged which have prolonged and deepened the impact of the pandemic well into 2021.

Several countries across the globe have taken actions to mitigate the spread of the virus which include complete internal lockdown and bans on international travel. These actions have, and continue to, disrupt many commercial activities across most sectors and in most countries around the world and management remains unable to estimate fully the potential impact these, and related events will have on business operations in the short to medium term.

The Group's clients and contractors have all been significantly affected and the Group has had a number of discussions with clients about on-going services and margins, many of which have resulted in continuance of the status quo although, and inevitably, some assignments for clients have been postponed and others have seen reduced margins. While there has been a degree of retrenchment by some clients, with a consequential reduction in demand for talent acquisition/workforce solutions services, the Group has been continuing to win instructions from new and existing clients albeit recognising that client hiring in the current market is more considered and therefore moving at a slower pace. The Group's robust approach to management of receivables and payables has resulted in strong cash flow and minimal losses due to credit notes or bad debts.

Management continuously monitors changes to clients' strategic and operational plans, the level of demand for the Group's services and the impact the pandemic, and its consequences, could have on the financial, operational and liquidity position of the Company for the fiscal year 31 December 2021 and beyond, and is continuously taking action to reduce costs and to mitigate risks as they are identified.

Tax risk

Petroplan actively works with clients, contractors and professional partners to assess and manage any tax risk that may arise from working across multiple territories and jurisdictions and to ensure compliance in each country, while minimizing tax rates.

Working Capital

The Company continues to experience industry wide pressures on working capital, with clients seeking to extend payment terms to manage their own working capital. At the year end, aged debtors were £1.6m (2019: £3.4m) principally reflecting the improvement in credit control, year-end bank balances reduced to £188k (2019: £37k) and debt facilities had reduced to £1.1m (2019: £2.9m). The Company has previously put in place invoice discounting and inter-company bank account sweeping facilities to manage its ongoing working capital needs and to provide sufficient financial flexibility to accommodate anticipated growth.

In 2020, following the COVID-19 outbreak, the Company has successfully accessed government support where this has been available around the world and has taken a number of steps to manage its cost base and work with suppliers to reduce the pressure on working capital.

The Directors are closely monitoring opportunities currently under discussion with clients, focusing on servicing client needs. The Directors have carefully assessed all known impacts of the pandemic and, after taking into full account the latest client developments and current and anticipated levels of trading, the Directors have carried out a detailed assessment of the Company's expected working capital requirements and are satisfied that the Company has sufficient financing facilities in place to fund its business requirements for the foreseeable future.

PETROPLAN EUROPE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Principal risks and uncertainties (continued)**Economic Climate**

The Group specialises in global oil, gas and energy talent acquisition, mobility and workforce solutions services and is therefore affected by developments within the global oil, gas and energy market. Conditions continued to be challenging in 2020, with oil prices impacting client activity and investment decisions; service companies, particularly within the recruitment sector, continued to experience margin pressure as clients seek to manage their cost base. This pressure has continued into 2021 with the COVID-19 outbreak causing an unprecedented drop in demand for energy and consequentially in oil & gas prices, coupled with bans on international travel and a consequential and significant impact on investment decisions and the opportunity for contractors to be mobilised.

Political considerations have increased the sense of uncertainty in the group's marketplace; the change in the US administration, the differing political approach around the world to managing the health risk of the pandemic, attitudes to global trade and environmental considerations have all added considerable further complexity to capex and major investment decisions. Recent increases in oil prices have indicated that the oil & gas sector may see a return to investment activity in the near future. Persistent pressure on concerns about the global climate have led to significant political demands.

While Petroplan has felt the direct influence of these challenging conditions, the Group has remained focused on developing its approach to the global market so as to make the most of opportunities as they present themselves and to increase the Group's currently small overall market share. The Group is confident that, as clients adapt to these challenges, new opportunities will arise and it is well placed to service client needs.

