

Azure Oil Services Limited

Director's report and unaudited financial statements

For the year ended 31 December 2011

Company registration number 02856486



Azure Oil Services Limited

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Azure Oil Services Limited

Officers and professional advisers

Director: CJ Walters

Company secretary: DK Hines-Randle

Registered office: c/o Metal Surgery
Unit 9
Kernick Industrial Estate
Parkengue
PENRYN
Cornwall
TR10 9EP

Azure Oil Services Limited

Director's report

For the year ended 31 December 2011

The director presents his annual report and financial statements for the year ended 31 December 2011

Principal activities

The principal activities of the company during the year was that of a supplier of marine and engineering maintenance services


Directors

The director who served the company during the year was as follows

CJ Walters

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the Board



DK Hines-Randle
Company Secretary

Azure Oil Services Limited
c/o Metal Surgery
Unit 9 Kernick Industrial Estate
Parkengue
PENRYN
TR10 9EP

28 March 2013

Azure Oil Services Limited

Profit and loss account

For the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	1	440,450	349,343
Cost of sales before exceptional item		<u>(285,587)</u>	<u>(284,279)</u>
Gross profit		154,863	65,064
Administrative expenses		(470,516)	(1,177,885)
Other operating income	2	<u>10,100</u>	<u>3,036,307</u>
Operating (loss)/profit before exceptional item	3	(305,553)	1,923,486
Exceptional item	3	<u>-</u>	<u>(3,100,000)</u>
Operating loss		(305,553)	(1,176,514)
Interest receivable		1,587	5,484
Interest payable	4	<u>(538)</u>	<u>(159,830)</u>
Loss on ordinary activities before taxation		(304,504)	(1,330,860)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation and loss for the financial year	19	<u>(304,504)</u>	<u>(1,330,860)</u>

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

There are no recognised gains and losses other than those passing through the profit and loss account

Azure Oil Services Limited

Balance sheet

As at 31 December 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Intangible assets	6		7,000		-
Tangible assets	7 & 8		1,129,464		1,205,756
Investments	9		-		10,105
			<hr/>		<hr/>
			1,136,464		1,215,861
Current assets					
Stocks	10	135,454		81,332	
Debtors	11	2,850,981		3,542,595	
Cash at bank		469,433		167,939	
			<hr/>	<hr/>	
			3,455,868		3,791,866
Creditors: amounts falling due within one year	12	(511,804)		(622,695)	
			<hr/>	<hr/>	
Net current assets			2,944,064		3,169,171
			<hr/>		<hr/>
Total assets less current liabilities			4,080,528		4,385,032
Creditors: amounts falling due after more than one year	13	(610,000)		(610,000)	
Provisions for liabilities and charges	14	(3,100,000)		(3,100,000)	
			<hr/>	<hr/>	
Net assets			370,528		675,032
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Share capital	18	25,000		25,000	
Profit and loss account	19	(794,836)		(490,332)	
Other reserves	19	1,140,364		1,140,364	
			<hr/>	<hr/>	
Equity shareholder's funds	20		370,528		675,032
			<hr/> <hr/>		<hr/> <hr/>

Azure Oil Services Limited

Balance sheet

As at 31 December 2011

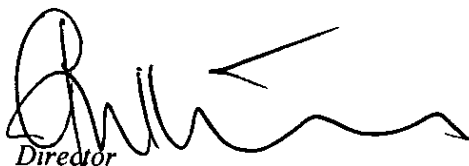
For the financial year ended 31 December 2011 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of directors on 28 March 2013 and were signed on its behalf by

CJ Walters

A handwritten signature in black ink, appearing to be 'CJ Walters', with a long horizontal flourish extending to the right. A small arrow points to the signature from the left.

Director

Company Registration No 02856486

Azure Oil Services Limited

Notes

(forming part of the financial statements)

1 Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company

1.2 Turnover

Turnover represents revenue recognised in the accounts. Revenue is recognised when the company fulfils its contractual obligations to customers by supplying goods and services and excludes trade discounts and value added tax

1.3 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Short leasehold property	10 years on cost
Plant and machinery	Between 4 and 50 years on cost

1.4 Goodwill

Acquired goodwill is written off over its estimated useful economic life

1.5 Investments

Investments are stated at cost less amounts written off

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value

1.7 Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

1.8 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

1.9 Pension costs

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs charged to the profit and loss account represent the contributions payable by the company in respect of the accounting year

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

Azure Oil Services Limited

Notes

(forming part of the financial statements)

1 11 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains and losses on translation are included in the profit and loss account.

