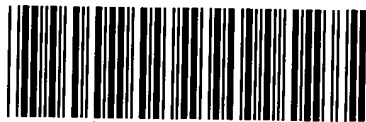


Company Registration No. 08236578 (England and Wales)

OGH LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

OGH LIMITED

DIRECTORS AND ADVISERS

| | |
|----------------------------|--|
| 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 |
| Registered auditors | 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 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

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 trade 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.

Description of principal risks and uncertainties

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

1. The group regularly monitors the level of its debtors to ensure that they are always kept at reasonable levels.
2. The group carefully manages its cash position by regularly monitoring its cash flow using cash flow forecasting.
3. The financial risk arising from the possible non advance of credit by the group'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 group has a substantial long term loan facility at competitive rates which will allow it to drive its growth further.
5. The group ensures that all invoices received from suppliers are paid within the invoice terms.
6. The group has improved its foreign currency exposure and uses structured products to control currency risk.

On behalf of the board



.....
S P O'Donnell

Director

29 SEP 15

OGH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities

The principal reason for the establishment of OGH Limited ("OGH") was to create a parent company for various related companies - to establish stronger links between these group members and engender both recognition and pride in a shared identity.

In addition to this, OGH Limited allows us to consolidate the accounts of the group member companies to create an entity that will become stronger than the individual companies themselves - allowing easier access to larger projects and banking services.

It is our intention that OGH will become an "umbrella" under which numerous companies are supported - all with a common purpose of pushing boundaries to ever better serve the needs of our clients.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Future developments

The board of directors is confident that the oil, gas, petrochemical, power generation and associated markets will continue to strengthen and the potential projects will continue to grow in both complexity and value.

OGH Limited unites the various strands of our disparate businesses and provides a group focus, identity and strength which we hope will accelerate the growth of the group members themselves.

Whilst OGH intends to grow organically, we will not hesitate to acquire companies for the group that will allow us to meet the further operational needs of the clients of our group member companies. At the same time, we will continue to invest in research and development to enhance technologies beyond the present expectations of our clients and to "future proof" the group as a whole.

Directors

The following directors have held office since 1 January 2014:

S P O'Donnell

J Lobo

L Makharinsky

M Gurevich

Auditors

Hazlems Fenton LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

OGH LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 company and of the group 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors are aware of that information.

On behalf of the board



S P O'Donnell

Director

29 SEP 15

OGH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OGH LIMITED

We have audited the group and parent company financial statements (the "financial statements") of OGH Limited for the year ended 31 December 2014 set out on pages 6 to 25. 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).

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 set out on pages 2 - 3, 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 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 parent company's affairs as at 31 December 2014 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OGH LIMITED

INDEPENDENT AUDITORS' 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

30th September 2015

Chartered Accountants
Statutory Auditor

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

OGH LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

| | Notes | 2014 £ | 2013 £ |
|--|----------|--------------|-------------|
| Turnover | 2 | 12,971,539 | 11,191,177 |
| Cost of sales | | (10,190,281) | (8,882,035) |
| Gross profit | | 2,781,258 | 2,309,142 |
| Administrative expenses | | (4,256,746) | (3,322,348) |
| Operating loss | 3 | (1,475,488) | (1,013,206) |
| Other interest receivable and similar income | | 1,022 | 1,922 |
| Interest payable and similar charges | 4 | (116,412) | (90,083) |
| Loss on ordinary activities before taxation | | (1,590,878) | (1,101,367) |
| Tax on loss on ordinary activities | 5 | - | (200) |
| Loss on ordinary activities after taxation | | (1,590,878) | (1,101,567) |
| Minority interests | | 53 | 36 |
| Loss for the financial year | 6 | (1,590,825) | (1,101,531) |

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

OGH LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2014

| | 2014 £ | 2013 £ |
|---|--------------------|--------------------|
| Loss for the financial year | (1,590,878) | (1,101,567) |
| Currency translation differences on foreign currency net investments | 274,960 | (16,065) |
| Total recognised gains and losses relating to the year | (1,315,918) | (1,117,632) |

