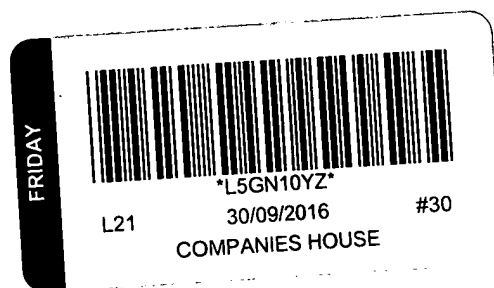


Company Registration No. 08236578 (England and Wales)

OGH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



OGH LIMITED

COMPANY INFORMATION

Directors	S P O'Donnell J Lobo L Makharinsky M Gurevich
Company number	08236578
Registered office	Palladium House 1-4 Argyll Street London W1F 7LD
Auditor	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD
Business address	Denmark House St Thomas Place Ely Cambridgeshire CB7 4EX

OGH LIMITED

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OGH LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report for the year ended 31 December 2015

Principal Activities

The principal activity of OGH Limited is that of a holding company. Its principal subsidiary Oil & Gas Systems Limited (OGSL) has the following principal activity.

The design and supply of bespoke engineered process packages and engineered metering systems to the oil, gas, power, chemical, and associated industries. We also supply spare parts for these bespoke systems and provide site support services to our customer base.

Fair review of the business

OGH Limited ("OGH") was established in 2012 to act as the holding company and strategic focal point for its group members. OGH oversees the developmental growth of several collaborative businesses and its aim is to create a vehicle that is recognisable throughout the world as a marquee of scientific and engineering excellence.

"Oil and Gas Holdings", the trading name for OGH, offers its group members a vehicle to consolidate their accounts and creates an environment where these developing businesses can be nurtured and allowed to flourish with an enhanced brand identity and corporate strength – something that will ultimately benefit both shareholders and the corporate group.

Global prices for crude oil fell significantly towards the end of 2015 and we expect that this will have an impact on our business going forwards. We believe that weakened global demand for crude oil, due to slower international economic growth coupled with increased production by the OPEC countries and Russia, will affect our business going forwards and we are planning for this expected impact now in order to be fully prepared.

Principal risks and uncertainties

OGH trades through its subsidiaries Oil & Gas Systems Limited (OGSL) and Oil & Gas Measurement Limited (OGML). As such its principal risks and uncertainties for OGSL the larger of these subsidiaries are detailed below.

The financial instruments used by the Company arise wholly and directly from its activities. The financial instruments comprise debtors, cash at bank, trade creditors, trade financial instruments and loans and the Company has put in place the following measures in order to manage the financial risks arising from these financial instruments:

1. The Company regularly monitors the level of its debtors to ensure that they are always kept at reasonable levels.
2. The Company carefully manages its cash position by regularly monitoring its cash flow using cash flow forecasting. The company mitigates its exposure to currency fluctuations by the use of natural hedging.
3. The financial risk arising from the possible non advance of credit by the Company's creditors, either by exceeding the credit limit or not paying within the specified terms, is managed by regularly monitoring the trade balance and credit limit terms for all suppliers. Deposit accounts are used to hold large cash sums for the purpose of paying creditors when their amounts fall due.
4. The Company has a substantial long term loan facility at competitive rates which will allow it to drive its growth further.
5. The Company ensures that all invoices received from suppliers are paid within the invoice terms.
6. The Company has improved its foreign currency exposure and uses structured products to control currency risk.

OGH LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Development and performance

The Board of Directors is again delighted that the principal subsidiary OGSL continues to return a profit but is aware the oil and gas engineering industries face very difficult times ahead. The recent dramatic falls in the price of crude oil are a result of weakened global demand coupled with high production in the OPEC countries, Russia and USA and we believe that this trend will continue into 2016 and beyond. Cheap oil always results in a reduction of projects being placed by our customers and we expect this will affect our business going forwards.

We are however confident that low crude oil is a cyclical issue and that the markets will eventually rebound. With this in mind, the Company continues to invest into Research and Development, In- House Manufacture and Testing in the belief that this will allow the Company to maintain its reputation in ever changing environments. We also continue to forge strong relationships with our partners throughout the globe in preparation for the future.

The losses are attributable to OGML which is primarily an R&D facility. By the end of 2016 we expect to see the creation of some high technology products that have been designed to enhance and improve current performance in our key markets. We expect that these products will rapidly show a return on investment and look forward to seeing positive returns in 2017.

Key performance indicators

Key performance indicators are monitored on a monthly basis through its principal subsidiary OGSL.

On behalf of the board



.....
S P O'Donnell

Director

29/09/2016

OGH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activities

A holding company which has trading subsidiaries operating in the oil and gas sector.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S P O'Donnell
J Lobo
L Makharinsky
M Gurevich

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Financial risk management

The group's financial instruments comprise cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main financial risks arising from these financial instruments are currency, credit and liquidity risk.

The financial risks arising from these financial instruments are considered low because of the nature of the industry structure and its culture. The group proactively manages all aspects of its work in order to either remove or reduce any financial risks. The group does not use any financial derivatives.

Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Auditor

The auditor, Hazlems Fenton LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

OGH LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

On behalf of the board



S P O'Donnell

Director

29/09/2016

OGH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OGH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OGH LIMITED

We have audited the financial statements of OGH Limited for the year ended 31 December 2015 set out on pages 8 to 36. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Auditing Practices Board'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 group's and the parent 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 annual report 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 group's and the parent company's affairs as at 31 December 2015 and of its loss 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.

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 year for which the financial statements are prepared is consistent with the financial statements.

OGH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OGH LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Michael Krieger (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

20.9.16

Chartered Accountants
Statutory Auditor

Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

OGH LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	11,905,494	12,971,539
Cost of sales		(9,078,170)	(10,190,281)
Gross profit		2,827,324	2,781,258
Administrative expenses		(3,547,251)	(4,256,746)
Operating loss	4	(719,927)	(1,475,488)
Interest receivable and similar income	8	3,887	1,022
Interest payable and similar charges	9	(172,135)	(116,412)
Loss before taxation		(888,175)	(1,590,878)
Taxation	10	185	-
Loss for the financial year		(887,990)	(1,590,878)
Loss for the financial year is attributable to:			
- Owners of the parent company		(887,957)	(1,590,825)
- Non-controlling interests		(33)	(53)
		(887,990)	(1,590,878)

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

OGH LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

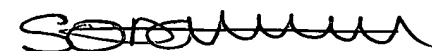
	2015 £	2014 £
Loss for the year	(887,990)	(1,590,878)
Other comprehensive income		
Currency translation differences	67,098	274,960
Total comprehensive deficit for the year	<u>(820,892)</u>	<u>(1,315,918)</u>
 Total comprehensive deficit for the year is attributable to:		
- Owners of the parent company	(820,859)	(1,315,865)
- Non-controlling interests	(33)	(53)
	<u>(820,892)</u>	<u>(1,315,918)</u>

OGH LIMITED

GROUP BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
Fixed assets			
Goodwill	11	140,000	157,500
Other intangible assets	11	902,393	442,655
Total intangible assets		1,042,393	600,155
Tangible assets	12	2,976,036	805,573
Investments	13	1,291	1,291
		4,019,720	1,407,019
Current assets			
Stocks	16	312,312	361,385
Debtors	17	6,005,239	5,384,048
Cash at bank and in hand		921,905	1,497,475
		7,239,456	7,242,908
Creditors: amounts falling due within one year	18	(6,591,583)	(5,568,504)
Net current assets		647,873	1,674,404
Total assets less current liabilities		4,667,593	3,081,423
Creditors: amounts falling due after more than one year	19	(5,847,629)	(4,802,067)
Net liabilities		(1,180,036)	(1,720,644)
Capital and reserves			
Called up share capital	23	3,111,291	1,749,791
Other reserves		138,122	138,122
Profit and loss reserves		(4,429,327)	(3,608,468)
Equity attributable to owners of the parent company		(1,179,914)	(1,720,555)
Non-controlling interests		(122)	(89)
		(1,180,036)	(1,720,644)

