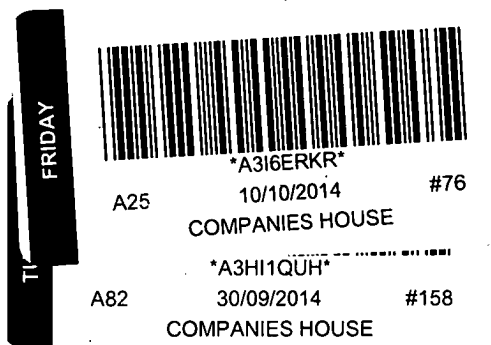


# Azure Oil Services Limited

## Director's report and unaudited financial statements

For the year ended 31 December 2013

Company registration number 02856486



# Azure Oil Services Limited

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# Azure Oil Services Limited

## Officers and registered office

**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 2013*

The director presents his annual report and financial statements for the year ended 31 December 2013.

### **Principal activities**

The principal activities of the company during the year were that of a supplier of marine and engineering maintenance services, metal fabrication, welding and manufacturing.

### **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



*Company Secretary*

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

# Azure Oil Services Limited

## Profit and loss account

For the year ended 31 December 2013

	<i>Notes</i>	2013 £	2012 £
<b>Turnover</b>	<i>1</i>	<b>606,648</b>	595,706
Cost of sales		<b>(519,307)</b>	(504,843)
<b>Gross profit</b>		<b>87,341</b>	90,863
Administrative expenses		<b>(474,609)</b>	(537,384)
Other operating income	<i>2</i>	<b>5,000</b>	5,330
<b>Operating loss before exceptional items</b>		<b>(382,268)</b>	(441,191)
Exceptional item	<i>13</i>	-	3,100,000
<b>Operating (loss)/profit after exceptional item</b>		<b>(382,268)</b>	2,658,809
Interest receivable		<b>1,757</b>	1,510
Interest payable	<i>4</i>	<b>(14,598)</b>	(3,235)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(395,109)</b>	2,657,084
Tax on (loss)/profit on ordinary activities	<i>5</i>	-	-
<b>(Loss)/profit on ordinary activities after taxation and loss for the financial year</b>	<i>18</i>	<b>(395,109)</b>	2,657,084

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 2013

	Notes	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Intangible assets	6		4,200		5,600
Tangible assets	7 & 8		634,813		1,042,420
			<hr/>		<hr/>
			639,013		1,048,020
<b>Current assets</b>					
Stocks	9	85,339		147,192	
Debtors	10	2,205,410		2,387,895	
Cash at bank		581,779		599,921	
			<hr/>	<hr/>	
			2,872,528	3,135,008	
<b>Creditors: amounts falling due within one year</b>	11	(571,416)		(575,416)	
			<hr/>	<hr/>	
<b>Net current assets</b>			2,301,112		2,559,592
			<hr/>	<hr/>	
<b>Total assets less current liabilities</b>			2,940,125		3,607,612
<b>Creditors: amounts falling due after more than one year</b>	12	(337,622)		(610,000)	
Provisions for liabilities and charges	13	-		-	
			<hr/>	<hr/>	
<b>Net assets</b>			2,602,503		2,997,612
			<hr/> <hr/>	<hr/> <hr/>	
<b>Capital and reserves</b>					
Share capital	17	25,000		25,000	
Profit and loss account	18	1,519,821		1,862,248	
Other reserves	18	1,057,682		1,110,364	
			<hr/>	<hr/>	
<b>Equity shareholder's funds</b>	19		2,602,503		2,997,612
			<hr/> <hr/>	<hr/> <hr/>	

# Azure Oil Services Limited

## Balance sheet

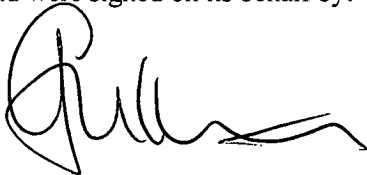
*As at 31 December 2013*

For the financial year ended 31 December 2013 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 and were signed on its behalf by:



*Director* CHRISTOPHER J WALTERS.