Competitor Risk

Petroplan operates in a competitive and evolving marketplace and continually seeks to improve its offering to clients, candidates and contractors. Focused solely on the oil, gas and energy sector, Petroplan believes it has a clear competitive advantage moving forwards and will have significant opportunities to increase its market share as the market improves and candidate shortage once again becomes prevalent.

This competitive advantage arises because Petroplan consultants are embedded in the marketplace, have a greater level of knowledge and expertise in their fields and are accordingly better able to understand clients' and candidates' needs, enabling the Group to deliver first-class services to clients and contractors alike.

Compliance and client service are at the centre of Petroplan's services and the Group has a dedicated team of consultants solely responsible for initial mobilisation and ongoing contractor and client support. The Group has invested in technology to enable its recruiters to better identify, and connect more quickly and globally with specialist talent; the Group is further automating its processes to drive efficiencies and allow it to compete more effectively in a price sensitive marketplace.

Future developments

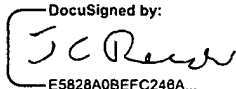
The short to medium term outlook remains challenging for the energy industry, however Petroplan believes it has the right strategies to benefit from any improvement in trading conditions in the near to medium term future and will:

- continue to use its well-earned reputation as technical specialists to develop and increase its client base, to deepen its client relationships and improve service delivery;
- continue with its partnering approach, which sits at the heart of its client service strategy;
- consider further targeted investment in geographic expansion, to support our clients' ambitions; and
- will continue to develop its global service line structure to ensure a consistent, agile and high-quality service offering across its client and candidate network based on specialist knowledge and expertise.

PETROPLAN EUROPE LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

DocuSigned by:

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J C Reeder
Director

Date: 29 July 2021 | 15:51 BST

PETROPLAN EUROPE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £1,818,251 (2019 - loss £246,942).

The Directors do not recommend any dividend payments for the year (2019 - £NIL).

Directors

The Directors who served during the year were:

J C Reeder
P Barnes
P Horton
J Thomerson
R Morrish (resigned 17 February 2021)

Future developments

The Company's future developments are discussed in the Strategic report.

Going concern

The financial statements have been prepared on the going concern basis.

The Company is a subsidiary of Petroplan Holdings Limited and relies on its own trading performance and cash flows, as well as those of the wider Group, to meet its day to day working capital requirements. The Company made a loss for the year ended 31 December 2020 of £1,816,505 (2019: £246,942). At 31 December 2020, the Company had net liabilities of £1,790,961 (2019: net assets of £27,290) and net current liabilities of £1,805,461 (2019: net current assets of £12,790).

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") with risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Since that date additional variants have emerged which have prolonged and deepened the impact of the pandemic well into 2021.

Several countries across the globe have taken actions to mitigate the spread of the virus which include complete internal lockdown and bans on international travel. These actions have, and continue to, disrupt many commercial activities across most sectors and in most countries around the world and management remains unable to estimate fully the potential impact these, and related events will have on business operations in the short to medium term.

The Group's clients and contractors have all been significantly affected and the Group has had a number of discussions with clients about on-going services and margins, many of which have resulted in continuance of the status quo although, and inevitably, some assignments for clients have been postponed and others have seen reduced margins. While there has been a degree of retrenchment by some clients, with a consequential reduction in demand for talent acquisition/workforce solutions services, the Company has been continuing to win instructions from new and existing clients albeit recognising that client hiring in the current market is more considered and therefore moving at a slower pace. The Group's robust approach to management of receivables and payables has resulted in strong cash flow and minimal losses due to credit notes or bad debts.

PETROPLAN EUROPE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going concern (continued)

Management continuously monitors changes to clients' strategic and operational plans, the level of demand for the Group's services and the impact the pandemic, and its consequences, could have on the financial, operational and liquidity position of the Group for the fiscal year 31 December 2021 and beyond, and is continuously taking action to reduce costs and to mitigate risks as they are identified.

In addition to the cost reductions, the Group took advantage of the support offered by the UK Government through the furlough and PAYE deferral schemes and the US Government through a Paycheck Protection Program (PPP) loan under the CARES Act. The first tranche PPP loan has now been forgiven in full and credit for this will be taken in the 2021 financial results.