1 12 Investment Properties

In accordance with Statement of Standard Accounting Practice No 19

- investment properties are revalued annually by the directors on an open market basis and the aggregate surplus or deficit is transferred to a revaluation reserve, and
- no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2 Other operating income

	2011 £	2010 £
Rent receivable	5,100	5,000
Profit on disposal	-	3,006,306
Other operating income	5,000	25,001
	<hr/>	<hr/>
	10,100	3,036,307
	<hr/>	<hr/>

3 Operating (loss)/profit

	2011 £	2010 £
<i>Operating loss is stated after charging/(crediting)</i>		
Depreciation	96,229	101,576
Auditors' remuneration - as auditors	-	12,000
Hire of plant and equipment	-	11,715
Rental of other assets	44,140	41,170
Foreign exchange losses	-	1,921
	<hr/>	<hr/>

Operating loss includes an exceptional item in the year to 31 December 2010 being a provision for land remediation costs £3,100,000

Azure Oil Services Limited

Notes

(forming part of the financial statements)

4	Interest payable	2011 £	2010 £
	On bank loans and overdrafts	538	27,409
	On other loans	-	2,133
	Hire purchase finance charges	-	35,080
	Other	-	95,208
		<hr/>	<hr/>
		538	159,830
		<hr/> <hr/>	<hr/> <hr/>
5	Taxation	2011 £	2010 £
	<i>Current year tax</i>		
	UK corporation tax	-	-
	<i>Deferred tax</i>		
	Origination and reversal of timing differences	-	-
		<hr/>	<hr/>
	<i>Tax on profit on ordinary activities</i>	-	-
		<hr/>	<hr/>
	<i>Factors affecting the tax charge for the year</i>		
	Loss on ordinary activities before taxation	(304,504)	(1,330,860)
		<hr/> <hr/>	<hr/> <hr/>
	Current year tax	-	-
		<hr/> <hr/>	<hr/> <hr/>

The company has substantial tax losses to carry forward against profits from the same trades which will reduce tax payable in future years

Azure Oil Services Limited

Notes

(forming part of the financial statements)

6 Intangible assets

	Goodwill £	Total £
Cost		
At 1 January 2011	-	-
Additions	7,000	7,000
	<hr/>	<hr/>
At 31 December 2011	7,000	7,000
	<hr/> <hr/>	<hr/> <hr/>
Amortisation		
At 1 January 2011	-	-
Charge for the year	-	-
	<hr/>	<hr/>
At 31 December 2011	-	-
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At 31 December 2011	7,000	7,000
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2010	-	-
	<hr/> <hr/>	<hr/> <hr/>

7 Tangible fixed assets

	Short leasehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2011	92,046	1,267,261	1,359,307
Additions	-	19,937	19,937
	<hr/>	<hr/>	<hr/>
At 31 December 2011	92,046	1,287,198	1,379,244
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 January 2011	36,817	966,734	1,003,551
Charge for the year	9,204	87,025	96,229
	<hr/>	<hr/>	<hr/>
At 31 December 2011	46,021	1,053,759	1,099,780
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 December 2011	46,025	233,439	279,464
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2010	55,229	300,527	355,756
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Azure Oil Services Limited

Notes

(forming part of the financial statements)

8 Tangible fixed assets

	Investment properties
	£
Cost or valuation	
At 1 January 2011 and 31 December 2011	850,000

The freehold properties of the company held for investment purposes were valued at 31 December 2011 on an open market basis by C Walters, a director of the company, at the amounts shown above

The historic cost of the company's investment properties is £684,636 (2010 £684,636) If depreciation had been provided on such properties the accumulated depreciation at that date based on cost would be £189,022 (2010 £161,636)

If the company's properties were disposed of at market value a corporation tax liability of £Nil (2010 £3,500) would arise

9 Investments

	Shares in group Undertakings
	£
Cost	
At 1 January 2011	10,105
Disposal	(10,105)
	<hr/>
At 31 December 2011	-

Subsidiary Undertaking	Country of incorporation	Principle activity	Class and percentage of shares held
Azure Shipping Limited	England and Wales	Dormant	100% ordinary shares

The company was struck off the Companies House register on 28 June 2011

10 Stocks

	2011	2010
	£	£
Raw materials	108,299	81,332
Work in progress	27,155	-
	<hr/>	<hr/>
	135,454	81,332