Company Registration No 02856486

# Azure Oil Services Limited

## Statement of total recognised gains and losses

*For the year ended 31 December 2013*

	<b>2013</b> £	2012 £
<b>(Loss)/profit for the year</b>	<b>(395,109)</b>	2,657,084
Unrealised deficit on revaluation of properties	-	(30,000)
	<hr/>	<hr/>
<b>Total gains and losses recognised since last financial statements</b>	<b>(395,109)</b>	2,627,084
	<hr/> <hr/>	<hr/> <hr/>



# 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 Stocks

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

#### 1.6 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.

#### 1.7 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.

#### 1.8 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.

#### 1.9 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)

### 1.10 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

	2013 £	2012 £
Rent receivable	5,000	5,100
Other operating income	-	230
	<u>5,000</u>	<u>5,330</u>

### 3 Operating (loss)/profit

	2013 £	2012 £
<i>Operating (loss)/profit is stated after charging/(crediting):</i>		
Depreciation	59,849	81,671
Amortisation	1,400	1,400
Rental of other assets	45,460	45,790
Loss on disposal of fixed assets	20,881	-
Directors emoluments	13,710	-
	<u>139,300</u>	<u>128,861</u>

### 4 Interest payable

	2013 £	2012 £
On bank loans and overdrafts	1,249	968
Other	13,349	2,267
	<u>14,598</u>	<u>3,235</u>

# Azure Oil Services Limited

## Notes

(forming part of the financial statements)

5 Taxation	2013 £	2012 £
<i>Current year tax</i>		
UK corporation tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
<i>Tax charge for the year</i>	-	-
	<hr/>	<hr/>
<i>Factors affecting the tax charge for the year</i>		
(Loss)/profit on ordinary activities before taxation	<b>(395,109)</b>	2,657,084
	<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2012: 20%)	<b>(79,022)</b>	531,417
	<hr/>	<hr/>
<i>Effects of:</i>		
Non deductible expenses	<b>3,995</b>	13,780
Depreciation	<b>18,906</b>	16,334
Capital allowances	<b>(10,736)</b>	(5,326)
Tax losses utilised	<b>66,798</b>	(556,205)
Other	<b>59</b>	-
	<hr/>	<hr/>
	<b>79,022</b>	(531,417)
	<hr/>	<hr/>
<b>Current tax charge for the year</b>	-	-
	<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.

6 Intangible assets	Goodwill £	Total £
<b>Cost</b>		
At 1 January 2013 and 31 December 2013	7,000	7,000
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 January 2013	1,400	1,400
Charge for the year	1,400	1,400
	<hr/>	<hr/>
At 31 December 2013	2,800	2,800
	<hr/>	<hr/>
<b>Net book value</b>		
At 31 December 2013	<b>4,200</b>	<b>4,200</b>
	<hr/>	<hr/>
At 31 December 2012	5,600	5,600
	<hr/>	<hr/>

# Azure Oil Services Limited

## Notes

(forming part of the financial statements)

### 7 Tangible fixed assets

	Short leasehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2013	97,163	1,306,708	1,403,871
Additions	-	47,242	47,242
	<hr/>	<hr/>	<hr/>
At 31 December 2013	97,163	1,353,950	1,451,113
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>			
At 1 January 2013	55,225	1,126,226	1,181,451
Charge for the year	9,204	50,645	59,849
	<hr/>	<hr/>	<hr/>
At 31 December 2013	64,429	1,176,871	1,241,300
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 31 December 2013	32,734	177,079	209,813
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2012	41,938	180,482	222,420
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Total £
<b>Net book values</b>		
At 31 December 2013	21,994	21,994
	<hr/>	<hr/>
At 31 December 2012	-	-
	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation charge for the year</b>		
At 31 December 2013	12,236	12,236
	<hr/>	<hr/>
At 31 December 2012	-	-
	<hr/> <hr/>	<hr/> <hr/>

# Azure Oil Services Limited

## Notes

(forming part of the financial statements)

### 8 Tangible fixed assets

	Investment properties £
<b>Valuation</b>	
At 1 January 2013	820,000
Disposal	(395,000)
	<hr/>
At 31 December 2013	425,000
	<hr/> <hr/>

The freehold properties of the company held for investment purposes were valued at 31 December 2013 on an open market basis by CJ Walters, a director of the company, at the amounts shown above.

The historic cost of the company's investment properties is £342,318 (2012: £684,636). If depreciation had been provided on such properties the accumulated depreciation at that date based on cost would be £121,907 (2012: £216,408).

If the company's properties were disposed of at market value a corporation tax liability of £Nil (2012: £Nil) would arise.

