Registered Number: SC218141

Hunting Welltonic Limited
Annual Report and Financial Statements
For the Year Ended 31 December 2014

Contents

Report of the Directors

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2014.

Principal Activities

The Company operates in the offshore oil and gas industry as part of the Hunting Energy Services (International) Limited Group. The company is registered at Badentoy Avenue, Badentoy Industrial Estate, Portlethen, United Kingdom. The principal activity of the company was that of the development and sale of equipment, and supply of rental equipment for the oil industry. The company stopped principle trading activities in 2012.

Business Review

The profit before tax for the year ended 31 December 2014 totalled £55,000 (2013: Profit £85,000). The company made no foreign exchange gain in 2014 compared to a gain of £37,000 in 2013.

Future Developments

The company stopped principle trading activities on 31 December 2012, and transferred trade and assets to Hunting Energy Services (Well Intervention) Limited at book value.

Key Risks and Uncertainties

The Company's business was the provision of services to the Oil sector in the North Sea. The Company stopped principle trading activities and transferred trade and assets to Hunting Energy Services (Well intervention) Limited at book value on 31 December 2012. Consequently, the company continues to receive and pay is financial assets and liabilities relating to leases. There are no significant risks and uncertainties other than financial risk factors which are further discussed in note 16.

Key Performance Indicators (KPIs)

The following KPIs are relevant to an understanding of the performance of the business and are used by management in reviewing the results and operations of the business:

(i) Profit Before Tax (PBT)

This is the key measure for management as it allows them to assess how effectively the Company is being managed.

PBT as a percentage of revenue was N/A due to no revenues (2013: 4,250%).

Results

The results of the Company are set out in the Statement of Comprehensive Income on page 6.

Dividends

No dividend was paid in 2014 (2013: Nil). No dividends are expected or recommended to be paid in 2015.

Directors

The Directors who held office during the year and up to the date of this report were:

R J Davie
S McClements
B Ferguson
D L Proctor
A Reid

No director during the year had any interest in the share capital of the Company or a material interest in any contract of significance.

Report of the Directors (continued)

Employee Policy

Full and fair consideration is given to applications for employment for disabled persons and in their training, career development and promotion. Every effort is made to retain in employment those who become disabled. The employment policies, degree of involvement by employees and the provision of information to them will vary. However, management encourages a common awareness of the financial and economic factors affecting the performance.

Policy on Payment of Creditors

The Company's policy is to pay all creditors in accordance with agreed terms of business.

The total amount of trade payables falling due within the year ended 31 December 2014 represents 0 days (2013 – 0 days), of the total amount invoiced by suppliers.

Environment

The Company operates to the Hunting PLC Group's environmental policy. The Hunting PLC Group's environmental policy is to look for opportunities and adopt practices that create a safer and cleaner environment. It is particularly sensitive to the challenges for the industry in which it operates. The Group has programmes in place to monitor the environmental impact from its operational activities and remains focused on ensuring environmental consideration is at the forefront of its business practices.

The environmental policies aim to ensure that:

- Policies, procedures and practices are in place so that any adverse effects on the environment are reduced to a practicable minimum.
- The Group encourages the reduction of waste and emissions and promotes awareness of recycled materials and use of renewable resources.
- Each operating unit develops and implements its own procedures and conducts structured reviews to ensure that they are maintained and refined.
- Employees are encouraged to pay special regard to environmental concerns in the communities in which the Group operates.

Statement of Directors' Responsibilities

The Directors are responsible for preparing 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards (IFRS's) as adopted by the European Union 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.

Report of the Directors (continued)

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.

Disclosure of Information to Auditors

In accordance with Companies Act 2006 requirements, all Directors in office, as at the date of this report have confirmed, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all reasonable steps necessary in order to make himself aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office as auditors. A resolution to reappoint them as auditors to the Company will be proposed at the Annual General Meeting.
In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Going concern

The Directors, have decided to transfer the trade of this company to Hunting Energy Services (Well Intervention) Ltd. Hunting Welltonic Ltd stopped principle trading activities on 31 December 2012. At this time the Directors have not decided to liquidate the company due to continued financial assets to be received and therefore these financial statements have been prepared on a going concern basis. The Directors consider the company remaining in existence for the foreseeable future.