Management have prepared Group cash flow forecasts, giving consideration to past, current and expected future trading, showing trading within current facilities. Management have also prepared a Group forecast on a "worst case" scenario to recognise the inherent uncertainties that surround the current operating and economic environment. The assumptions within this "worst case" scenario see revenue and direct costs reduced significantly and together indicate that the Group has sufficient cash resources to continue trading.

The directors have received a letter of support from Petroplan Holdings Limited, the ultimate parent company of the Group confirming it will continue to provide the necessary financial support to the Company for a period of at least 12 months from the date of signing these financial statements, as it may require. The directors have reviewed the Group's cash flow forecasts noted above and are satisfied that the Group has sufficient cash and resources to provide this financial support. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. It is Company policy to assess the credit risk of new customers before entering contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Most of the Company's cash is held with HSBC Bank plc, a well-known UK based bank.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors review cash balances on a periodic basis and forecast cash requirements throughout the year to ensure sufficient cash is available.

Market risk

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

PETROPLAN EUROPE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Financial instruments (continued)

Foreign exchange risk

Foreign exchange risk arises when a Company enters into transactions denominated in a currency other than its functional currency.

The Company aims to fund expenses and to manage foreign exchange risk by matching the currency in which revenue is generated and expenses are incurred.

Disclosure of information to auditors

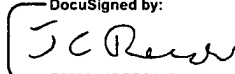
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company'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's auditors are aware of that information.

Auditors

The auditors, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

E5828A0BEFC246A...
J C Reeder
Director

Date: 29 July 2021 | 15:51 BST

PETROPLAN EUROPE LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PETROPLAN EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETROPLAN EUROPE LIMITED

Opinion

We have audited the financial statements of Petroplan Europe Limited for the year ended 31 December 2020, which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

PETROPLAN EUROPE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETROPLAN EUROPE LIMITED
(CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PETROPLAN EUROPE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETROPLAN EUROPE LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, discussions with management and directors, we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

To identify risks of material misstatement due to fraud we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- reading minutes of board and audit committee meetings;
- considering whether remuneration incentive schemes or performance targets exist.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and fraudulent revenue recognition. We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

PETROPLAN EUROPE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETROPLAN EUROPE LIMITED
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements (continued)

To address the pervasive risk as it relates to management override and revenue recognition, we performed procedures including:

- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management about litigations and claims and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the completeness and carrying value of accruals and provisions, recoverability of debtors;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions outside the normal course of business;
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



John Glasby (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

Date: 30 July 2021

PETROPLAN EUROPE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 £ | 2019 £ |
|--|------|--------------------|------------------|
| Turnover | 4 | 27,669,196 | 37,519,625 |
| Cost of sales | | (23,147,889) | (31,492,304) |
| Gross profit | | 4,521,307 | 6,027,321 |
| Administrative expenses | | (5,882,510) | (5,056,494) |
| Operating (loss)/profit | 5 | (1,361,203) | 970,827 |
| Income from fixed assets investments | | 11,182 | - |
| Interest receivable and similar income | 10 | 186 | - |
| Interest payable and similar expenses | 11 | (60,760) | (97,254) |
| (Loss)/profit before tax | | (1,410,595) | 873,573 |
| Tax on (loss)/profit | 12 | (407,656) | (1,120,515) |
| Loss for the financial year | | (1,818,251) | (246,942) |
| Total comprehensive income for the year | | (1,818,251) | (246,942) |

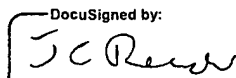
The notes on pages 16 to 31 form part of these financial statements.