OGH LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2014

| | Notes | Group 2014 £ | 2013 £ | Company 2014 £ | 2013 £ |
|--|-------|--------------------|------------------|----------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | 600,155 | 166,250 | - | - |
| Tangible assets | 8 | 805,573 | 389,769 | - | - |
| Investments | 9 | 1,291 | 1,291 | 1,750,416 | 1,750,416 |
| | | <u>1,407,019</u> | <u>557,310</u> | <u>1,750,416</u> | <u>1,750,416</u> |
| Current assets | | | | | |
| Stocks | 10 | 361,385 | 426,140 | - | - |
| Debtors | 11 | 5,384,048 | 4,400,179 | 278,925 | 150,566 |
| Cash at bank and in hand | | 1,497,475 | 541,715 | 1,968 | 385 |
| | | <u>7,242,908</u> | <u>5,368,034</u> | <u>280,893</u> | <u>150,951</u> |
| Creditors: amounts falling due within one year | 12 | (5,568,504) | (3,423,021) | (39,504) | (8,504) |
| Net current assets | | <u>1,674,404</u> | <u>1,945,013</u> | <u>241,389</u> | <u>142,447</u> |
| Total assets less current liabilities | | <u>3,081,423</u> | <u>2,502,323</u> | <u>1,991,805</u> | <u>1,892,863</u> |
| Creditors: amounts falling due after more than one year | 13 | (4,802,067) | (2,907,049) | (263,370) | (151,561) |
| | | <u>(1,720,644)</u> | <u>(404,726)</u> | <u>1,728,435</u> | <u>1,741,302</u> |
| Capital and reserves | | | | | |
| Called up share capital | 15 | 1,749,791 | 1,749,791 | 1,749,791 | 1,749,791 |
| Other reserves | 16 | 138,122 | 138,122 | - | - |
| Profit and loss account | 16 | (3,608,468) | (2,292,603) | (21,356) | (8,489) |
| Shareholders' funds | 18 | <u>(1,720,555)</u> | <u>(404,690)</u> | <u>1,728,435</u> | <u>1,741,302</u> |
| Minority interests | 17 | (89) | (36) | - | - |
| | | <u>(1,720,644)</u> | <u>(404,726)</u> | <u>1,728,435</u> | <u>1,741,302</u> |

Approved by the Board and authorised for issue on 29 SEP 15



S P O'Donnell
Director



J Lobo
Director

Company Registration No. 08236578

OGH LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

| | 2014 | 2013 |
|---|-------------|-------------|
| £ | £ | £ |
| Net cash inflow/(outflow) from operating activities | 746,849 | (2,828,090) |
| Returns on investments and servicing of finance | | |
| Interest received | 1,022 | 1,922 |
| Interest paid | (81,122) | (66,807) |
| Net cash outflow for returns on investments and servicing of finance | (80,100) | (64,885) |
| Taxation | (946) | 13 |
| Capital expenditure and financial investment | | |
| Payments to acquire intangible assets | (442,655) | - |
| Payments to acquire tangible assets | (596,983) | (204,993) |
| Payments to acquire investments | - | (1,750,416) |
| Receipts from sales of tangible assets | - | 47,760 |
| Net cash outflow for capital expenditure | (1,039,638) | (1,907,649) |
| Net cash outflow before management of liquid resources and financing | (373,835) | (4,800,611) |
| Financing | | |
| Issue of ordinary share capital | - | 11,878 |
| Issue of preference share capital | - | 1,737,913 |
| Issue of shares | - | 1,749,791 |
| Other new long term loans | 2,164,347 | 1,112,093 |
| Other new short term loans | 70,850 | 661,446 |
| Repayment of other long term loans | (289,803) | (177,444) |
| Repayment of other short term loans | (661,446) | (7) |
| Capital element of hire purchase contracts | 45,977 | 20,139 |
| Decrease in debt | 1,329,925 | 1,616,227 |
| Net cash inflow from financing | 1,329,925 | 3,366,018 |
| Increase/(decrease) in cash in the year | 956,090 | (1,434,593) |