On behalf of the Board

Bruce Ferguson

Director

29 September 2015

Independent auditors' report to the members of Hunting Welltonic Limited

Report on the financial statements

Our opinion
In our opinion, Hunting Welltonic Limited 's financial statements (the "financial statements"):
- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
Hunting Welltonic Limited' financial statements comprise:
- the statement of financial position as at 31 December 2014;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

Entitlement to Exemptions
Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Hunting Welltonic Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Responsibilities for the financial statements and the audit

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Bruce Collins

Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
29 September 2015

Statement of Comprehensive Income
For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Revenue	3	-	2
Cost of sales	4	-	(6)
Gross result / (loss)		-	(4)
Administrative expenses	4	7	35
Operating profit		7	31
Finance income	6	48	54
Profit before taxation		55	85
Income tax charge	7	(1)	(21)
Profit for the financial year		54	64
Other comprehensive income		-	-
Total comprehensive income for the financial year		54	64

The notes on pages 10 to 21 are an integral part of these financial statements.

Statement of Financial Position
as at 31 December 2014

	Note	2014 £'000	2013 £'000
Assets			
Non-current assets			
Finance lease asset	12	**35**	113
		35	113
Current assets			
Trade and other receivables, net	8	**75**	75
Cash and cash equivalents		**2,741**	2,717
		2,816	2,792
Liabilities			
Current liabilities			
Trade and other payables	9	**(77)**	(101)
Provisions	10	**(73)**	(72)
Current tax liabilities		**(12)**	(20)
		(162)	(193)
Net current assets		**2,689**	2,599
Non-current liabilities			
Finance lease liabilities	11	**(36)**	(113)
Net assets		**2,653**	2,599
Equity attributable to owners of the parent			
Share capital	15	**10**	10
Retained earnings	16	**2,643**	2,589
Total equity		**2,653**	2,599

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The notes on pages 10 to 22 are an integral part of these financial statements.

The financial statements on pages 6 to 22 were approved by the board of Directors on 29 September 2015 and were signed on its behalf by:

Director

Bruce Ferguson

Hunting Welltonic Limited **Registered number: SC218141**

Statement of Changes in Equity

For the year ended 31 December 2014

	Share Capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 January	10	2,589	2,599
Comprehensive income			
Total comprehensive income for the financial year	-	54	54
Total comprehensive income	**-**	**54**	**54**
Balance at 31 December	**10**	**2,643**	**2,653**

For the year ended 31 December 2013

	Share Capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 January	10	2,525	2,535
Comprehensive income			
Total comprehensive income for the financial year	-	64	64
Total Comprehensive Income	-	64	64
Balance at 31 December	**10**	**2,589**	**2,599**

The notes on pages 10 to 22 are an integral part of these statements.

Statement of Cash Flows
For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Cash flow from operating activities			
Cash (used in) / generated from operations	20	**(15)**	1,703
Tax (paid) / received		**(9)**	42
Net cash (outflow) / inflow from operating activities		**(24)**	1,745
Cash flow from investing activities			
Interest received	6	**48**	54
Net cash inflow from investing activities		**48**	54
Net increase in cash and cash equivalents		**24**	1,799
Cash and cash equivalents at the beginning of the year		**2,717**	918
Cash and cash equivalents at the end of the year		**2,741**	2,717

The notes on pages 10 to 21 are an integral part of these financial statements.

Notes to the Financial Statements

1. Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards (IFRS) and those IFRS as adopted by the European Union and IFRIC Interpretations, which are effective as at 31 December 2014 and the accounting policies as disclosed below which have been consistently applied. The financial statements have been prepared on a going concern basis under the Historical Cost Convention.

Going concern

The Directors transferred the trade of this company to Hunting Energy Services (Well Intervention) Ltd at 31 December 2012. At this time the Directors have not decided to liquidate the company due to ongoing receivable financial assets and therefore these financial statements have been prepared on a going concern basis.

