

Company Registration No. 09891772 (England and Wales)

**CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr M A De Rhune	
	Mr S A Benzie	(Appointed 4 October 2021)
	Mr J P Fraser	(Appointed 4 October 2021)
<b>Company number</b>	09891772	
<b>Registered office</b>	International House 24 Holborn Viaduct London United Kingdom EC1A 2BN	
<b>Auditor</b>	Deloitte LLP Union Plaza 1 Union Wynd Aberdeen United Kingdom AB10 1SL	

---

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## CONTENTS

---

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 17

---

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2020

---

The directors present their annual report and financial statements for the period ended 31 December 2020.

During the period, the Company's financial year-end changed from 31 March to 31 December. Accordingly, the comparatives in the financial statements are for twelve months.

#### Principal activities

The principal activity of the Company continued to be that of a holding Company.

Churchill Drilling Tools (Holdings) Limited is part of the wider Coretrax group which is involved in the renewable energy market, with all our products either already suitable or adapted for the renewable applications such as the drilling of geothermal wells and the maintenance of carbon capture wells.

#### Results and dividends

The results for the period are set out on page 7-9.

No ordinary dividends were paid (March 2020: £120,000). The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr J K F Murray	(Resigned 30 September 2021)
Mr M A De Rhune	
Mr S A Benzie	(Appointed 4 October 2021)
Mr J P Fraser	(Appointed 4 October 2021)

#### Environmental policies

Throughout our Company runs a deep commitment to quality, health and safety and the environment. Each of our employees acknowledges a personal responsibility to carry out work duties with these factors in mind at all times.

Coretrax is involved in the renewable energy market, with all our products either already suitable or adapted for the renewables applications such as the drilling of geothermal wells and the maintenance of carbon capture wells. For example, two of our products, our biocide surfactant CoreCide, and our oxygen scavenger CoreOxy, have been registered with CEFAS and have been awarded the Gold band, the highest possible environmental rating.

As more companies invest in renewable energy sources, Coretrax is committed to identifying the ways in which we can support these projects delivering the same efficiencies we offer to the oil and gas industry. By 2026, our target is to have renewable energy revenue sources make up approximately 30% of the group's total revenue.

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

### Going concern

As discussed in note 15, subsequent to the year end the net trading assets of the Company were transferred to a fellow subsidiary. The assets and liabilities that still exist in the Company will be settled in 2021 after which the Directors expect to close the Company.

The Directors have therefore prepared the financial statements on the basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the balance sheet date.

### Risks and uncertainties

The Company face a variety of risks and uncertainties, both foreseeable and unforeseeable. The board consider the main risks and uncertainties to be:

#### COVID-19

The recent COVID-19 pandemic presents a challenge to all businesses including to the Company. The pandemic could result in a reduction in activity levels of the Company's subsidiaries as demand for oil and gas falls relative to supply and therefore require a need to re-appraise the cost base of the Company's subsidiaries.

Unquantifiable risks that could affect the Company's management activities mentioned above include the duration and scope of the COVID-19 pandemic and the pace of recovery when the COVID-19 pandemic subsides.

As a result of this, the Company is constantly monitoring the impact of COVID-19 on its business and that of its subsidiaries, taking numerous proactive steps to address the risks noted above and mitigate the possible negative financial impacts that could arise. Business contingency plans have been implemented at a group level and will continue to be adjusted in response to the global situation.

#### Effect of the United Kingdom leaving the European Union ("Brexit")

The Company does not receive significant revenues or supplies from countries within the European Union, but any new trade agreements with non-EU countries, when finalised, could result in significant changes to, for example, withholding taxes on certain dividends, rents or royalty payments.

All of the above mentioned risk factors should be considered in connection with any forward-looking statements in these financial statements.

### Future developments

The directors anticipate that the continuing integration of the recently acquired businesses will deliver significant economies of scale and improved customer offerings in many geographical regions at a group level.

### Post balance sheet events

The COVID-19 pandemic which commenced in the first quarter of 2020 continues to result in new flare ups, new waves of infection and new variants. COVID-19 has severely reduced global economic activity and has adversely affected the expenditure plans of our key clients. The impact remains uncertain at present but could affect future earnings, cash flow and financial position. Refer to the Directors' report for a further discussion of the effect on our business.

The Company disposed of its subsidiaries in August 2021 and they were acquired by another member of the Coretrax Group. As at 1 August 2021, the net trading assets of the Company were transferred to a fellow subsidiary, Coretrax Global Limited. Assets and liabilities that still exist in the Company will be settled during 2021 after which the directors expect to close the Company.

### Auditor

Deloitte LLP were appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board

Mr M A De Rhune  
**Director**

8 December 2021

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

---

#### Opinion

We have audited the financial statements of Churchill Drilling Tools (Holdings) Limited (the 'Company') for the period ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 of Churchill Drilling Tools (Holdings) Limited (the 'Company'):

- 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 1.