The financial statements were approved by the board of directors and authorised for issue on 29/09/2016... and are signed on its behalf by:



S P O'Donnell
Director

OGH LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	13		3,111,916		1,750,416
Current assets					
Debtors	17	892,574		278,925	
Cash at bank and in hand		76,266		1,968	
		968,840		280,893	
Creditors: amounts falling due within one year	18	(234,816)		(39,504)	
Net current assets			734,024		241,389
Total assets less current liabilities			3,845,940		1,991,805
Creditors: amounts falling due after more than one year	19		(770,371)		(263,370)
Net assets			3,075,569		1,728,435
Capital and reserves					
Called up share capital	23		3,111,291		1,749,791
Profit and loss reserves			(35,722)		(21,356)
Total equity			3,075,569		1,728,435

The financial statements were approved by the board of directors and authorised for issue on 29/09/2016 and are signed on its behalf by:



S P O'Donnell
Director

Company Registration No. 08236578

OGH LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2014		1,749,791	138,122	(2,292,603)	(404,690)	(36)	(404,726)
Year ended 31 December 2014:							
Loss for the year		-	-	(1,590,825)	(1,590,825)	(53)	(1,590,878)
Other comprehensive income:							-
Currency translation differences		-	-	274,960	274,960	-	274,960
Total comprehensive income for the year		-	-	(1,315,865)	(1,315,865)	(53)	(1,315,918)
Balance at 31 December 2014		1,749,791	138,122	(3,608,468)	(1,720,555)	(89)	(1,720,644)
Year ended 31 December 2015:							
Loss for the year		-	-	(887,957)	(887,957)	(33)	(887,990)
Other comprehensive income:							
Currency translation differences on overseas subsidiaries		-	-	67,098	67,098	-	67,098
Total comprehensive income for the year		-	-	(820,859)	(820,859)	(33)	(820,892)
Issue of share capital	23	1,361,500	-	-	1,361,500	-	1,361,500
Balance at 31 December 2015		3,111,291	138,122	(4,429,327)	(1,179,914)	(122)	(1,180,036)

OGH LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1,749,791	(8,489)	1,741,302
Year ended 31 December 2014:				
Loss and total comprehensive income for the year		-	(12,867)	(12,867)
Balance at 31 December 2014		1,749,791	(21,356)	1,728,435
Year ended 31 December 2015:				
Loss and total comprehensive income for the year		-	(14,366)	(14,366)
Issue of share capital	23	1,361,500	-	1,361,500
Balance at 31 December 2015		3,111,291	(35,722)	3,075,569

OGH LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(955,146)		489,922
Interest paid			(172,135)		(116,412)
Income taxes refunded/(paid)			185		(946)
Net cash (outflow)/inflow from operating activities			(1,127,096)		372,564
Investing activities					
Purchase of intangible assets		(459,900)		(442,655)	
Purchase of tangible fixed assets		(2,499,787)		(586,796)	
Proceeds on disposal of tangible fixed assets		12,498		-	
Interest received		3,887		1,022	
Net cash used in investing activities			(2,943,302)		(1,028,429)
Financing activities					
Proceeds from issue of shares		1,361,500		-	
Proceeds from borrowings		1,191,401		2,297,190	
Proceeds of new bank loans		1,000,000		-	
Repayment of bank loans		-		(649,181)	
Payment of finance leases obligations		(50,239)		(20,538)	
Net cash generated from financing activities			3,502,662		1,627,471
Net (decrease)/increase in cash and cash equivalents			(567,736)		971,606
Cash and cash equivalents at beginning of year			1,497,475		541,384
Effect of foreign exchange rates			(7,834)		(15,515)
Cash and cash equivalents at end of year			921,905		1,497,475

OGH LIMITED

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

1 Accounting policies

Company information

OGH Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Palladium House, 1-4 Argyll Street, London, W1F 7LD.