PETROPLAN EUROPE LIMITED
REGISTERED NUMBER: 08733447

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|--|------|---------------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 13,500 | 13,500 |
| Investments | 14 | 1,000 | 1,000 |
| | | <u>14,500</u> | <u>14,500</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 15 | 8,058,313 | 9,874,194 |
| Cash at bank and in hand | | 187,521 | 37,334 |
| | | <u>8,245,834</u> | <u>9,911,528</u> |
| Creditors: amounts falling due within one year | 16 | (10,051,295) | (9,898,738) |
| Net current (liabilities)/assets | | <u>(1,805,461)</u> | <u>12,790</u> |
| Total assets less current liabilities | | <u>(1,790,961)</u> | <u>27,290</u> |
| Net (liabilities)/assets | | <u><u>(1,790,961)</u></u> | <u><u>27,290</u></u> |
| Capital and reserves | | | |
| Called up share capital | 18 | 1,000 | 1,000 |
| Profit and loss account | 19 | (1,791,961) | 26,290 |
| | | <u><u>(1,790,961)</u></u> | <u><u>27,290</u></u> |

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

DocuSigned by:

E5828A0BEFC246A...
J C Reeder
Director

Date: 29 July 2021 | 15:51 BST

The notes on pages 16 to 31 form part of these financial statements.

PETROPLAN EUROPE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Called up share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|--------------------|
| | £ | £ | £ |
| At 1 January 2020 | 1,000 | 26,290 | 27,290 |
| Comprehensive loss for the year | | | |
| Loss for the year | - | (1,818,251) | (1,818,251) |
| Total comprehensive loss for the year | - | (1,818,251) | (1,818,251) |
| At 31 December 2020 | 1,000 | (1,791,961) | (1,790,961) |

The notes on pages 16 to 31 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Called up share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|---------------|
| | £ | £ | £ |
| At 1 January 2019 (as previously stated) | 1,000 | 368,924 | 369,924 |
| Prior year adjustment | - | (95,692) | (95,692) |
| At 1 January 2019 (as restated) | 1,000 | 273,232 | 274,232 |
| Comprehensive loss for the year | | | |
| Loss for the year | - | (246,942) | (246,942) |
| Total comprehensive income for the year | - | (246,942) | (246,942) |
| At 31 December 2019 | 1,000 | 26,290 | 27,290 |

The notes on pages 16 to 31 form part of these financial statements.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Petroplan Europe Limited is a private company, limited by shares and incorporated in England and Wales, registration number 08733447. The registered office is Mercury House, 117 Waterloo Road, London SE1 8UL. The principal activities are set out in the Strategic Report.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 financial statements are presented in Sterling (£).

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

The Company is exempt from the preparation of consolidated financial statements, because it is a wholly owned subsidiary included in the Group financial statements of Petroplan Holdings Limited. Details of the parent in whose consolidated financial statements the company is included are shown in note 23 to the financial statements. These financial statements are separate financial statements, presenting information about the company as an individual entity and not about its Group.

2.2 Going concern

The financial statements have been prepared on the going concern basis.

The Company is a subsidiary of Petroplan Holdings Limited and relies on its own trading performance and cash flows, as well as those of the wider Group, to meet its day to day working capital requirements. The Company made a loss for the year ended 31 December 2020 of £1,816,505 (2019: £246,942). At 31 December 2020, the Company had net liabilities of £1,790,961 (2019: net assets of £27,290) and net current liabilities of £1,805,461 (2019: net current assets of £12,790).

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") with risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Since that date additional variants have emerged which have prolonged and deepened the impact of the pandemic well into 2021.

Several countries across the globe have taken actions to mitigate the spread of the virus which include complete internal lockdown and bans on international travel. These actions have, and continue to, disrupt many commercial activities across most sectors and in most countries around the world and management remains unable to estimate fully the potential impact these, and related events will have on business operations in the short to medium term.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.2 Going concern (continued)**

The Group's clients and contractors have all been significantly affected and the Group has had a number of discussions with clients about on-going services and margins, many of which have resulted in continuance of the status quo although, and inevitably, some assignments for clients have been postponed and others have seen reduced margins. While there has been a degree of retrenchment by some clients, with a consequential reduction in demand for talent acquisition/workforce solutions services, the Company has been continuing to win instructions from new and existing clients albeit recognising that client hiring in the current market is more considered and therefore moving at a slower pace. The Group's robust approach to management of receivables and payables has resulted in strong cash flow and minimal losses due to credit notes or bad debts.