Adoption of new standards, amendments and interpretations

The following standards have been adopted by the company for the first time for the financial year beginning on or after 1 January 2014:

- IFRS 10, 'Consolidated financial statements', effective 1 January 2013 (EU endorsed from 1 January 2014)
- IFRS 11, 'Joint arrangements', effective 1 January 2013 (EU endorsed from 1 January 2014)
- IFRS 12, 'Disclosures of interests in other entities' effective 1 January 2013 (EU endorsed from 1 January
- 2014)
- IAS 27 (revised 2011), 'Separate financial statements', effective 1 January 2013 (EU endorsed from 1 January
- 2014)
- IAS 28 (revised 2011), 'Associates and joint ventures', effective 1 January 2013 (EU endorsed from 1 January
- 2014)
- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities, effective 1 January 2014
- Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting, effective 1 January 2014
- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures, effective 1 January 2014
- Amendment to IAS 39, 'Financial instruments: recognition and measurement' on novation of derivatives, effective 1 January 2014

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning 1 January 2014 that have a material impact on the Company's financial performance or position.

Standards, amendments and interpretations effective subsequent to the year end

At the date of approval of these consolidated financial statements the following accounting standards, amendments and interpretations were issued by the International Accounting Standards Board and IFRS Interpretations Committee in the year ended 31 December 2014 or earlier, but are not yet effective and therefore have not been applied:

New standards and interpretations

- IFRS 9 – Financial Instruments (effective for annual periods on or after 1 January 2018)*
- IFRS 14 – Regulatory Deferral Accounts (effective for annual periods on or after 1 January 2016)*
- IFRS 15 – Revenue from Contracts with Customers (effective for annual periods on or after 1 January 2017)*

Notes to the Financial Statements (continued)

1.Basis of Accounting (continued)

Amendments
• Annual Improvements to IFRSs 2010-2012 Cycle (effective for annual periods beginning on or after 1 July 2014)
• Amendments to IAS 19 – Defined benefit plans: Employee Contributions (effective for annual periods beginning 1 July 2014)
• Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016)*
• Amendments to IAS 1 – Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016)*
• Annual Improvements to IFRSs 2012-2014 Cycle (effective for annual periods beginning on or after 1 January 2016)*
• Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016)*
• Amendments to IAS 27 – Equity Method in Separate Financial Statements (effective for annual periods beginning 1 January 2016)*
• Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for the periods beginning on or after 1 January 2016)*
• Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (effective for the periods beginning on or after 1 January 2016)*

(*) Not endorsed by the European Union

Management expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

2. Principal accounting policies

Revenue
Revenue represents the invoiced amount of goods sold and services provided (net of tax). It is recognised when title passes to customer or when the service has been rendered.

Foreign currencies
Trading results are translated at the average foreign exchange rates for the period. Exchange differences arising from trading transactions are dealt with in the Statement of Comprehensive Income. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial period. Exchange gains or losses on monetary assets and liabilities are taken to the Statement of Comprehensive Income. The year end exchange rate of US Dollars to GBP Sterling was 1.55 (2013 – 1.63).

Leases
A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee. Assets acquired under finance leases are recorded in the balance sheet as property, plant and equipment at their fair value and depreciated over the shorter of their estimated useful lives and their lease terms. Obligations under such agreements are payables in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases
Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease period.

Notes to the Financial Statements (continued)

2. Principal accounting policies (continued)

Taxation

The tax charge represents the sum of tax currently payable, deferred tax and management's estimated provision for a portfolio of tax claims. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from the profit reported in the income statement due to items that are taxable or deductible in a different year. The company's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, tax losses carried forward, and in relation to acquisitions, the difference between the fair values of the net assets acquired and their tax base. Tax rates enacted, or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

A tax charge is created to reflect management's best estimate of the amount payable in relation to a portfolio of tax claims and the risk of occurrence of each claim as a the balance sheet date.

Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist entirely of cash in bank held in GBP sterling.