OGH LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

| 1 | Reconciliation of operating loss to net cash inflow/(outflow) from operating activities | 2014 | | 2013 | |
|---|---|--------------------|--------------------|------------------------|--------------------|
| | | £ | | £ | |
| | Operating loss | (1,475,488) | | (1,013,206) | |
| | Depreciation of tangible assets | 181,179 | | 110,286 | |
| | Amortisation of intangible assets | 8,750 | | 8,750 | |
| | Loss on disposal of tangible assets | - | | 4,605 | |
| | Decrease/(increase) in stocks | 64,755 | | (227,927) | |
| | (Increase)/decrease in debtors | (983,869) | | 1,056,248 | |
| | Increase/(decrease) in creditors within one year | 2,676,562 | | (2,750,781) | |
| | Net effect of foreign exchange differences | 274,960 | | (16,065) | |
| | Net cash inflow/(outflow) from operating activities | 746,849 | | (2,828,090) | |
| 2 | Analysis of net debt | 1 January 2014 | Cash flow | Other non-cash changes | 31 December 2014 |
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 541,715 | 955,760 | - | 1,497,475 |
| | Bank overdrafts | (330) | 330 | - | - |
| | | <u>541,385</u> | <u>956,090</u> | <u>-</u> | <u>1,497,475</u> |
| | Finance leases | (20,139) | (45,977) | - | (66,116) |
| | Debts falling due within one year | (861,446) | 590,596 | - | (270,850) |
| | Debts falling due after one year | (2,895,243) | (1,874,544) | - | (4,769,787) |
| | | <u>(3,776,828)</u> | <u>(1,329,925)</u> | <u>-</u> | <u>(5,106,753)</u> |
| | Net debt | (3,235,443) | (373,835) | - | (3,609,278) |
| 3 | Reconciliation of net cash flow to movement in net debt | 2014 | | 2013 | |
| | | £ | | £ | |
| | Increase/(decrease) in cash in the year | 956,090 | | (1,434,593) | |
| | Cash inflow from increase in debt | (1,329,925) | | (1,616,227) | |
| | Movement in net debt in the year | (373,835) | | (3,050,820) | |
| | Opening net debt | (3,235,443) | | (184,623) | |
| | Closing net debt | (3,609,278) | | (3,235,443) | |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Where a combination is effected by way of a group reconstruction and where the ultimate shareholders remain the same, these entities have been consolidated using merger accounting as permitted by FRS 6. Under merger accounting the assets and liabilities of the undertakings acquired are brought into the group accounts at the figures at which they stand in those companies. The income and expenditure of the undertakings acquired are included in the group accounts for the entire financial year, including the period before acquisition.

The group accounts show the corresponding amounts relating to the previous financial year as if the undertakings acquired had been included in the consolidation that year.

All other business combinations have been accounted for under the acquisition accounting method.

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 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.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------------|----------------------------------|
| Plant and machinery | 25% Reducing balance basis |
| Computer equipment | 25% Reducing balance basis |
| Fixtures, fittings and equipment | 25% - 38% Reducing balance basis |
| Motor vehicles | 17% Straight line basis |

1.8 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.10 Stock

Stock relating to long term contracts represents parts for engineering projects and spares for resale and is valued at the lower of cost and net realisable value on an average cost basis.

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Subsidiary undertakings which prepare financial statements in foreign currencies are translated into sterling at the relevant rates of exchange in accordance with the accounting standards. All differences are taken to the statement of recognised gains and losses.

1.14 Long Term Contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work completed after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as deferred income.