### 9 Stocks

	2013 £	2012 £
Raw materials	78,467	109,553
Work in progress	6,872	37,639
	<hr/>	<hr/>
	85,339	147,192
	<hr/> <hr/>	<hr/> <hr/>

### 10 Debtors

	2013 £	2012 £
<i>Amounts falling due within one year:</i>		
Trade debtors	121,004	98,995
Prepayments and accrued income	25,402	53,349
Other tax and social security	-	15,105
Other debtors	697,580	378,176
Amounts owed by group undertakings	1,133,846	1,131,814
	<hr/>	<hr/>
	1,977,832	1,677,439
<i>Amounts falling due in more than one year:</i>		
Other debtors	227,578	710,456
	<hr/>	<hr/>
	2,205,410	2,387,895
	<hr/> <hr/>	<hr/> <hr/>

# Azure Oil Services Limited

## Notes

(forming part of the financial statements)

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

	2013 £	2012 £
Bank loans and overdrafts (see note 12)	-	2,893
Net obligations under hire purchase contracts	43,337	-
Trade creditors	131,564	209,548
Other taxation and social security	86,270	47,969
Other creditors	1,255	3,326
Accruals and deferred income	308,990	311,680
	<u>571,416</u>	<u>575,416</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate.

### 12 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Bank loans	294,162	610,000
Hire purchase liabilities	43,460	-
	<u>337,622</u>	<u>610,000</u>
<i>Analysis of loans</i>		
Wholly repayable within five years	294,162	611,655
Included in current liabilities	-	(1,655)
	<u>294,162</u>	<u>610,000</u>
<i>Loan maturity analysis</i>		
In two to five years	294,162	610,000
	<u>294,162</u>	<u>610,000</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	43,337	-
Repayable between one and five years	43,460	-
	<u>86,797</u>	<u>-</u>
Included in liabilities falling due within one year	(43,337)	-
	<u>43,460</u>	<u>-</u>

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

Investment property mortgages of £294,162 (2012: £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.

# Azure Oil Services Limited

## Notes

(forming part of the financial statements)

### 13 Provisions for liabilities and charges

	2013 £	2012 £
<b>Land remediation provision</b>		
At 1 January 2013	-	3,100,000
Movement in year	-	(3,100,000)
	<hr/>	<hr/>
At 31 December 2013	-	-
	<hr/> <hr/>	<hr/> <hr/>

### 14 Commitments under operating leases

At 31 December 2013, the company had annual commitments under non-cancellable operating leases as set out below:

	2013 <b>Land and buildings</b> £	2012 Land and buildings £
Operating leases which expire:		
In less than one year	41,500	41,500
	<hr/> <hr/>	<hr/> <hr/>

### 15 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 £2,116 (2012: £1,593) including contributions in respect of employees. Contributions amounting to £1,255 (2012: £906) were payable to the fund at the year end and are included in creditors.

### 16 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 2013 is £1,133,846 (2012: £1,131,814).

CJ Walters has provided a personal guarantee to the bank limited to £300,000 (2012: £300,000) and has provided personal assets as security for other loans.

### 17 Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid:</b>		
25,000 ordinary shares of £1 each	25,000	25,000
	<hr/> <hr/>	<hr/> <hr/>

# Azure Oil Services Limited

## Notes

(forming part of the financial statements)

### 18 Movement in reserves

	Capital Redemption Reserve £	Investment Property Revaluation Reserve £	Profit and loss account £
At 1 January 2013	975,000	135,364	1,862,248
Loss for the year after taxation	-	-	(395,109)
Transfer	-	(52,682)	52,682
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2013</b>	<b>975,000</b>	<b>82,682</b>	<b>1,519,821</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 19 Reconciliation of movements in shareholder's funds

	2013 £	2012 £
(Loss)/profit for the financial year	(395,109)	2,657,084
Revaluation	-	(30,000)
	<hr/>	<hr/>
Net (reduction)/addition in shareholder's funds	(395,109)	2,627,084
Opening shareholder's funds	2,997,612	370,528
	<hr/>	<hr/>
<b>Closing shareholder's funds</b>	<b>2,602,503</b>	<b>2,997,612</b>
	<hr/> <hr/>	<hr/> <hr/>

### 20 Ultimate parent company

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

### 21 Control

The ultimate controlling party is CJ Walters (director).

### 22 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 £77 (2012: £Nil) and the maximum amount outstanding during the year was £77 (2012: £17).



# Azure Oil Services Limited

## Accountants' report to the board of directors on the unaudited financial statements of Azure Oil Services Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Azure Oil Services Limited for the year ended 31 December 2013, set out on pages 3 to 14, from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [icaew.com/membershandbook](http://icaew.com/membershandbook).

This report is made solely to the Board of Directors of Azure Oil Services Limited, as a body, in accordance with the terms of our engagement letter dated 15 November 2012. Our work has been undertaken solely to prepare for your approval the financial statements of Azure Oil Services Limited and state those matters that we have agreed to state to the Board of Directors of Azure Oil Services Limited, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants in England and Wales as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Azure Oil Services Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Azure Oil Services Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Azure Oil Services Limited. You consider that Azure Oil Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Azure Oil Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

*Chartered Accountants*

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP