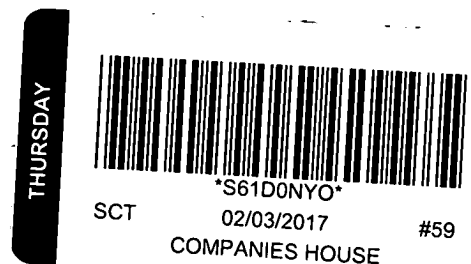


OAASIS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2015



OAASIS GROUP LIMITED

COMPANY INFORMATION

Directors	D W Napier G M Williams
Company secretary	E V Speirs
Registered number	07271834
Registered office	Merchants House Gapton Hall Road Great Yarmouth Norfolk NR31 0NL
Independent auditors	Ernst & Young LLP Blenheim House Fountainhall Road Aberdeen AB15 4DT
Bankers	National Westminster Bank 11 Market Place Great Yarmouth Norfolk NR30 1LY

OAASIS GROUP LIMITED

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OAASIS GROUP LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

The directors present their strategic report for the period ended 31 December 2015.

Principal Activity

The principal activity of the Company continued to be that of stocking distributors and suppliers of safety, general and industrial products to the oil, gas, renewable and marine industries.

Business review

On 20 February 2015, DNOW UK Limited acquired the shares, trade, assets and liabilities of OAASIS Group Limited. DNOW UK Limited is a global supplier of products to the upstream, midstream and downstream energy and industrial sectors. This report is related to the periods of 1 October 2014 to 20 February 2015 (pre-disposal) and 21 February 2015 to 31 December 2015 (post-disposal). The Company's year end was changed to 31 December during the period to be consistent with the parent company and fellow subsidiary undertakings. As the prior period was only for twelve months the prior year amounts are not entirely comparable.

Financial Key Performance Indicators

	15 Month Period to 31 Dec 2015	Year to 30 Sept 2014	% Change
	£(000)	£(000)	
Turnover	13,552	14,207	-4.6%
Operating (Loss) / Profit	(13)	1,751	-100.7%
(Loss) / Profit after Tax	(95)	1,309	-107.2%
Equity Shareholders' Funds	2,947	2,696	9.3%
Average number of employees	53	56	-5.4%

During the period to 31 December 2015, the Oil and Gas industry started to suffer its worst economic downturn since 2008 with oil prices at their lowest (per barrel) since that time. This downturn has severely impacted the company results post disposal both on revenue generation and margin erosion. This downturn also affected investment in the Renewables Energy sector during 2015 which is also supplied by the Company. This downturn, however, has not been so severe and the Company expects to see increased activity in this sector during 2016. The results have also been impacted by increased legal costs for the sale to DNOW UK Limited, increased salary costs and benefit costs on harmonisation of staff contracts to DNOW UK Limited terms and conditions and the employment of the prior company directors as staff employees.

Principal risks and uncertainties

The directors consider the results to be satisfactory and are not aware of any major risks or uncertainties that would jeopardise the continued growth of the Company.

OAASIS GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2015**

This report was approved by the board and signed on its behalf.



.....
D W Napier
Director

Date: 24 February 2017

OAASIS GROUP LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements for the period ended 31 December 2015.

Results and dividends

The loss for the period, after taxation, amounted to £94,576 (2014 - profit £1,309,126). A dividend of £132,767 was paid (2014 - £494,073).

Directors

The directors who served during the Period were:

D W Napier (appointed 20 February 2015)
G M Williams (appointed 4 June 2015)
M T Haverty (appointed 20 February 2015, resigned 4 June 2015)
B D Knappett (resigned 20 February 2015)
D Rogers (resigned 20 February 2015)
T K Simmons (resigned 20 February 2015)

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director 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 auditors are aware of that information.

Post balance sheet events

On 1 July 2016, the company merged operations with its UK parent company, DNOW UK Limited, to form one trading and reporting entity in the UK.

Auditors

Ernst & Young LLP, were appointed during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
D W Napier
Director

Date: 24 February 2017

OASIS GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report, 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 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.

OAASIS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAASIS GROUP LIMITED

We have audited the financial statements of Oasis Group Limited for the period ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, Directors' Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 the Financial Reporting Standard applicable to the UK and Republic of Ireland, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements.

