

**Financial Statements**  
**for the Year Ended 31 December 2019**  
**for**  
**LMR Drilling UK Limited**

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for the Year Ended 31 December 2019**

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**LMR Drilling UK Limited**  
**Company Information**  
**for the Year Ended 31 December 2019**

**DIRECTORS:**

Mr E Fengler  
Mr H F Janz  
Mr J Seamans

**SECRETARY:**

Mr J Seamans

**REGISTERED OFFICE:**

Egerton House  
2 Tower Rd  
Birkenhead  
Merseyside  
CH41 1FN

**REGISTERED NUMBER:**

03765177 (England and Wales)

**AUDITORS:**

Wilson Henry LLP  
Registered Auditor  
145 Edge Lane  
Liverpool  
Merseyside  
L7 2PF

**Balance Sheet**  
**31 December 2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		27,661		31,754
<b>CURRENT ASSETS</b>					
Debtors	5	3,628,301		1,023,280	
Cash at bank and in hand		<u>2,703,621</u>		<u>2,541,181</u>	
		6,331,922		3,564,461	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>2,716,740</u>		<u>113,716</u>	
<b>NET CURRENT ASSETS</b>			<u>3,615,182</u>		<u>3,450,745</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,642,843		3,482,499
<b>PROVISIONS FOR LIABILITIES</b>			283		-
<b>NET ASSETS</b>			<u>3,642,560</u>		<u>3,482,499</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			15,000		15,000
Retained earnings			<u>3,627,560</u>		<u>3,467,499</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>3,642,560</u>		<u>3,482,499</u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 15 September 2020 and were signed on its behalf by:

Mr J Seamans - Director

**Notes to the Financial Statements  
for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

LMR Drilling UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

Turnover represents the measure of work done, excluding value added tax. Turnover from services is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

Revenue is recognised in accordance with the stage of contractual obligations to the customer. The stage of completion is ascertained by assessing the fair value of the services provided to the balance sheet date as a proportion of the total fair value of the contract. Losses on contracts are recognised in the period in which the loss first becomes foreseeable. Contract losses are determined as the amount by which estimated direct and indirect costs of the contract exceeded the estimated total revenues that will be generated by the contract.

The attributable profit on a long-term contract is recognised once the contract's outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the contract determined by reference to the proportion of the value of the work completed to total contract value. Costs associated with long term contracts are included in accrued income to the extent that they do not relate to contract work accounted for as turnover.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.  
Plant and machinery etc - 20% on cost

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**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 ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 7 (2018 - 7) .

**4. TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
<b>COST</b>	
At 1 January 2019	213,570
Additions	6,815
At 31 December 2019	<u>220,385</u>
<b>DEPRECIATION</b>	
At 1 January 2019	181,816
Charge for year	10,908
At 31 December 2019	<u>192,724</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>27,661</u>
At 31 December 2018	<u>31,754</u>

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Amounts recoverable under contracts	3,617,153	1,016,567
Other debtors	500	500
Deferred tax asset	-	134
Prepayments	10,648	6,079
	<u>3,628,301</u>	<u>1,023,280</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Trade creditors	996,773	10,547
Amounts owed to group undertakings	375,373	36,760
Tax	456,000	18,501
Social security and other taxes	241,894	14,588
Other creditors	1,079	379
Accrued expenses	645,621	32,941
	<u>2,716,740</u>	<u>113,716</u>

7. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	11,144	11,144
Between one and five years	12,004	22,598
	<u>23,148</u>	<u>33,742</u>

8. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Peter A Alcock (Senior Statutory Auditor)  
for and on behalf of Wilson Henry LLP

9. **FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

10. **ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The controlling party is LMR Drilling GmbH, a company incorporated in Germany.

The ultimate controlling party is DGL Beteiligungsgesellschaft mit beschränkter Haftung Oldenburg.

11. **NON-ADJUSTING POST-BALANCE SHEET EVENTS**

We are closely monitoring the situation with regards to COVID-19, which has become a global pandemic. Recent analysis shows that the virus in the UK may have peaked and the impacts of COVID-19 should begin to lessen. Impact on the business since the financial year ended has so far been minimal, such as the contract work being disrupted, this does not require any adjustment in the accounts. However, the situation is very fluid and if the pandemic should spike again then there could be a potential impact on the business.

12. **GOING CONCERN**

The COVID-19 outbreak has created a major challenge and a high level of uncertainty for all companies. The business has been subject to a minimal impact from the current pandemic, this is not significant enough to affect the going concern status of the company. The situation is being monitored on an ongoing basis and the pandemic appears to have passed its peak, which will limit the chance of COVID-19 adversely affecting the going concern status of the company. If the virus were to have a resurgence, then the business is resilient to its impact as the cash position is healthy.

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.