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).

#### 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 auditor's 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 UK, including the Financial Reporting Council's (the 'FRC'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.

#### Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to note 1.2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

---

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

#### **Auditor's 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 auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act 2006 and taxation legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

# **CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED**

---

#### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

#### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Graham Hollis ACA (Senior Statutory Auditor)**

**For and on behalf of Deloitte LLP**

8 December 2021

**Statutory Auditor**

Union Plaza  
1 Union Wynd  
Aberdeen  
United Kingdom  
AB10 1SL

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020

		Period ended 31 December 2020 £	Year ended 31 March 2020 £
	Notes		
Administrative expenses		(11,351)	(11,821)
<b>Loss before taxation</b>	<b>3</b>	(11,351)	(11,821)
Tax on loss	7	-	-
<b>Loss for the financial period/year</b>		<u>(11,351)</u>	<u>(11,821)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no other items of comprehensive income.

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

		As at 31 December 2020		As at 31 March 2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	10		2,150		2,150
<b>Current assets</b>					
Debtors	11	3,104,293		3,038,389	
Cash at bank and in hand		62,286		138,841	
		<u>3,166,579</u>		<u>3,177,230</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(10,999)</u>		<u>(10,299)</u>	
<b>Net current assets</b>			<u>3,155,580</u>		<u>3,166,931</u>
<b>Total assets less current liabilities</b>			<u><u>3,157,730</u></u>		<u><u>3,169,081</u></u>
<b>Capital and reserves</b>					
Called up share capital	13		225		225
Capital redemption reserve	14		1,925		1,925
Profit and loss reserve	14		<u>3,155,580</u>		<u>3,166,931</u>
<b>Total equity</b>			<u><u>3,157,730</u></u>		<u><u>3,169,081</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 8 December 2021 and are signed on its behalf by:

Mr M A De Rhune  
Director

Company Registration No. 09891772

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 April 2019</b>		225	1,925	3,298,752	3,300,902
<b>Period ended 31 March 2020:</b>					
Loss and total comprehensive income for the period		-	-	(11,821)	(11,821)
Dividends	8	-	-	(120,000)	(120,000)
<b>Balance at 31 March 2020</b>		225	1,925	3,166,931	3,169,081
<b>Period ended 31 December 2020:</b>					
Loss and total comprehensive income for the period		-	-	(11,351)	(11,351)
<b>Balance at 31 December 2020</b>		225	1,925	3,155,580	3,157,730

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

### 1 Accounting policies

#### Company information

Churchill Drilling Tools (Holdings) Limited is a private company limited by shares incorporated in England and Wales. The registered office is International House, 24 Holborn Viaduct, London, United Kingdom, EC1A 2BN.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of CTL UK Holdco Limited. These consolidated financial statements are available from its registered office, International House, 24 Holborn Viaduct, London, United Kingdom, EC1A 2BN.

#### 1.2 Going concern

As discussed in note 15, subsequent to the year end the net trading assets of the Company were transferred to a fellow subsidiary. The assets and liabilities that still exist in the Company will be settled in 2021 after which the Directors expect to close the Company.

The Directors have therefore prepared the financial statements on the basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the balance sheet date.

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### 1.3 Reporting period

The amounts presented in the financial statements are for a 9 month period to 31 December 2020. The comparative amounts presented in these financial statements (including the related notes) cover the 12 month period to 31 March 2020 so are not entirely comparable. The Company's year end was altered in 2020 to align with the year end of other group companies.

#### 1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts 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.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

#### **1.7 Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

#### **1.8 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.9 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 2 Judgements 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 the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Control of Churchill Drilling Tools Oil Well Drilling LLC

Assessing whether the wider group controls Churchill Drilling Tools Oil Well Drilling LLC requires judgement. The wider group holds less than 50% of the voting rights in the Company but through separate shareholders' agreements the group controls the operating and financial policies of Churchill Drilling Tools Oil Well Drilling LLC. These agreements include the power to set the annual budget and financial plan, appoint and remove senior executives and set their remuneration, and set operating procedures and responsibilities. The wider group considers that these powers demonstrate that the wider group controls Churchill Drilling Tools Oil Well Drilling LLC.

#### Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Impairment and valuations

Valuations, measurements and recoverable amount calculations are based on market data at the balance sheet date. Cash flow models for impairment and going concern testing have required a wider range of outcomes than usual to reflect a broad spectrum of scenarios involving COVID-19, the crude oil price reduction and the range of options chosen by the government in negotiating the Brexit agreement.

### 3 Loss before taxation

	Period ended 31 December 2020 £	Year ended 31 March 2020 £
Operating loss for the period is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	5,000	5,000

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 4 Auditor's remuneration

	Period ended 31 December 2020 £	Year ended 31 March 2020 £
Fees payable to the Company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the Company	5,000	5,000

There were no fees incurred for non-audit services in the period ended 31 December 2020 and year to 31 March 2020.