Azure Oil Services Limited

Notes

(forming part of the financial statements)

11 Debtors	2011 £	2010 £
<i>Amounts falling due within one year</i>		
Trade debtors	103,401	121,148
Prepayments and accrued income	55,283	176,291
Other tax and social security	-	65,058
Other Debtors	353,338	1,032,891
Amounts owed by group undertakings	1,111,618	1,077,207
	<hr/>	<hr/>
	1,623,640	2,472,595
 <i>Amounts falling due in more than one year</i>		
Other debtors	1,227,341	1,070,000
	<hr/>	<hr/>
	2,850,981	3,542,595
	<hr/> <hr/>	<hr/> <hr/>
12 Creditors: amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts (see note 13)	22,148	1,655
Other loans	-	10,675
Trade creditors	187,435	350,617
Other taxation and social security	18,187	21,628
Other creditors	5,487	(835)
Accruals and deferred income	278,547	238,955
	<hr/>	<hr/>
	511,804	622,695
	<hr/> <hr/>	<hr/> <hr/>

Azure Oil Services Limited

Notes

(forming part of the financial statements)

13 Creditors: amounts falling due after more than one year

	2011 £	2010 £
Bank loans	610,000	610,000
<i>Analysis of loans</i>		
Not wholly repayable within five years other than by instalments	-	611,655
Wholly repayable within five years	611,655	-
Included in current liabilities	(1,655)	(1,655)
	<u>610,000</u>	<u>610,000</u>
<i>Loan maturity analysis</i>		
In more than five years	-	610,000
In two to five years	610,000	-
	<u>610,000</u>	<u>610,000</u>

The bank borrowings are secured by way of fixed and floating charges over the group's assets

Investment property mortgages of £610,000 (2010 £610,000) are interest only to be repaid in May 2016. Interest is charged at 0.7% less than the bank's standard variable rate.

14 Provisions for liabilities and charges

	2011 £	2010 £
Land remediation provision	3,100,000	3,100,000

15 Commitments under operating leases

At 31 December 2011, the company had annual commitments under non-cancellable operating leases as set out below

	2011 Land and buildings £	2010 Land and buildings £
Operating leases which expire		
In less than one year	41,500	-
In two to five years	-	41,500
	<u>41,500</u>	<u>41,500</u>

16 Pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,664 (2010 £13,759) including contributions in respect of employees. Contributions amounting to £943 (2010 £858) were payable to the fund at the year end and are included in creditors.

Azure Oil Services Limited

Notes

(forming part of the financial statements)

17 Related party transactions

The company has had transactions with its holding company, Garraf Limited, on normal commercial trading terms throughout the year. The balance included in debtors at 31 December 2011 is £1,111,618 (2010 £1,077,207)

CJ Walters is also a director of Christian Walters Limited a company incorporated in the UK

The company has made a loan to Christian Walters Limited. The balance at the year end is £18,470 (2010 £18,470), included in prepayments

The company has provided services to Christian Walters Limited. The balance included in prepayments at the year end is £3,200 (2010 £3,200)

CJ Walters has provided a personal guarantee to the bank limited to £300,000 (2010 £300,000)

18 Share capital

	2011 £	2010 £
Allotted, called up and fully paid:		
25,000 ordinary shares of £1 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

19 Movement in reserves

	Capital Redemption Reserve £	Investment Property Revaluation Reserve £	Profit and loss account £
At 1 January 2011	975,000	165,364	(490,332)
Loss for the year after taxation	-	-	(304,504)
	<u>975,000</u>	<u>165,364</u>	<u>(794,836)</u>

20 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Loss for the financial year	(304,504)	(1,330,860)
	<u>(304,504)</u>	<u>(1,330,860)</u>
Net reduction in shareholder's funds	(304,504)	(1,330,860)
Opening shareholder's funds	675,032	2,005,892
	<u>675,032</u>	<u>2,005,892</u>
Closing shareholder's funds	370,528	675,032
	<u>370,528</u>	<u>675,032</u>

21 Ultimate parent company

The parent company is Garraf Limited, a company registered in England and Wales

22 Control

The ultimate controlling party is CJ Walters (director)

Azure Oil Services Limited

Notes

(forming part of the financial statements)

23 Contingent liability

There is a cross guarantee in place whereby the company has guaranteed the overdraft of its parent undertaking. The amount outstanding at the end of the year was £17 (2010: £Nil) and the maximum amount outstanding during the year was £17 (2010: £Nil).