The group consists of OGH Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include certain financial assets and liabilities at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 December 2015 are the first financial statements of OGH Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £14,366 (2014 - £12,867 loss).

1.2 Basis of consolidation

In the parent company's financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of OGH Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2015. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Neftegasmetrology LLC has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Neftegasmetrology LLC Limited for the six month period from its acquisition on 2 July 2015. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is the total amount receivable by the company for equipment supplied and services provided, invoiced in accordance with contract payment terms once certain milestones have been reached and on the basis applied to long term contracts, excluding VAT and trade discounts.

Long term contracts are assessed on a contract-by-contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract.

Turnover not relating to long term contracts represents amounts receivable for equipment, spare parts, rental income and site services net of VAT and trade discounts.

Other income represents the total amounts receivable for project management and from the recharge of administrative costs to other companies.

Revenue from the sale of equipment and spare parts is recognised when the significant risks and rewards of ownership of the items have passed to the buyer (usually on dispatch of the items), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs	
Other intangibles	5 years straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% Reducing balance basis
Fixtures, fittings and equipment	25% - 37.5% Reducing balance basis
Motor vehicles	17% Straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity instruments which are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stock represents spares for engineering projects and for resale.

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the debtors are stated at cost less impairment losses for bad and doubtful debts.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Trade and other creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful lives of tangible fixed assets

The cost of tangible fixed assets is depreciated over its estimated useful economic life. Management estimates the useful lives of these tangible assets to vary. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The accounting policy of tangible fixed assets is described in note 1.7. The carrying amount of the group's tangible fixed assets in the balance sheet is disclosed in note 11 of the financial statements.

Warranty

A warranty provision is provided on the construction contracts, providing for the anticipated cost of the labour and parts necessary to repair systems during the warranty period. The estimated warranty costs are accounted for by accruing these costs for each contract upon completion of the contract.

Construction contracts

The group recognises contract revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contracts. In determining the stage of completion of any contract, the group will base its judgement on past experience and by relying on the work of specialists.

Stock

The group writes down stock to net realisable value based on an estimate of the realisable value of stock. Written down stock is recorded when events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate or judgement, such difference will impact the carrying value of stock and write-downs of stock in the periods in which such estimates or judgements have been changed. The accounting policy of stocks is described in note 1.10. At the year end the carrying amount of stocks is stated in note 16.

Impairment of trade debtors

The group reviews trade debtor balances for impairment and this is performed on a regular basis. Those balances which are considered to be recoverable remain in trade debtors and those which are not, are impaired and the impairment loss is recorded in the profit or loss. In making this judgement, the company evaluates, among other factors, the duration and the financial health of and short-term business outlook for the trade debtors, including factors such as industry and sector performance. The accounting policy of trade debtors is described in note 1.13. At the year end the carrying amount of trade debtors is stated in note 17

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2015	2014
	£	£
Turnover		
Contract sales, spares and site services	11,905,494	12,971,539

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover and other revenue (Continued)

Other significant revenue

Interest income	3,887	1,022
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Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	2,632,361	2,217,821
Europe	36,959	119,747
Rest of the world	9,236,174	10,633,971
	<u>11,905,494</u>	<u>12,971,539</u>

4 Operating loss

	2015 £	2014 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	112,371	74,901
Research and development costs	16,535	42,401
Depreciation of owned tangible fixed assets	339,250	166,813
Depreciation of tangible fixed assets held under finance leases	20,174	14,366
Profit on disposal of tangible fixed assets	(1,661)	-
Amortisation of intangible assets	17,546	8,750
Cost of stocks recognised as an expense	6,942,926	8,341,098
Operating lease charges	120,111	545,174

5 Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	<u>11,000</u>	<u>9,000</u>

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2015 Number	2014 Number
Workshop and engineering	81	74
Administration	14	15
Sales	9	9
Management	3	3
	<u>107</u>	<u>101</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	3,848,138	3,273,646
Social security costs	356,783	378,067
Pension costs	24,329	3,500
	<u>4,229,250</u>	<u>3,655,213</u>

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	108,524	116,250
Company pension contributions to defined contribution schemes	711	-
	<u>109,235</u>	<u>116,250</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 0).