Management continuously monitors changes to clients' strategic and operational plans, the level of demand for the Group's services and the impact the pandemic, and its consequences, could have on the financial, operational and liquidity position of the Group for the fiscal year 31 December 2021 and beyond, and is continuously taking action to reduce costs and to mitigate risks as they are identified.

In addition to the cost reductions, the Group took advantage of the support offered by the UK Government through the furlough and PAYE deferral schemes and the US Government through a Paycheck Protection Program (PPP) loan under the CARES Act. The first tranche PPP loan has now been forgiven in full and credit for this will be taken in the 2021 financial results.

Management have prepared Group cash flow forecasts, giving consideration to past, current and expected future trading, showing trading within current facilities. Management have also prepared a Group forecast on a "worst case" scenario to recognise the inherent uncertainties that surround the current operating and economic environment. The assumptions within this "worst case" scenario see revenue and direct costs reduced significantly and together indicate that the Group has sufficient cash resources to continue trading.

The directors have received a letter of support from Petroplan Holdings Limited, the ultimate parent company of the Group confirming it will continue to provide the necessary financial support to the Company for a period of at least 12 months from the date of signing these financial statements, as it may require. The directors have reviewed the Group's cash flow forecasts noted above and are satisfied that the Group has sufficient cash and resources to provide this financial support. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)
2.3 Financial reporting standard 102 - reduced disclosure exemptions

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 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 11.42, 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.

This information is included in the consolidated financial statements of Petroplan Holdings Limited as at 31 December 2020 and these financial statements may be obtained from the Companies House website at <https://www.gov.uk/government/organisations/companies-house>.

2.4 Turnover

Turnover represents amounts receivable from recruitment consultancy services net of VAT and gross of withholding tax.

Revenue is recognised upon completion of contractual obligations.

In the case of permanent placement fees, these are recognised on the start date of the successfully placed candidate and are net of any claw back provision, where applicable.

2.5 Tangible fixed 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:

| | |
|---------------------------|------------------------------------|
| Assets under construction | - Not depreciated until completion |
|---------------------------|------------------------------------|

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 profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

The Company's accounting policies in respect of these financial instruments are stated in notes 2.8 to 2.10 below.

2.8 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.

2.9 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.

2.10 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.

2.11 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

2.12 Finance costs

Finance costs are charged to profit or loss 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.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.13 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Impairment of debtors

The Company makes an estimate of the recoverable value of trade debtors, amounts owed by group companies and other debtors. When assessing impairment of debtors, management considers factors including current credit ratings of the debtors, the aging profile of debtors and historical experience.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

The turnover is attributable to the one principal activity of the Company. An analysis of sub-contractor placements by geographical location is shown below.

| | 2020 % | 2019 % |
|------------------------|------------|------------|
| United Kingdom | 68 | 39 |
| Europe | 14 | 20 |
| Middle East and Africa | 10 | 33 |
| Rest of the world | 8 | 8 |
| | <u>100</u> | <u>100</u> |

5. Operating (loss)/profit

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

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|----------------|
| Exchange differences | 215,584 | (244,695) |
| Other operating lease rentals | 253,699 | 305,340 |
| Defined contribution pension costs | <u>98,347</u> | <u>110,402</u> |

6. Auditors' remuneration

The audit fee for the year has been borne by Petroplan Holdings Limited, the parent company of the group.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employees

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

| | 2020 | 2019 |
|-------------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Wages and salaries | 2,020,025 | 2,741,234 |
| Social security costs | 231,534 | 303,189 |
| Cost of defined contribution scheme | 98,347 | 110,402 |
| | <u>2,349,906</u> | <u>3,154,825</u> |

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

| | 2020 | 2019 |
|------------|------------------|------------------|
| | No. | No. |
| Management | 5 | 4 |
| Staff | 42 | 49 |
| | <u>47</u> | <u>53</u> |

8. Directors' remuneration

| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Directors' emoluments | 375,713 | 398,128 |
| Company contributions to defined contribution pension schemes | 22,941 | 18,704 |
| | <u>398,654</u> | <u>416,832</u> |

During the year retirement benefits were accruing to 4 Directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £140,088 (2019 - £219,392).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,346 (2019 - £11,581).