OAASIS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAASIS GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Jamie Dixon (Senior Statutory Auditor)

for and on behalf of

**Ernst & Young LLP, Statutory Auditor
Aberdeen**

28 February 2017

OAASIS GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2015**

		Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
	Note		
Turnover	2	13,552,201	14,207,112
Cost of sales		(10,606,891)	(10,766,150)
Gross profit		2,945,310	3,440,962
Administrative expenses		(2,958,167)	(1,689,630)
Operating (loss)/profit	3	(12,857)	1,751,332
Interest payable and similar charges	7	(27,645)	(75,464)
(Loss)/profit on ordinary activities before tax		(40,502)	1,675,868
Tax charge on (loss)/profit on ordinary activities	8	(54,074)	(366,742)
(Loss)/profit for the period		(94,576)	1,309,126

All amounts relate to continuing operations.

The notes on pages 10 to 27 form part of these financial statements.

OAASIS GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015**


	Called up share capital £	Additional paid in capital £	Profit and loss account £	Total equity £
At 1 October 2013	30	-	1,881,327	1,881,357
Profit for the year	-	-	1,309,126	1,309,126
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,309,126	1,309,126
Equity dividends paid (note 9)	-	-	(494,073)	(494,073)
At 1 October 2014	30	-	2,696,380	2,696,410
Loss for the Period	-	-	(94,576)	(94,576)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(94,576)	(94,576)
Equity dividends paid (note 9)	-	-	(132,767)	(132,767)
Conversion of shareholder loans	-	478,271	-	478,271
At 31 December 2015	30	478,271	2,469,037	2,947,338

OAASIS GROUP LIMITED
REGISTERED NUMBER:07271834

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	31 December 2015 £	31 December 2015 £	30 September 2014 £	30 September 2014 £
Fixed assets					
Tangible assets	10		124,462		186,787
Investments	11		31		31
			<u>124,493</u>		<u>186,818</u>
Current assets					
Stocks	12	1,897,476		2,289,798	
Debtors: amounts falling due within one year	13	1,722,191		2,457,272	
Cash at bank and in hand	14	306,763		1,338,987	
		<u>3,926,430</u>		<u>6,086,057</u>	
Creditors: amounts falling due within one year	15	(1,089,161)		(3,550,458)	
Net current assets			<u>2,837,269</u>		<u>2,535,599</u>
Total assets less current liabilities			<u>2,961,762</u>		<u>2,722,417</u>
Provisions for liabilities					
Deferred tax	16	(14,424)		(26,007)	
			<u>(14,424)</u>		<u>(26,007)</u>
Net assets			<u><u>2,947,338</u></u>		<u><u>2,696,410</u></u>
Capital and reserves					
Called up share capital	17		30		30
Additional paid in capital			478,271		-
Profit and loss account			<u>2,469,037</u>		<u>2,696,380</u>
Equity Shareholders' Funds			<u><u>2,947,338</u></u>		<u><u>2,696,410</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 February 2017.


.....
D W Napier

Director

The notes on pages 10 to 27 form part of these financial statements.

OAASIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. Accounting policies

1.1 Statement of Compliance

Oaasis Group Limited is a limited liability company incorporated in England. The Registered Office is Merchants House, Gapton Hall Road, Great Yarmouth, Norfolk, NR31 0NL.

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2015.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2013. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

1.2 Basis of preparation and change in accounting policy

The financial statements are authorised for issue by the Board of Directors' on 24 February 2017.

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

The financial statements are prepared in sterling which is the functional currency of the company.

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

Preparation of statement of cash flows

The company has taken advantage of the exemption available under FRS 102 not to prepare a statement of cash flows.

Related party transactions

The company has taken advantage of the exemption in paragraph 33.1A of FRS 102 on the grounds that it is a wholly owned subsidiary of a group headed by NOW Inc., whose financial statements are publicly available. The company discloses transactions with related parties which are not wholly owned by the same group.

OAASIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating lease commitments

The Company has entered into commercial property leases as a lessee. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

OAASIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

Significant Accounting Policies

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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

OAASIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- over 5 years
Plant and machinery	- 20% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line
Office equipment	- over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a "Moving Average Cost" basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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.

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.

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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost 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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

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.

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

OAASIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

Pensions

Defined contribution pension plan

Prior to 20 February 2015, the Company had no pension scheme. On acquisition by DNOW UK Limited, the Company commenced to operate a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

Current and deferred taxation

The tax expense for the Period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change 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 balance sheet 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 Balance Sheet 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 balance sheet date.

OAASIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015

2. Turnover

Turnover represents the amount derived from the provision of goods which fall within the Company's ordinary activities, stated net of value added tax.

An analysis of turnover by class of business is as follows:

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
Third Party Revenue	13,465,938	14,207,112
Intercompany Revenue	86,263	-
	<u>13,552,201</u>	<u>14,207,112</u>

Analysis of turnover by country of destination:

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
United Kingdom	11,893,577	11,947,264
Rest of Europe	478,473	2,259,848
Rest of the world	1,180,151	-
	<u>13,552,201</u>	<u>14,207,112</u>

OAASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
Depreciation of tangible fixed assets	76,333	68,618
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,500	8,500
Exchange differences	(25,341)	(53,957)
Other operating lease rentals	297,462	236,509
Defined contribution pension cost	58,433	-
	<u> </u>	<u> </u>

4. Auditors' remuneration

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	12,500	8,500
	<u> </u>	<u> </u>

OAASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

5. Employees

Staff costs, including directors' remuneration, were as follows:

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
Wages and salaries	1,520,020	966,878
Social security costs	81,487	71,619
Cost of defined contribution scheme	58,433	-
	<u>1,659,940</u>	<u>1,038,497</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 31 December 2015 No.	<i>Year ended 30 September 2014 No.</i>
Employees	<u>53</u>	<u>56</u>

Three directors were employed and paid by the company during the period with the relevant disclosures in notes 5 and 6. The other directors were employed and paid by fellow subsidiaries and related parties. The directors do not believe that it is practical to apportion their remuneration between their services as directors of this company and their services as directors of the fellow subsidiary companies.

OAASIS Group Limited does not operate any long term incentive plans or share incentive schemes.

6. Directors' remuneration

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
Directors' emoluments	<u>6,630</u>	<u>15,139</u>

OAASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

7. Interest payable and similar charges

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
Other loan interest payable	27,645	75,464
	<u>27,645</u>	<u>75,464</u>

8. Taxation

	Period ended 31 December 2015 £	<i>Year ended 30 September 2014 £</i>
Current tax:		
UK corporation tax at 20.4% (2014 - 22%)	61,645	359,851
Adjustments in respect of prior periods	4,012	-
Total current tax	<u>65,657</u>	<u>359,851</u>
Deferred tax:		
Origination and reversal of timing differences	(8,369)	6,891
Adjustments in respect of prior periods	(681)	-
Effect of rate change on opening balance	(2,533)	-
Total deferred tax (credit) / charge	<u>(11,583)</u>	<u>6,891</u>
Taxation on profit on ordinary activities	<u>54,074</u>	<u>366,742</u>

OASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

8. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20.4% (2014 - 22%). The differences are explained below:

	Period ended 31 December 2015 £	Year ended 30 September 2014 £
Profit on ordinary activities before tax	(40,502)	1,675,868
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.4% (2014 - 22%)	(8,262)	368,691
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	60,450	10,096
Capital allowances for period/year in excess of / (less than) depreciation	9,485	(18,936)
Tax credits	(27)	-
Adjustments to tax charge in respect of prior periods	4,011	-
Other timing differences leading to a (decrease)/increase in taxation	(11,583)	6,891
Total tax charge for the period/year	54,074	366,742

Factors that may affect future tax charges

From 1 April 2014 the rate of UK Corporation tax was reduced to 21% with a further reduction effective 1 April 2015 to 20%. Accordingly the financial statements have applied these rates in the measurement of tax payable on the results above as well as to the measurement of deferred tax assets and liabilities at 31 December 2015.