Financial assets

Financial Assets are initially recognised at fair value.
The Company classifies its financial assets into two categories: financial assets at fair value through profit or loss, and loans and receivables. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. The Company assesses at each balance sheet date whether a financial asset is impaired by comparing its carrying value with its present value of the estimated future cash flows discounted at a rate relevant to the nature of the financial asset. If the carrying amount is higher, it is reduced to the appropriate value and the loss is recognised in the Statement of Comprehensive Income immediately. Financial assets cease to be recognised when the right to receive cash flows has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(a) Financial assets at fair value through profit and loss
Gains and losses arising from changes in the fair value are included in the Statement of Comprehensive Income in the period in which they arise. A financial asset is included in this category if acquired principally for the purpose of selling in the short term and also includes derivatives that are not designated in a hedge relationship.

(b) Loans and receivables
Loans and receivables are carried at amortised cost using the Effective Interest Rate method.

Financial liabilities

Financial liabilities are initially recognised at fair value at the trade date which is normally the consideration received less, in the case of financial liabilities that are not measured at fair value through profit and loss, transaction costs. The Company subsequently re-measures all of its non-derivative financial liabilities, including trade payables, at amortised cost.

Notes to the Financial Statements (continued)

2. Principal accounting policies (continued)

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements and assumptions about the future, resulting in the use of accounting estimates. These will, by definition, seldom equal the related actual results and adjustments will consequently be necessary. Estimates are continually evaluated, based on experience and reasonable expectations of future events.

Accounting estimates are applied in determining the carrying amounts of the following significant assets and liabilities: deferred taxation (timing of liabilities, and timing and recoverability of assets).

Dividend distributions

Dividend distributions to the Company's shareholders are recognised in the financial statements in the period that they are declared and are presented in the Statement of Changes in Equity. Interim dividends are recognised when paid.

Retirement benefits

The Company makes contributions to a defined contribution pension scheme for applicable employees. The annual costs attributable to this scheme are charged to the Statement of Comprehensive Income as defined contribution pension costs.

Capital management

The Company's objective when managing capital is to provide sufficient resources to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and retained earnings.

Gearing Ratio

The management of the Company reviews the capital structure regularly. As part of this review, the Company considers the cost of capital and the risks associated with the capital. The Company will balance its overall capital structure through the issues of new shares as well as the utilisation of bank borrowings. No changes were made in the objectives, policies and processes during the year ended 31 December 2014.

The company did not have any debt in the current year or prior period, and accordingly gearing ratio cannot be calculated.

3. Revenue

	2014	2013
	£'000	£'000
Rental of goods	-	2
	-	2

Notes to the Financial Statements (continued)

4. Nature of expenses

	Note	2014 £'000	2013 £'000
Auditors' remuneration:			
- Audit services		2	3
Cost of inventories recognised as expense		-	6
Foreign exchange gain		-	(37)

5. Employee and directors emoluments

Employee costs in the year were nil because there were no employees (2013: nil), and none of the Directors who served during the year received any emoluments in the respect of their services to the company (2013: nil).

6. Net finance income

	2014 £'000	2013 £'000
Finance income		
Bank	48	53
Inter-company interest	-	1
Total finance income	48	54

Total finance income equals net finance income.

Notes to the Financial Statements (continued)

7. Income Tax Charge

	2014	2013
	£'000	£'000
Current tax		
UK corporation tax – current year	**(1)**	(21)
Total current income tax charge	**(1)**	(21)
Deferred tax	**-**	-
Total tax charge for the year	**(1)**	(21)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard tax rate in the UK applicable to profit as follows:

	2014	2013
	£'000	£'000
Profit before tax	**55**	85
Tax at 2014 – 21.5% (2013 – 23.25%)	**(12)**	(20)
Adjustments in respect of prior periods	**11**	-
Expenses not deductible for tax purposes	**-**	(1)
Total tax charge for the year	**(1)**	(21)

Factors affecting current and future tax charges

Changes to the UK corporation tax rate were introduced by the UK Finance Act 2012, including a reduction to the UK main corporation tax rate to 24% effective as from1 April 2012 and a further tax rate reduction to 23% effective as from 1 April 2013. Further changes reducing the UK corporation tax rate to 21% effective from 1 April 2014, and to 20% effective from 1 April 2015 were introduced by Finance Act 2013 enacted on 17 July 2013.

The relevant deferred tax balances have been re-measured to 20%, the rate enacted by the year-end date.