### 5 Directors' remuneration

The directors of the Company are also directors of fellow subsidiary companies. The remuneration of J K F Murray and M A De Rhune was remunerated within another group entity and it is not possible to apportion the remuneration between other group entities.

### 6 Employees

The average monthly number of persons (including directors) employed by the Company during the period was:

	Period ended 31 December 2020 Number	Year ended 31 March 2020 Number
Directors and management	2	1

Their aggregate remuneration comprised:

	Period ended 31 December 2020 £	Year ended 31 March 2020 £
Wages and salaries	-	10,983

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 7 Taxation

The actual charge for the period can be reconciled to the expected credit for the period/year based on the profit or loss and the standard rate of tax as follows:

	Period ended 31 December 2020 £	Year ended 31 March 2020 £
Loss before taxation	(11,351)	(11,821)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,157)	(2,246)
Group relief	2,157	2,246
Taxation charge for the period/year	-	-

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These included reductions to the main rate to 17% from 1 April 2020. In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate. At no point was it expected that any UK timing differences would reverse at a rate other than 19%. Therefore deferred taxes at the balance sheet date continue to be measured at the tax rate of 19%.

### 8 Dividends

	Period ended 31 December 2020 £	Year ended 31 March 2020 £
Final paid	-	120,000

### 9 Subsidiaries

Details of the Company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Churchill Drilling Tools (Rentals) Limited	1	Ordinary	100.00	-
Churchill Drilling Tools Limited	1	Ordinary	100.00	-
Churchill Drilling Tools (Rentals) Inc	2	Ordinary	0	100.00
Churchill Drilling Tools Oil Well Drilling LLC	3	Ordinary	0	49.00

Registered office addresses:

- 1 Unit 6 99 Crombie Road, Torry, Aberdeen, Grampian, AB11 9QQ
- 2 5440 Guhn Road, Houston, Texas, USA, 77040
- 3 Jafza One, Unit 1305, Dubai, UAE, PO Box 61213

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 10 Fixed asset investments

		As at 31 December 2020	As at 31 March 2020
	Notes	£	£
Investments in subsidiaries	9	2,150	2,150

### Movements in fixed asset investments

		Shares in group undertakings
		£
<b>Cost or valuation</b>		
At 1 April 2020 & 31 December 2020		2,150
<b>Carrying amount</b>		
At 31 December 2020		2,150
At 31 March 2020		2,150

### 11 Debtors

	As at 31 December 2020	As at 31 March 2020
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	3,103,025	3,037,121
Other debtors	1,268	1,268
	3,104,293	3,038,389

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

### 12 Creditors: amounts falling due within one year

	As at 31 December 2020	As at 31 March 2020
	£	£
Other creditors	10,974	10,274
Accruals and deferred income	25	25
	10,999	10,299

# CHURCHILL DRILLING TOOLS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 13 Share capital

	As at 31 December 2020	As at 31 March 2020	As at 31 December 2020	As at 31 March 2020
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
A Ordinary Voting Shares of 1p each	22,500	22,500	225	225

### 14 Reserves

Capital redemption reserve - This reserve records the nominal value of the shares repurchased by the Company.

Profit and loss reserve - This reserve records retained earnings and accumulated losses.

### 15 Events after the reporting date

The COVID-19 pandemic which commenced in the first quarter of 2020 continues to result in new flare ups, new waves of infection and new variants. COVID-19 has severely reduced global economic activity and has adversely affected the expenditure plans of our key clients. The impact remains uncertain at present but could affect future earnings, cash flow and financial position. Refer to the Directors' report for a further discussion of the effect on our business.

The Company disposed of its subsidiaries in August 2021 and they were acquired by another member of the Coretrax Group.

As at 1 August 2021, the net trading assets of the Company were transferred to a fellow subsidiary, Coretrax Global Limited. Assets and liabilities that still exist in the Company will be settled during 2021 after which the directors expect to close the Company.

### 16 Related party transactions

The Company is a wholly owned subsidiary of Coretrax Technology Holding Company Limited and has taken advantage of the exemptions within FRS 102, Section 33 (Related Party Disclosure) which allows exemption from the disclosure of related party transactions with other group companies.

### 17 Ultimate controlling party

The Company is wholly owned subsidiary of Coretrax Technology Holding Company Limited, a Company registered in England, the registered office is at International House, 24 Holborn Viaduct, London, United Kingdom, EC1A 2BN.

The smallest group these financial statements are consolidated into are CTL UK Holdco Limited, these can be obtained from its registered office at International House, 24 Holborn Viaduct, London, United Kingdom, EC1A 2BN.

The ultimate controlling party is BP Inv4 LP, a partnership registered in Jersey. This is the largest group these financial statements are consolidated into.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.