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

1.15 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

| | 2014 £ | 2013 £ |
|-----------------------------|-------------------|-------------------|
| Geographical segment | | |
| United Kingdom | 2,217,821 | 6,687,411 |
| Europe | 119,747 | 2,278,210 |
| Rest of the world | 10,633,971 | 2,225,556 |
| | <u>12,971,539</u> | <u>11,191,177</u> |

| | | |
|---|-------------------|-------------------|
| 3 Operating loss | 2014 £ | 2013 £ |
| Operating loss is stated after charging: | | |
| Amortisation of intangible assets | 8,750 | 8,750 |
| Depreciation of tangible assets | 181,179 | 110,286 |
| Loss on disposal of tangible assets | - | 4,605 |
| Loss on foreign exchange transactions | 75,523 | 99 |
| Research and development | 42,401 | 49,889 |
| Operating lease rentals | 416,063 | 117,667 |
| Fees payable to the company's auditor for the audit of the company and consolidated annual accounts | 9,000 | 8,000 |
| and after crediting: | | |
| Profit on foreign exchange transactions | <u>(622)</u> | <u>(45,309)</u> |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

| | | | |
|----------|--|--------------------|--------------------|
| 4 | Interest payable | 2014 | 2013 |
| | | £ | £ |
| | On bank loans and overdrafts | - | 2,974 |
| | On other loans wholly repayable within five years | 112,673 | 86,111 |
| | Hire purchase interest | 1,600 | 447 |
| | On overdue tax | - | 14 |
| | Other interest | 2,139 | 537 |
| | | <u>116,412</u> | <u>90,083</u> |
| 5 | Taxation | 2014 | 2013 |
| | | £ | £ |
| | Domestic current year tax | | |
| | Adjustment for prior years | - | 200 |
| | Total current tax | <u>-</u> | <u>200</u> |
| | Factors affecting the tax charge for the year | | |
| | Loss on ordinary activities before taxation | <u>(1,590,878)</u> | <u>(1,101,367)</u> |
| | Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% | <u>(318,176)</u> | <u>(220,273)</u> |
| | Effects of: | | |
| | Non deductible expenses | 2,467 | 3,763 |
| | Depreciation add back | 34,824 | 22,057 |
| | Capital allowances | (22,014) | (39,224) |
| | Tax losses utilised | (18,576) | (34,928) |
| | Foreign tax adjustments | 137,171 | 114,909 |
| | Adjustments to previous periods | - | 200 |
| | Other tax adjustments | 184,304 | 153,696 |
| | | <u>318,176</u> | <u>220,473</u> |
| | Current tax charge for the year | <u>-</u> | <u>200</u> |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Holding company's loss for the financial year | (12,867) | (8,489) |

7 Intangible fixed assets Group

| | Goodwill | Development Costs | Total |
|-----------------------|----------|----------------------|---------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2014 | 175,000 | - | 175,000 |
| Additions | - | 442,655 | 442,655 |
| At 31 December 2014 | 175,000 | 442,655 | 617,655 |
| Amortisation | | | |
| At 1 January 2014 | 8,750 | - | 8,750 |
| Charge for the year | 8,750 | - | 8,750 |
| At 31 December 2014 | 17,500 | - | 17,500 |
| Net book value | | | |
| At 31 December 2014 | 157,500 | 442,655 | 600,155 |
| At 31 December 2013 | 166,250 | - | 166,250 |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tangible fixed assets

| Group | Plant and machinery | Fixtures, fittings and equipment | Motor vehicles | Total |
|-----------------------|------------------------|--|-------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2014 | 11,427 | 1,000,029 | 108,542 | 1,119,998 |
| Additions | 135,883 | 461,100 | - | 596,983 |
| At 31 December 2014 | 147,310 | 1,461,129 | 108,542 | 1,716,981 |
| Depreciation | | | | |
| At 1 January 2014 | 11,427 | 658,823 | 59,979 | 730,229 |
| Charge for the year | 7,057 | 158,580 | 15,542 | 181,179 |
| At 31 December 2014 | 18,484 | 817,403 | 75,521 | 911,408 |
| Net book value | | | | |
| At 31 December 2014 | 128,826 | 643,726 | 33,021 | 805,573 |
| At 31 December 2013 | - | 341,206 | 48,563 | 389,769 |