Notes to the Financial Statements (continued)

8. Trade and other receivables, net

	2014 £'000	2013 £'000
Trade receivables	-	16
Less provision for impairment of trade receivables	-	(16)
Net receivables	-	-
Finance lease asset	75	75
Prepayments and accrued income	-	-
Total trade and other receivables, net	75	75

There are no overdue trade receivables (2013: nil).

9. Trade and other payables

	2014 £'000	2013 £'000
Trade payables	-	-
Accruals and deferred income	-	3
Amounts owed to group undertakings	-	23
Finance lease liabilities	75	75
Other payables	2	-
Total trade and other payables	77	101

'Group' companies are those that are part of the Hunting PLC group. Amounts owed to Group undertakings are unsecured, interest free and are repayable on demand.

10. Provisions

	2014 £'000	2013 £'000
At January	72	74
Unwinding of discount	1	(2)
At 31 December	73	72

This provision related to dilapidations at the leased premised at Mind Road, Aberdeen. The extent to which costs will be non-recoverable from the sub-tenant at expiry of the sub-lease in June 2016, is estimated to be £75k (2013: £75k). Application of the time value of money resulted in a provision value of £74k (2013: £72k). These works relate to external fabric of the building.

Notes to the Financial Statements (continued)

11. Finance Lease liabilities

	2014 £'000	2013 £'000
No later than 1 year (Note 10)	**75**	75
Later than 1 year no later than 5 years	**36**	113
Gross finance liabilities	**111**	190
Future Finance Charges on Lease Liabilities	**(1)**	(2)
Total finance lease liabilities - Present Value	**110**	188

12. Finance Lease asset

	2014 £'000	2013 £'000
No later than 1 year (Note 9)	**75**	75
Later than 1 year no later than 5 years	**35**	113
Total finance lease assets	**110**	188

Finance lease liabilities and assets relate to property lease which has been subsequently sub-let to an external party.

Notes to the Financial Statements (continued)

13. Financial instruments

Fair values of financial assets and financial liabilities

The carrying amounts of each measurement category of the Company's financial assets and financial liabilities are stated below, together with a comparison of fair value and carrying amount for each class of financial asset and financial liability.

	Loans and receivables	Financial liabilities measured at amortised cost	Total	Total
2014	**Carrying Amount**			**Fair Value**
	£'000	**£'000**	**£'000**	**£'000**
Non-current Assets				
Finance lease assets (Note 12)	35	-	35	35
Current Assets				
Finance lease assets (Note 12)	75	-	75	75
Cash and cash equivalents	2,741	-	2,741	2,741
Current Liabilities				
Finance lease liabilities (Note 11)	-	(75)	(75)	(75)
Accruals and deferred income (Note 9)	-	(2)	(2)	(2)
Non- current Liabilities				
Finance lease liabilities (Note 11)	-	(35)	(35)	(35)
	2,851	**(112)**	**(2,739)**	**(2,739)**

Notes to the Financial Statements (continued)

13. Financial instruments (continued)

	Loans and receivables	Financial liabilities measured at amortised cost	Total	Total
2013	**Carrying Amount**			**Fair Value**
	£'000	**£'000**	**£'000**	**£'000**
Non-current Assets				
Finance lease assets (Note12)	113	-	113	113
Current Assets				
Finance lease assets (Note 12)	75	-	75	75
Cash and cash equivalents	2,717	-	2717	2717
Current Liabilities				
Finance lease liabilities (Note 11)	-	(75)	(75)	(75)
Accruals and deferred income (Note 9)	-	(3)	(3)	(3)
Amounts owed to group undertakings (Note 9)		(23)	(23)	(23)
Non- current Liabilities				
Finance lease liabilities (Note 11)	-	(113)	(113)	(113)
	2,905	**(214)**	**(2,691)**	**(2,691)**

14. Financial risk factors

The activities of the Company expose it to certain financial risks, namely foreign exchange risk, credit risk, interest rate risk and liquidity risk. The Company's risk management strategy seeks to minimise potential adverse effects on its financial performance.

There are clearly defined objectives and principles for managing financial risk established by the Board of Directors, with policies, parameters and procedures covering foreign currency and cash management.

