

TUBULAR SCIENCES LIMITED

**FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2019**

TUBULAR SCIENCES LIMITED

COMPANY INFORMATION

Directors	G J Herrera (resigned 7 January 2020) R Maheshwari (appointed 7 January 2020)
Company secretary	Stronachs Secretaries Limited
Registered number	SC530479
Registered office	28 Albyn Place Aberdeen AB10 1YL

TUBULAR SCIENCES LIMITED

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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

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 to 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.

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	4	205	76

			<u>205</u>	<u>76</u>
Current assets				
Debtors: amounts falling due within one year	5	12	28	
Cash at bank and in hand	6	11	1	
		<u>23</u>	<u>29</u>	
Creditors: amounts falling due within one year	7	(382)	(127)	
Net current liabilities			<u>(359)</u>	<u>(98)</u>
Total assets less current liabilities			<u>(154)</u>	<u>(22)</u>
Net liabilities			<u>(154)</u>	<u>(22)</u>
Called up share capital			-	-
Profit and loss account			(154)	(22)
			<u>(154)</u>	<u>(22)</u>

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Maheshwari
Director

Date: 9 June 2020

The notes on pages 3 to 8 form part of these financial statements.

TUBULAR SCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Tubular Sciences Limited is a limited liability company incorporated in Scotland. The registered office is 28 Albyn Place, Aberdeen, AB10 1YL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of RWSH AS as at 31 December 2019 and these financial statements may be obtained from the registered office; Kongsgårdbakken 3, 4005 Stavanger c/o Advokatfirmaet Schjødt AS.

2.3 Going concern

The Company is developing new technology and has completed the proof of concept stage and is due to embark on the next stage which involves product development and commercialisation. In order to progress with this stage, the Company will require funding through investment over the next 2 - 3 years. Management are actively looking into options for potential funding to commence this stage. Until then, the parent company, RWSH AS, will continue to provide financial support. As at 31 December 2019 the Company has net current liabilities of £359,000 (2018 - £98,000), which includes £353,000 (2018 - £90,000) due to RWSH AS. The parent company have provided confirmation that they intend to continue providing this financial support and not to demand repayment of amounts owed until there are funds available to do so.

COVID 19 has caused a delay in the sourcing of funding and therefore the commencement of the next stage has been delayed. Until commencement of the next stage, there will be minimal cash outflow from the Company and the parent company has confirmed it will

continue to provide the funding necessary to meet the company's financial obligations.
As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life of 5 years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of

transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 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.

2.10 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.

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties. These are measured at amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £0).

TUBULAR SCIENCES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Intangible assets

Development
Costs
£000

Cost

At 1 January 2019	76
Additions	159
At 31 December 2019	<u>235</u>

Amortisation

Charge for the year	30
At 31 December 2019	<u>30</u>

Net book value

At 31 December 2019	<u>205</u>
At 31 December 2018	<u>76</u>

**NOTES TO THE FINANCIAL STATEMENTS
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5. Debtors

	2019 £000	2018 £000
Other debtors	12	23
Prepayments and accrued income	-	5
	<u>12</u>	<u>28</u>

6. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	<u>11</u>	<u>1</u>

7. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	20	28
Amounts owed to group undertakings	353	90
Accruals and deferred income	9	9
	<u>382</u>	<u>127</u>

8. Related party transactions

The Company has taken advantage of the exemptions within FRS 102, Section 1AC 35 (Disclosure requirements for small entities).

9. Controlling party

The parent company is RWSH AS, a company registered in Norway. The largest and smallest group preparing consolidated financial statements including the company is RWSH AS. The group financial statements may be obtained from the Registered Office, Kongsgårdbakken 3, 4005 Stavanger c/o Advokatfirmaet Schjødt AS, which is the address of the largest and smallest group preparing consolidated financial statements. The ultimate controlling party is Energy Ventures III (GP) Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:

We draw attention to note 2.3 in the financial statements, which indicates that the Company requires further investment in order to fund the next stage of its life cycle and currently has net current liabilities of £359,000, of which £353,000 is due to its parent company. Until this funding is sourced, the parent company has agreed to support the Company and not seek repayment of the amounts owed to them. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 9 June 2020 by Christopher Masson (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.