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	<u>3,887</u>	<u>1,022</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>3,887</u>	<u>1,022</u>
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OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	4,095	1,600
Other interest on financial liabilities	165,139	112,673
	<u>169,234</u>	<u>114,273</u>
Other finance costs:		
Other interest	2,901	2,139
	<u>172,135</u>	<u>116,412</u>

10 Taxation

	2015 £	2014 £
Current tax		
Adjustments in respect of prior periods	(313)	-
Foreign current tax on profits for the current period	128	-
	<u>(185)</u>	<u>-</u>

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £	2014 £
Loss before taxation	<u>(888,175)</u>	<u>(1,590,878)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	(177,635)	(318,176)
Tax effect of expenses that are not deductible in determining taxable profit	1,190	2,467
Tax effect of utilisation of tax losses not previously recognised	(32,285)	(18,576)
Unutilised tax losses carried forward	95,894	182,554
Adjustments in respect of prior years	(313)	-
Permanent capital allowances in excess of depreciation	17,884	12,810
Foreign exchange differences	95,080	138,921
	<u>(185)</u>	<u>-</u>

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Intangible fixed assets

Group	Goodwill £	Development Costs £	Other intangibles £	Total £
Cost				
At 1 January 2015	175,000	442,655	-	617,655
Additions - internally developed	-	459,345	-	459,345
Additions - separately acquired	-	-	-	555
Additions - business combinations	-	-	555	-
Exchange adjustments	-	-	(116)	(116)
At 31 December 2015	175,000	902,000	439	1,077,439
Amortisation and impairment				
At 1 January 2015	17,500	-	-	17,500
Amortisation charged for the year	17,500	-	46	17,546
At 31 December 2015	35,000	-	46	35,046
Carrying amount				
At 31 December 2015	140,000	902,000	393	1,042,393
At 31 December 2014	157,500	442,655	-	600,155

The company had no intangible fixed assets at 31 December 2015 or 31 December 2014.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets

Group	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2015	147,310	1,461,129	108,542	1,716,981
Additions	1,384,108	85,183	-	1,469,291
Business combinations	1,084,176	-	-	1,084,176
Disposals	-	-	(42,990)	(42,990)
Exchange adjustments	(18,339)	-	-	(18,339)
At 31 December 2015	2,597,255	1,546,312	65,552	4,209,119
Depreciation and impairment				
At 1 January 2015	18,484	817,403	75,521	911,408
Depreciation charged in the year	165,266	181,307	12,851	359,424
Eliminated in respect of disposals	-	-	(32,153)	(32,153)
Exchange adjustments	(5,596)	-	-	(5,596)
At 31 December 2015	178,154	998,710	56,219	1,233,083
Carrying amount				
At 31 December 2015	2,419,101	547,602	9,333	2,976,036
At 31 December 2014	128,826	643,726	33,021	805,573

The company had no tangible fixed assets at 31 December 2015 or 31 December 2014.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2015 £	2014 £	Company 2015 £	2014 £
Fixtures, fittings and equipment	60,521	80,694	-	-
Depreciation charge for the year in respect of leased assets	20,174	14,366	-	-

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	14	-	-	3,111,916	1,750,416
Unlisted investments		1,291	1,291	-	-
		<u>1,291</u>	<u>1,291</u>	<u>3,111,916</u>	<u>1,750,416</u>