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

| | Plant and machinery | Fixtures, fittings and equipment | Motor vehicles | Total |
|---|------------------------|--|-------------------|--------|
| | £ | £ | £ | £ |
| Net book values | | | | |
| At 31 December 2014 | - | 80,694 | - | 80,694 |
| At 31 December 2013 | - | 21,156 | - | 21,156 |
| Depreciation charge for the year | | | | |
| 31 December 2014 | - | 14,366 | - | 14,366 |
| 31 December 2013 | - | 4,882 | - | 4,882 |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments Group

| | Unlisted investments £ |
|---|---|
| Cost | |
| At 1 January 2014 & at 31 December 2014 | 1,291 |
| Net book value | |
| At 31 December 2014 | 1,291 |
| At 31 December 2013 | 1,291 |
| Company | |
| | Shares in group undertakings £ |
| Cost | |
| At 1 January 2014 & at 31 December 2014 | 1,750,416 |
| Net book value | |
| At 31 December 2014 | 1,750,416 |
| At 31 December 2013 | 1,750,416 |

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held | |
|--------------------------------------|---|-------------|--------|
| | | Class | % |
| Subsidiary undertakings | | | |
| Oil & Gas Systems Limited | England | Ordinary | 100.00 |
| Oil & Gas Measurement Limited | England | Ordinary | 100.00 |
| Maurer Technologies Limited | England | Ordinary | 100.00 |
| Maurer Instruments Limited | England | Ordinary | 100.00 |
| Flow Calibration Services Limited | England | Ordinary | 100.00 |
| Oil & Gas Measurement Technology Ltd | Russia | Ordinary | 99.99 |
| Multi-Flow Valves, Inc | USA | Ordinary | 100.00 |
| Oil & Gas Services Limited | England | Ordinary | 100.00 |
| Oil & Gas Manufacturing Limited | England | Ordinary | 100.00 |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9 Fixed asset investments

(Continued)

The principal activity of these undertakings for the last relevant financial year was as follows:

| | Principal activity |
|--------------------------------------|---|
| Oil & Gas Systems Limited | The design and supply of bespoke engineered process packages and engineered metering systems. |
| Oil & Gas Measurement Limited | Producing oil sampling equipment for the oil and gas exploration industry. |
| Maurer Technologies Limited | Holding company |
| Maurer Instruments Limited | Dormant |
| Flow Calibration Services Limited | Dormant |
| Oil & Gas Measurement Technology Ltd | Producing oil sampling equipment for the oil and gas exploration industry. |
| Multi-Flow Valves, Inc | Producing multi flow valves for the oil and gas industry. |
| Oil & Gas Services Limited | Dormant |
| Oil & Gas Manufacturing Limited | Dormant |

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 and Oil & Gas Measurement Technology 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 and Flow Calibration Services Limited 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 2014.

10 Stocks

| | Group | | Company | |
|-------------------------------------|---------|---------|---------|------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Finished goods and goods for resale | 361,385 | 426,140 | - | - |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

11 Debtors

| | Group | | Company | |
|------------------------------------|------------------|------------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Trade debtors | 2,208,306 | 2,608,587 | 14,217 | - |
| Amounts owed by group undertakings | - | - | 262,408 | 150,566 |
| Called up share capital not paid | 501 | 501 | - | - |
| Other debtors | 322,250 | 123,369 | 2,300 | - |
| Prepayments and accrued income | 2,852,991 | 1,667,722 | - | - |
| | <u>5,384,048</u> | <u>4,400,179</u> | <u>278,925</u> | <u>150,566</u> |

12 Creditors : amounts falling due within one year

| | Group | | Company | |
|---|------------------|------------------|---------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | - | 649,511 | - | - |
| Net obligations under finance lease and hire purchase contracts | 33,836 | 8,333 | - | - |
| Trade creditors | 1,934,685 | 799,635 | - | - |
| Amounts owed to group undertakings | - | - | 30,504 | 504 |
| Corporation tax | - | 946 | - | - |
| Taxes and social security costs | 119,289 | 374,574 | - | - |
| Other creditors | 342,259 | 316,910 | - | - |
| Accruals and deferred income | 3,138,435 | 1,273,112 | 9,000 | 8,000 |
| | <u>5,568,504</u> | <u>3,423,021</u> | <u>39,504</u> | <u>8,504</u> |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