9. Dividends Paid

	31 December 2015 £	30 September 2014 £
Dividends paid	132,767	494,073

OAASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

10. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2014	100,699	62,274	185,377	348,350
Additions	-	-	29,156	29,156
Disposals	-	(3)	(15,675)	(15,678)
At 31 December 2015	<u>100,699</u>	<u>62,271</u>	<u>198,858</u>	<u>361,828</u>
Depreciation				
At 1 October 2014	29,957	44,825	86,781	161,563
Charge for period on owned assets	20,193	9,345	46,795	76,333
Disposals	-	(3)	(527)	(530)
At 31 December 2015	<u>50,150</u>	<u>54,167</u>	<u>133,049</u>	<u>237,366</u>
Net book value				
At 31 December 2015	<u>50,549</u>	<u>8,104</u>	<u>65,809</u>	<u>124,462</u>
At 1 October 2014	<u>70,742</u>	<u>17,449</u>	<u>98,596</u>	<u>186,787</u>

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2014 and at 31 December 2015	<u>31</u>
Net book value	
At 1 October 2014 and at 31 December 2015	<u>31</u>

OAASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company and were dormant during the period:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Atlas Industrial & Marine Supply Limited	UK	Ordinary	100 %	Dormant
Outland Safety & Industrial Products Limited	UK	Ordinary	100 %	Dormant
Annasbrook Supply Company Limited	UK	Ordinary	100 %	Dormant

12. Stocks

	31 December 2015 £	30 September 2014 £
Finished goods and goods for resale	1,897,476	2,289,798

13. Debtors

	31 December 2015 £	30 September 2014 £
Trade debtors	1,505,701	2,378,972
Amounts owed by group undertakings	682	-
Other Debtors	93,982	44,650
Corporation Tax	34,935	-
Prepayments and accrued income	86,891	33,650
	<u>1,722,191</u>	<u>2,457,272</u>

14. Cash and cash equivalents

	31 December 2015 £	30 September 2014 £
Cash at bank and in hand	306,763	1,338,987

OAASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

15. Creditors: Amounts falling due within one year

	31 December 2015 £	30 September 2014 £
Other loans	-	1,904,380
Trade creditors	712,755	1,208,165
Amounts owed to group undertakings	259,032	104
Corporation tax	-	191,851
Taxation and social security	57,610	122,004
Accruals and deferred income	59,764	123,954
	<u>1,089,161</u>	<u>3,550,458</u>

Amounts owed to group undertakings relate to intercompany trading. They are non-interest bearing and repayable on demand.

16. Deferred taxation

	2015 £
At beginning of year	(26,007)
Credited to the Profit and Loss account	11,583
At end of year	<u><u>(14,424)</u></u>

The provision for deferred taxation is made up as follows:

	31 December 2015 £	30 September 2014 £
Accelerated capital allowances	<u>(14,424)</u>	<u>(26,007)</u>

OAASIS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

17. Share capital

	31 December 2015 £	30 September 2014 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1,000 A Ordinary shares of £0.01 each	10	10
1,000 B Ordinary shares of £0.01 each	10	10
1,000 C Ordinary shares of £0.01 each	10	10
	<hr/> 30	<hr/> 30
	<hr/> <hr/>	<hr/> <hr/>

18. Pension commitments

As stated in Section 1 prior to 20 February 2015, the company had no pension scheme. On acquisition by DNOW UK Limited the Company commenced to operate a defined contribution plan for its employees. The assets of the plan are held separately from the Company in independently administered funds therefore there are no pension commitments reported on the company's Balance Sheet.

19. Commitments under operating leases

At 31 December 2015, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2015 £	30 September 2014 £
Not later than 1 year	202	455
Later than 1 year and not later than 5 years	760	-
Later than 5 years	1,402	-
	<hr/> 2,364	<hr/> 455
	<hr/> <hr/>	<hr/> <hr/>

20. Related party transactions

As FRS102 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such member, these transactions have not been disclosed.

OAASIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

21. Transition to FRS 102

For all periods up to and including the year ended 30 September 2014 the Company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements, for the period ended 31 December 2015 are the first the Company has prepared in accordance with FRS 102.

Accordingly the Company has prepared individual financial statements which comply with FRS 102 applicable for the periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 October 2014, the Company's date of transition to FRS 102, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 102.

No differences have arisen on transition to FRS 102.

22. Events after the reporting period

On 1 July 2016 the company merged operations with its UK parent company, DNOW UK Limited, to form one trading and reporting entity in the UK.

23. Controlling party

The company's immediate parent undertaking is DNOW UK Limited, a company incorporated in the United Kingdom.

The company's ultimate parent undertaking is NOW Inc., a company incorporated in the United States of America. The consolidated accounts of NOW Inc. are those of the smallest and largest group of which the company is a member and for which group accounts are prepared. Copies of these accounts are available from its principal office at 7402 N. Eldridge Parkway, Houston Texas, 77041, USA.