The Company works closely with the treasury function of Hunting PLC to ensure proper implementation of the policies for foreign currency and cash management.

(a) Foreign exchange risk

Foreign exchange risks arise from future transactions and cash flows and from recognised monetary assets and liabilities that are not denominated in the functional currency of the Company's local operations.

(i) Transactional risk

The Company prepares quarterly rolling twelve month cash flow forecasts to enable working capital currency exposures to be identified.

The majority of the company's transactions are denominated in GBP. Accordingly, the company only bears minor transactional risks and as a result, no hedging investments are required.

Notes to the Financial Statements (continued)

14. Financial risk factors (continued)

(ii) Translational risk

Foreign exchange risk also arises from the Company's investment in foreign operations. However, it is deemed that the risk is not material and as a result no hedging instruments are required.

(b) Credit risk

The Company's credit risk arises on its outstanding receivables which are continuously monitored. Credit account limits are primarily based on the credit quality of the customer and past experience through trading relationships. To reduce credit risk exposure from outstanding receivables, the Company is covered by the Group credit insurance policy taken out with an external insurer, subject to certain conditions.

(c) Liquidity risk

The Company is party to the Hunting PLC group set-off arrangement with Barclays Bank PLC.

Financial lease liabilities maturity is disclosed in note 11. All of the Company's other financial liabilities are payable on demand or within one year.

(d) Sensitivity analysis

The following sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on profit or loss and shareholder's equity. The sensitivity analysis relates to the position as at 31 December 2014.

(i) Interest rate sensitivity

At 31 December, if UK interest rates had been 0.5% higher or lower, with all other variables held constant, the post-tax effects for the year would have been as follows:

	2014		2013	
	Profit or loss	**Equity**	Profit or loss	Equity
	£'000	**£'000**	£'000	£'000
UK Interest Rates +0.5%	**14**	**-**	14	-
UK Interest Rates -0.5%	**(14)**	**-**	(14)	-

These movements arise from the GBP Sterling floating rate on the bank balance.

15. Share Capital

	2014 £'000	2013 £'000
Authorised:		
100,000 (2013: 100,000) ordinary shares of £1 each	**100**	100
Allotted, Called up and Fully Paid:		
10,000 (2013: 10,000) ordinary shares of £1 each	**10**	10
	10	10

Hunting Welltonic Limited is a private limited company domiciled and incorporated in Scotland.

Notes to the Financial Statements (continued)

16. Retained earnings

	2014 £'000	2013 £'000
At 1 January	**2,589**	2,525
Profit for the year	**54**	64
At 31 December	**2,643**	2,589

17. Dividends paid

No dividends were paid in the year (2013: nil).

18. Ultimate parent undertaking and related parties

Hunting Energy Services (International) Limited is the Company's immediate parent undertaking. The results of the Company are included in the consolidated Group statutory financial statements of Hunting PLC which is the Ultimate Parent and Controlling Company and is the smallest and largest group to consolidate the company.

There were no transactions or transfer of assets between parties in 2014 and 2013, as well as no balances with related parties outstanding as of 31 December 2014.

2013	Ultimate Parent Company £000's	Immediate Parent Undertaken £000's	Subsidiary £000's	Under Common Control £000's	Director Transactions £000's	Total £000's
Amounts payable to related parties	-	-	-	(23)	-	(23)
	-	-	-	(23)	-	(23)

Companies under common control are companies controlled by Hunting PLC. Copies of the Group financial statements of Hunting PLC may be obtained from the Company Secretary, Hunting PLC, 5 Hanover Square, London, W1S 1HQ.

Notes to the Financial Statements (continued)

19. Cash (used in) / generated from operations

Reconciliation of profit to cash generated from operating activities:

	2014	2013
	£'000	£'000
Profit before tax	55	85
Adjustments for:		
- Provisions	(2)	-
- Finance income	(48)	(54)
Changes in working capital:		
- Decrease in trade and other receivables	-	2,088
- Decrease in trade and other payables	(20)	(416)
Cash (used in) / generated from operations	(15)	1,703

20. Contingencies and commitments

At the date of the annual report and financial statements the Directors are unaware of any contingencies and commitments.