13 Creditors : amounts falling due after more than one year

| | Group 2014 £ | 2013 £ | Company 2014 £ | 2013 £ |
|---|--------------------|------------------|----------------------|----------------|
| Other loans | 4,769,787 | 2,895,243 | 263,370 | 151,561 |
| Net obligations under finance leases and hire purchase agreements | 32,280 | 11,806 | - | - |
| | <u>4,802,067</u> | <u>2,907,049</u> | <u>263,370</u> | <u>151,561</u> |
| Analysis of loans | | | | |
| Wholly repayable within five years | 5,040,637 | 3,756,689 | 263,370 | 151,561 |
| Included in current liabilities | (270,850) | (861,446) | - | - |
| | <u>4,769,787</u> | <u>2,895,243</u> | <u>263,370</u> | <u>151,561</u> |
| Loan maturity analysis | | | | |
| In more than two years but not more than five years | 4,769,787 | 2,895,243 | 263,370 | 151,561 |
| | <u>4,769,787</u> | <u>2,895,243</u> | <u>263,370</u> | <u>151,561</u> |
| Net obligations under finance leases and hire purchase contracts | | | | |
| Repayable within one year | 33,836 | 8,333 | - | - |
| Repayable between one and five years | 32,280 | 11,806 | - | - |
| | <u>66,116</u> | <u>20,139</u> | <u>-</u> | <u>-</u> |
| Included in liabilities falling due within one year | (33,836) | (8,333) | - | - |
| | <u>32,280</u> | <u>11,806</u> | <u>-</u> | <u>-</u> |

Net obligations under hire purchase contracts are secured by way of a first legal charge over the relevant fixed asset.

14 Retirement Benefits

| | | |
|---|--------------|--------------|
| Contributions payable by the group for the year | <u>3,500</u> | <u>3,500</u> |
|---|--------------|--------------|

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

| | | | |
|-----------|--|-----------------------|--------------------------------|
| 15 | Share capital | 2014 | 2013 |
| | | £ | £ |
| | Allotted, called up and fully paid | | |
| | 11,878 Ordinary of £1 each | 11,878 | 11,878 |
| | 3,500,000 Preference shares of \$1 each | 1,737,913 | 1,737,913 |
| | | <u>1,749,791</u> | <u>1,749,791</u> |
| | | | |
| | The preference shares have no voting rights attached to them. | | |
| 16 | Statement of movements on reserves | | |
| | Group | | |
| | | Other reserves | Profit and loss account |
| | | (see below) | |
| | | £ | £ |
| | Balance at 1 January 2014 | 138,122 | (2,292,603) |
| | Loss for the year | - | (1,590,825) |
| | Foreign currency translation differences | - | 274,960 |
| | Balance at 31 December 2014 | <u>138,122</u> | <u>(3,608,468)</u> |
| | | | |
| | Other reserves | | |
| | Balance at 1 January 2014 & at 31 December 2014 | <u>138,122</u> | |
| | | | |
| | Company | | |
| | | | Profit and loss account |
| | | | £ |
| | Balance at 1 January 2014 | | (8,489) |
| | Loss for the period | | (12,867) |
| | Balance at 31 December 2014 | | <u>(21,356)</u> |
| | | | |
| 17 | Minority interests | 2014 | 2013 |
| | | £ | £ |
| | Minority interests' share of net assets and liabilities in subsidiary undertakings | <u>(89)</u> | <u>(36)</u> |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

| 18 | Reconciliation of movements in shareholders' funds | 2014 | 2013 |
|----|--|-------------|-------------|
| | Group | £ | £ |
| | Loss for the financial year | (1,590,825) | (1,101,531) |
| | Other recognised gains and losses | 274,960 | (16,065) |
| | Proceeds from issue of shares | - | 1,749,791 |
| | Other reserves | - | 138,122 |
| | | | |
| | Net (depletion in)/addition to shareholders' funds | (1,315,865) | 770,317 |
| | Opening shareholders' funds | (404,690) | (1,175,007) |
| | | | |
| | Closing shareholders' funds | (1,720,555) | (404,690) |

