

Mostech Energy Services Limited

Report and Financial Statements

Year Ended

31 December 2017

Company Number 08530721



Mostech Energy Services Limited

Company Information

Director	J P O'Toole
Company secretary	F J Wynne-Jones
Registered number	08530721
Registered office	The Port of Mostyn Coast Road Mostyn Holywell Flintshire CH8 9HE
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Mostech Energy Services Limited

Contents

	Page
Director's Report	1 - 2
Director's Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Notes to the Financial Statements	9 - 13

Mostech Energy Services Limited

Director's Report For the Year Ended 31 December 2017

The director presents his report together with the audited financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company is the provision of technicians to turbine manufacturers and windfarm operators.

Going Concern

During the year the contract with their main customer came to an end, and was not renewed. The nature of this business is sporadic, with occasional prolonged periods of dormancy between projects. The next period of activity is expected to commence in November 2018. After making enquiries, the director has a reasonable expectation that the company, with support from its parent, has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

The parent company has indicated its willingness to continue to provide financial support for at least the next 12 months following the date of approval of these financial statements and to provide financial support as may be required.

Results and dividends

The loss for the year, after taxation, amounted to £117,984 (2016 - loss £56,775).

The director did not recommend the payment of a dividend (2015 - £Nil).

Director

The director who served during the year was:

J P O'Toole

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Companies Exemption

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Mostech Energy Services Limited

Director's Report (continued)
For the Year Ended 31 December 2017

This report was approved and signed by order of the board on 27 September 2018

A handwritten signature in black ink, appearing to read 'F J Wynne-Jones', written in a cursive style.

F J Wynne-Jones
Secretary

Mostech Energy Services Limited

Director's Responsibilities Statement For the Year Ended 31 December 2017

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the director must not approve the financial statements unless he is satisfied that he has 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 director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Mostech Energy Services Limited

Independent Auditor's Report to the Members of Mostech Energy Services Limited

Opinion

We have audited the financial statements of Mostech Energy Services Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Mostech Energy Services Limited

Independent Auditor's Report to the Members of Mostech Energy Services Limited (continued)

Other information

The director is responsible for the other information. The other information comprises the information included in the director's report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

Matters on which we are required to report by exception

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 material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was 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 director's report and from the requirement to prepare a strategic report.

Mostech Energy Services Limited

Independent Auditor's Report to the Members of Mostech Energy Services Limited (continued)

Responsibilities of directors

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

BDO LLP

Graham Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom

27 September 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Mostech Energy Services Limited

Statement of Comprehensive Income For the Year Ended 31 December 2017

	2017 £	2016 £
Turnover	568,631	191,005
Cost of sales	(451,078)	(133,539)
Gross profit	117,553	57,466
Administrative expenses	(232,273)	(114,281)
Operating loss and loss before taxation	(114,720)	(56,815)
Taxation (charge)/credit	5 (3,264)	40
Loss for the financial year attributable to equity holders of the company	(117,984)	(56,775)

There was no other comprehensive income for 2017 (2016:£Nil).

The notes on pages 9 to 13 form part of these financial statements.

Mostech Energy Services Limited

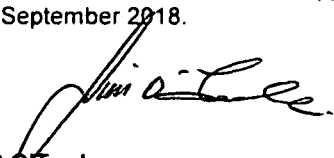
Registered number: 08530721

Statement of Financial Position As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Current assets					
Debtors: amounts falling due within one year	6	78,710		64,637	
Cash at bank and in hand		62,514		52,210	
		<u>141,224</u>		<u>116,847</u>	
Creditors: amounts falling due within one year	7	(320,700)		(178,339)	
Net current liabilities			(179,476)		(61,492)
Net liabilities			(179,476)		(61,492)
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account			(179,478)		(61,494)
Shareholders' deficit			(179,476)		(61,492)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2018.


J P O Toole
Director

The notes on pages 9 to 13 form part of these financial statements.

Mostech Energy Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. General information

Mostech Energy Services Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities is disclosed in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During the year the contract with their main customer came to an end, and was not renewed. The nature of this business is sporadic, with occasional prolonged periods of dormancy between projects. The next period of activity is expected to commence in November 2018. After making enquiries, the director has a reasonable expectation that the company, with support from its parent, has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

The parent company has indicated its willingness to continue to provide financial support for at least the next 12 months following the date of approval of these financial statements and to provide financial support as may be required.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Mostech Energy Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The director has made no key judgements or estimations in preparing these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 1).

Mostech Energy Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

5. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	3,264	(40)
	<u>3,264</u>	<u>(40)</u>
Total current tax	<u>3,264</u>	<u>(40)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation charge/(credit) on ordinary activities	<u>3,264</u>	<u>(40)</u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss before tax	<u>(114,720)</u>	<u>(56,815)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(22,080)	(11,363)
Effects of:		
Adjustments to tax charge in respect of prior periods	3,264	(40)
Group relief	22,080	11,363
Total tax charge/(credit) for the year	<u>3,264</u>	<u>(40)</u>

Factors that may affect future tax charges

Reductions in UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax asset as 31 December 2017 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

Mostech Energy Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

6. Debtors

	2017 £	2016 £
Trade debtors	77,090	61,163
Other debtors	-	210
Prepayments and accrued income	1,620	-
Tax recoverable	-	3,264
	<u>78,710</u>	<u>64,637</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	16,783
Amounts owed to group undertakings	304,366	142,248
Taxation and social security	3,591	7,127
Other creditors	12,743	12,181
	<u>320,700</u>	<u>178,339</u>

Amounts owed by Group undertakings are interest free and repayable on demand.

8. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

9. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

Mostech Energy Services Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

10. Related party transactions

The company has taken advantage of the exemption available in section 1AC.35 of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Director's are considered to be key management personnel. The director's remuneration is borne by the parent and group company.

11. Ultimate parent undertaking and controlling party

The company is controlled by The Port of Mostyn Limited.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is The Port of Mostyn Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ. The registered address of The Port of Mostyn Limited is The Port Of Mostyn Coast Road, Mostyn, Holywell, Flintshire, CH8 9HE.

The Port of Mostyn Limited is controlled by The Shieling Trust.