Movements in fixed asset investments Group

Cost or valuation

At 1 January 2015 & 31 December 2015

Shares
£

1,291

Carrying amount

At 31 December 2015

1,291

At 31 December 2014

1,291

Movements in fixed asset investments Company

Cost or valuation

At 1 January 2015

Additions

1,750,416

1,361,500

At 31 December 2015

3,111,916

Carrying amount

At 31 December 2015

3,111,916

At 31 December 2014

1,750,416

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Oil & Gas Systems Limited England	The design and supply of bespoke engineered process packages and engineered metering systems	Ordinary	100.00	
Oil & Gas Measurement Limited England	Producing oil sampling equipment for the oil and gas exploration industry	Ordinary	100.00	
Maurer Technologies Limited England	Non-trading	Ordinary		100.00
Maurer Instruments Limited England	Non-trading	Ordinary		100.00
Flow Calibration Services Limited England	Non-trading	Ordinary		100.00
Oil & Gas Services Limited England	Dormant	Ordinary	100.00	
Oil & Gas Manufacturing Limited England	Dormant	Ordinary	100.00	
Multi-Flow Valves, Inc USA	Producing multi flow valves for the oil and gas industry	Ordinary	100.00	
Oil & Gas Measurement Technology LLC Russia	Producing oil sampling equipment for the oil and gas exploration industry	Ordinary		99.99
Neftegasmetrology LLC Russia	Producing oil sampling equipment for the oil and gas exploration industry	Ordinary		100.00

OGH Limited has a direct holding in Oil & Gas Systems Limited, Oil & Gas Measurement Limited, Oil & Gas Services Limited, Oil & Gas Manufacturing Limited and Multi-Flow Valves, Inc. OGH Limited has an indirect holding in Maurer Technologies Limited, Maurer Instruments Limited, Flow Calibration Services Limited, Oil & Gas Measurement Technology LLC and Neftegasmetrology LLC by virtue of its holding in Oil & Gas Measurement Limited.

All the business combinations have been accounted for under merger accounting apart from Maurer Instruments Limited, Flow Calibration Services Limited and Neftegasmetrology LLC which have been accounted for under acquisition accounting. The subsidiary accounts that have been consolidated into the group all cover the year ended 31 December 2015.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

15 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,892,308	2,299,516	789,319	276,625
Equity instruments measured at cost less impairment	1,291	1,291	3,111,916	1,750,416
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	12,330,780	10,251,282	1,005,072	302,874
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 Stocks

	Group 2015 £	2014 £	Company 2015 £	2014 £
Finished goods and goods for resale	312,312	361,385	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	1,792,636	2,208,306	18,999	14,217
Unpaid share capital	501	501	-	-
Amounts due from subsidiary undertakings	-	-	756,089	262,408
Other debtors	559,894	322,250	14,231	2,300
Prepayments and accrued income	3,652,208	2,852,991	103,255	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	6,005,239	5,384,048	892,574	278,925
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Creditors: amounts falling due within one year

		Group 2015 £	2014 £	Company 2015 £	2014 £
	Notes				
Bank loans and overdrafts	20	1,000,000	-	-	-
Obligations under finance leases	21	31,017	33,836	-	-
Other borrowings	20	324,105	270,850	-	-
Trade creditors		3,849,290	1,934,685	133,745	-
Amounts due to group undertakings		-	-	19,568	30,504
Other taxation and social security		108,432	119,289	115	-
Other creditors		190,032	71,409	56,918	-
Accruals and deferred income		1,088,707	3,138,435	24,470	9,000
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		6,591,583	5,568,504	234,816	39,504
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

19 Creditors: amounts falling due after more than one year

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Obligations under finance leases	21	38,540	32,280	-	-
Other borrowings	20	5,809,089	4,769,787	770,371	263,370
		<u>5,847,629</u>	<u>4,802,067</u>	<u>770,371</u>	<u>263,370</u>

20 Loans and overdrafts

		Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans		1,000,000	-	-	-
Other loans		6,133,194	5,040,637	770,371	263,370
		<u>7,133,194</u>	<u>5,040,637</u>	<u>770,371</u>	<u>263,370</u>
Payable within one year		1,324,105	270,850	-	-
Payable after one year		<u>5,809,089</u>	<u>4,769,787</u>	<u>770,371</u>	<u>263,370</u>

The bank loans bear interest at an average rate of 1.6125%, are unsecured and repayable with a maturity of six months.

Other loans bear interest at a rate of 1.625%, are unsecured and repayable on demand with no fixed repayment date.

21 Finance lease obligations

	Group 2015 £	2014 £	Company 2015 £	2014 £
Future minimum lease payments due under finance leases:				
Within one year	31,017	33,836	-	-
In two to five years	38,540	32,280	-	-
	<u>69,557</u>	<u>66,116</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease obligations are secured by way of a first legal charge over the relevant fixed asset.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

22 Retirement benefit schemes

	2015	2014
Defined contribution schemes	£	£
Charge to profit and loss in respect of defined contribution schemes	24,329	3,500

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company	
	2015	2014
Ordinary share capital	£	£
Issued and fully paid		
1,373,378 Ordinary shares of £1 each	1,373,378	11,878
Preference share capital		
Issued and fully paid		
3,500,000 Preference shares of \$1 each	1,737,913	1,737,913

The preference shares have no voting rights attached to them.

On 3 June 2015, the company issued 1,000,000 Ordinary shares at £1 each and on 2 September 2015, the company issued a further 361,500 Ordinary shares at £1 each.

24 Financial commitments, guarantees and contingent liabilities

At the year end, the group had contingent liabilities relating to performance and advance payment bonds taken out in respect of long term contracts in progress. The potential liability in respect of these bonds was £314,531 (2014: £854,249) at the year end.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Within one year	80,460	42,450	-	-
Between two and five years	117,730	452,006	-	-
In over five years	20,875	20,875	-	-
	<u>219,065</u>	<u>515,331</u>	<u>-</u>	<u>-</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2015	2014
	£	£
Aggregate compensation	<u>291,204</u>	<u>266,439</u>

No guarantees have been given or received.

OGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

26 Related party transactions

(Continued)

Turnover includes amounts received from the following connected companies in respect of engineering goods and services provided:-

- Arusa Trade & Finance Inc £5,147 (2014: £5,674)
- Technoimpex Engineering Limited £274,033 (2014: £110,349)
- Industrial Metering Systems Limited £17,480 (2014: £Nil)

Included in trade debtors at the year end are balances due from the following connected companies:-

- Arusa Trade & Finance Inc £5,147 (2014: £Nil)
- Technoimpex Engineering Limited £2,601 (2014: £32,966)
- Industrial Metering Systems £36,000 (2014: £Nil)

At the year end, the group owed Talesword Limited, a connected company, £5,079,727 (2014: £4,197,717) on which interest of £80,640 (2014: £112,673) was charged at an annual rate of 1.625%. During the year, fees and interest of £12,493 (2014: £16,569) were paid to Talesword Limited for arranging performance bonds.

At the year end, the group owed Technoimpex Engineering Limited, a connected company, £200,150 (2014: £200,150) on which no interest was charged.

The company has taken advantage of the exemption available in accordance with paragraph 33.1A of FRS 102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company has wholly owned subsidiary undertakings to which it is party to the transactions.

27 Directors' transactions

Interest free loans have been granted by the group to its directors as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
S P O'Donnell	-	27,293	-	-	-	27,293
		<u>27,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,293</u>

28 Controlling party

In the opinion of the directors the ultimate controlling party is the Solaris Trust.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

29 Cash generated from group operations

	2015 £	2014 £
Loss for the year after tax	(887,990)	(1,590,878)
Adjustments for:		
Taxation credited	(185)	-
Finance costs	172,135	116,412
Investment income	(3,887)	(1,022)
Gain on disposal of tangible fixed assets	(1,661)	-
Amortisation and impairment of intangible assets	17,546	8,750
Depreciation and impairment of tangible fixed assets	359,424	181,179
Movements in working capital:		
Decrease in stocks	44,194	41,300
(Increase) in debtors	(629,377)	(1,020,221)
(Decrease)/increase in creditors	(25,345)	2,754,402
Cash (absorbed by)/generated from operations	(955,146)	489,922