| | Company | 2014 | 2013 |
|--|--|-----------|-----------|
| | | £ | £ |
| | Loss for the financial year | (12,867) | (8,489) |
| | Proceeds from issue of shares | - | 1,749,791 |
| | | | |
| | Net (depletion in)/addition to shareholders' funds | (12,867) | 1,741,302 |
| | Opening shareholders' funds | 1,741,302 | - |
| | | | |
| | Closing shareholders' funds | 1,728,435 | 1,741,302 |

19 Contingent liabilities

Group

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 £854,249 (2013: £1,224,331) at the year end.

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

20 Financial commitments

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------------|--------------------|----------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Within one year | 42,450 | 53,408 | - | - |
| Between two and five years | 413,020 | 50,940 | 38,986 | 15,580 |
| In over five years | - | - | 20,875 | - |
| | <u>455,470</u> | <u>104,348</u> | <u>59,861</u> | <u>15,580</u> |

During the year the group entered into four forward currency contracts to sell Euros after the year end. As at the year end the group was committed to the following forward currency contracts that were entered into during the year:

- to sell €400,000 at a forward rate of £1 : €1.2658 in the following year.
- to sell €375,000 at a forward rate of £1 : €1.2344 in the following year.
- to sell €500,000 at a forward rate of £1 : €1.2081 in the following year.
- to sell €250,000 at a forward rate of £1 : €1.2610 in the following year.

21 Directors' remuneration

| | 2014 | 2013 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Remuneration for qualifying services | <u>116,250</u> | <u>111,301</u> |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2014 Number | 2013 Number |
|--------------------------|----------------|----------------|
| Workshop and engineering | 74 | 62 |
| Administration | 15 | 13 |
| Sales | 9 | 8 |
| Management | 2 | 3 |
| Directors | 1 | 1 |
| | <u>101</u> | <u>87</u> |

Employment costs

| | 2014 £ | 2013 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 3,273,646 | 3,215,473 |
| Social security costs | 378,067 | 307,694 |
| Other pension costs | 3,500 | 3,500 |
| | <u>3,655,213</u> | <u>3,526,667</u> |

23 Control

The ultimate controlling party is the Solaris Trust.

24 Related party relationships and transactions

The following directors had interest free loans during the year. The movement on these loans are as follows:

| Description | % Rate | Opening Balance £ | Amounts Advanced £ | Interest Charged £ | Amounts Repaid £ | Closing Balance £ |
|-----------------|-----------|-------------------------|--------------------------|--------------------------|------------------------|-------------------------|
| S P O'Donnell - | - | 30,893 | - | - | 3,600 | 27,293 |
| | | <u>30,893</u> | <u>-</u> | <u>-</u> | <u>3,600</u> | <u>27,293</u> |

OGH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

24 Related party relationships and transactions

(Continued)

Group

Turnover includes amounts received from the following connected companies in respect of engineering goods and services provided:- Arusa Trade & Finance, Inc. £5,674 (2013: £Nil), Technoimpex Engineering Limited £110,349 (2013: £Nil), Industrial Metering Systems Limited £Nil (2013: £290,557) and Talesword Limited £Nil (2013: £145,898).

Included in trade debtors at the year end are balances due from the following connected company:- Technoimpex Engineering Limited £32,966 (2013: £Nil).

At the year end, the group owed Talesword Limited, a connected company, £4,197,717 (2013: £2,434,711) on which interest of £112,673 (2013: £86,111) was charged at an annual rate of 3.61%. During the year, fees and interest of £16,569 (2013: £21,092) were paid to Talesword Limited for arranging performance bonds.

At the year end, the group owed Technoimpex Engineering Limited, a connected company, £200,150 (2013: £200,150) on which no interest was charged.

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between members of the group.

Company

At the year end, the company owed Talesword Limited, a connected company, £263,370 (2013: £151,161) on which no interest was charged in the period.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.