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Income from investments

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|-----------|
| Dividends received from subsidiary | 11,182 | - |
| | <u>11,182</u> | <u>-</u> |

10. Interest receivable

| | 2020 £ | 2019 £ |
|---------------------------|------------|-----------|
| Other interest receivable | 186 | - |
| | <u>186</u> | <u>-</u> |

11. Interest payable and similar expenses

| | 2020 £ | 2019 £ |
|------------------------|---------------|---------------|
| Bank interest payable | 1,921 | 3,540 |
| Other interest payable | 58,839 | 93,714 |
| | <u>60,760</u> | <u>97,254</u> |

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Taxation

| | 2020 | 2019 |
|--|-------------------------|------------------|
| | £ | £ |
| Corporation tax | | |
| Current tax on profits for the year | (41,589) | - |
| Adjustments in respect of previous periods | - | 1,268 |
| | <u>(41,589)</u> | <u>1,268</u> |
| Foreign tax | | |
| Foreign tax on income for the year | 649,167 | 1,181,150 |
| | <u>649,167</u> | <u>1,181,150</u> |
| Total current tax | <u>607,578</u> | <u>1,182,418</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (220,895) | (72,273) |
| Adjustments for prior periods | 32,042 | 10,370 |
| Remeasurement of deferred tax for changes in tax rates | (11,069) | - |
| Total deferred tax | <u>(199,922)</u> | <u>(61,903)</u> |
| Taxation on profit on ordinary activities | <u>407,656</u> | <u>1,120,515</u> |

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 £ | 2019 £ |
|---|-----------------------|-------------------------|
| (Loss)/profit on ordinary activities before tax | <u>(1,410,595)</u> | <u>873,573</u> |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | (268,013) | 165,979 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 114 | 16 |
| Adjustments to tax charge in respect of prior periods | - | 1,268 |
| Other timing differences leading to an increase (decrease) in taxation | (533) | - |
| Adjustments to tax charge in respect of previous periods - deferred tax | 32,042 | 10,370 |
| Adjust closing deferred tax to average rate of 19.00% | - | 14,838 |
| Adjust opening deferred tax to average rate of 19.00% | - | (6,336) |
| Remeasurement of deferred tax for changes in tax rates | (11,069) | - |
| Double taxation relief | - | 1,181,150 |
| Other permanent differences | - | (262,169) |
| Foreign tax credits | 649,167 | - |
| Group relief | 5,948 | 15,399 |
| Total tax charge for the year | <u>407,656</u> | <u>1,120,515</u> |

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets

| | Assets under construction £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 January 2020 | 13,500 |
| At 31 December 2020 | <u>13,500</u> |
| Net book value | |
| At 31 December 2020 | <u>13,500</u> |
| At 31 December 2019 | <u>13,500</u> |

14. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------------|--|
| Cost and net book value | |
| At 1 January 2020 | 1,000 |
| At 31 December 2020 | <u>1,000</u> |

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|----------------------------|--|---------------------------|----------------------------|----------------|
| Petroplan Services Limited | Mercury House, 117 Waterloo Road, London SE1 8UL | Specialist recruitment | Ordinary | 100% |

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Debtors

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 1,562,227 | 3,393,995 |
| Amounts owed by group undertakings | 5,101,095 | 4,143,502 |
| Other debtors | 61,018 | 67,936 |
| Prepayments and accrued income | 966,336 | 1,925,027 |
| Tax recoverable | 41,589 | 217,608 |
| Deferred taxation | 326,048 | 126,126 |
| | <u>8,058,313</u> | <u>9,874,194</u> |

All amounts shown under debtors fall due for payment within one year.

16. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|-------------------|------------------|
| Bank overdrafts | 88,264 | 155,980 |
| Other loans | 991,273 | 2,728,916 |
| Trade creditors | 1,222,266 | 1,844,149 |
| Amounts owed to group undertakings | 7,287,726 | 4,095,920 |
| Other taxation and social security | 206,589 | 83,594 |
| Other creditors | 29,570 | 19,779 |
| Accruals and deferred income | 225,607 | 970,400 |
| | <u>10,051,295</u> | <u>9,898,738</u> |

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Creditors: Amounts falling due within one year (continued)

Securities held by the company's bank HSBC in respect of the invoice discounting advance and other overdraft balances are as follows:

- Unlimited multilateral guarantee dated 14 April 2014 given by Petroplan Limited, Petroplan Europe Limited, Petroplan Iraq Limited, Petroplan ME&A Limited, Petroplan North America Limited and Petroplan Holdings Limited.
- Unlimited multilateral IF guarantee dated 19 May 2014 given by Petroplan Limited, Petroplan Europe Limited, Petroplan Iraq Limited, Petroplan ME&A Limited, Petroplan North America Limited and Petroplan Holdings Limited.
- Debenture including a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled share capital, both present and future; and a first floating charge over all assets and undertaking both present and future dated 11 March 2014.
- Fixed charge on non-vesting debts and floating charges over all the property or undertaking of the company including negative pledge dated 19 January 2018.
- Assignment of rights arising under contract monies for all present and future debts, money and other liabilities dated 10 August 2018.

17. Deferred taxation

| | 2020 £ |
|-----------------------|-------------------------|
| At beginning of year | 126,126 |
| Credit for the year | 199,922 |
| At end of year | 326,048 |

The deferred tax asset is made up as follows:

| | 2020 £ | 2019 £ |
|--------------------------------|-------------------------|-------------------------|
| Accelerated capital allowances | (2,565) | 126,126 |
| Tax losses carried forward | 328,613 | - |
| | 326,048 | 126,126 |

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Share capital

| | 2020 £ | 2019 £ |
|--|--------------|--------------|
| Allotted, called up and fully paid | | |
| 1,000 (2019 - 1,000) Ordinary shares of £1.00 each | <u>1,000</u> | <u>1,000</u> |

19. Reserves**Profit and loss account**

All other net gains and losses and transactions with owners, such as dividends, that are not recognised elsewhere.

20. Pension commitments

The Company operates two defined contribution pension schemes of which one is a scheme for staff and directors and one is a scheme for certain directors only. The assets of the schemes are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the scheme for staff and directors and amounted to £98,347 (2019 - £110,402). Contributions totalling £13,906 (2019 - £13,545) were payable to the scheme at the report date and are included in creditors.

21. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2020 £ | 2019 £ |
|--|-----------------------|----------------|
| Not later than 1 year | 154,181 | 231,652 |
| Later than 1 year and not later than 5 years | - | 142,400 |
| | <u>154,181</u> | <u>374,052</u> |

22. Related party transactions

As the Company is a wholly owned subsidiary of Petroplan Holdings Limited, the Company has taken advantage of the exemption under section 33.1A of FRS 102 from disclosing transactions or balances with entities which form part of the Group.

Key management remuneration is considered to be the directors of the Company. See note 8 for their remuneration.

PETROPLAN EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Controlling party

The Company is a 100% held subsidiary of Petroplan Holdings Limited.

The Company's ultimate parent company is Petroplan Holdings Limited, a company incorporated in England and Wales. This company prepares consolidated financial statements which include Petroplan Europe Limited. The financial statements of Petroplan Holdings Limited are the smallest and largest group set of financial statements that incorporate the results of Petroplan Europe Limited. Copies of Petroplan Holdings Limited's consolidated financial statements may be obtained from the Companies House website at <https://www.gov.uk/government/organisations/companies-house>.

The Company is controlled by J C Reeder through his shareholding in Petroplan Holdings Limited.