

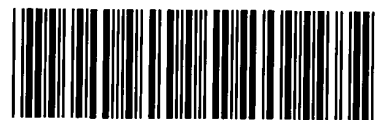
Hydrasun Group Investments Limited

Annual report and financial statements

Registered number 08369193

31 March 2017

SATURDAY



A6LVGTYO

A42

23/12/2017

#175

COMPANIES HOUSE

Contents

Officers and professional advisers	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the Strategic report and the Directors' report and the financial statements	4
Independent auditor's report to the members of Hydrasun Group Investments Limited	5
Profit and Loss Account and Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes	9

Officers and professional advisers

Directors

G J Doherty
R S Drummond

Secretary

G J Doherty

Registered office

48 Grosvenor Street
London
W1K 3HW

Banker

Lloyds TSB Bank Plc
3-5 Albyn Place
Aberdeen
AB10 1PY

Solicitor

Burness Paull LLP
Union Plaza
Union Wynd
Aberdeen
AB10 1SL

Auditor

KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

Strategic report

The directors' present their Strategic report for the year ended 31 March 2017.

Principal activities

The company is an intermediate holding company and does not trade.

The Hydrasun Group is a leading provider of a wide range of fluid transfer, power and control solutions to the Energy industry.

The principal services provided by the Group include the design, engineering, manufacture, assembly and testing of hydraulic equipment, control panels, fluid connectors, multi-line hydraulic and electro-hydraulic control umbilicals for the Oil and Gas industry, along with a range of associated hose inspection and integrity management services. Outwith Oil and Gas, other important market sectors are Petrochemical, Marine and Alternative and Renewable Energy.

Business model

The business model is based around Hydrasun Limited, the main trading company in the Hydrasun Group. Hydrasun's growth strategy focuses on internationalisation of the business, and the development of specialist products, services and bespoke solutions which are complementary to its established core product offering.

Business review and results

Since the date of incorporation the business has not made a profit or a loss. The company is expected to have sufficient reserves going forward to meet any future costs through dividends received from its subsidiary undertaking.

Principal risks and uncertainties

The Group's principal risks and uncertainties are around any change in the global oil price which may affect companies' decisions to invest and ultimately use Hydrasun products. There are no additional risk specific to this Company.

Future developments

The Hydrasun Group will continue to develop both its UK and International markets in the financial year 2017/18, and will continue to extend its range of product, service and solutions offering.

Signed on behalf of the board



R S Drummond
Director

48 Grosvenor Street
London
W1K 3HW

20 December 2017

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2017.

Directors

The directors who held office during the period were as follows:

G J Doherty
R S Drummond

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



R S Drummond
Director

48 Grosvenor Street
London
W1K 3HW

20 December 2017

Statement of directors' responsibilities in respect of the Strategic report and the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report and the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Hydrasun Group Investments Limited

We have audited the financial statements of Hydrasun Group Investments Limited for the year ended 31 March 2017 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result for the year then ended
- have been properly prepared in accordance with UK 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paula Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

20 December 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2017

During the current and preceding years the company had no income, expenditure, gains or losses.

Balance Sheet
at 31 March 2017

	<i>Note</i>	2017	2016
		£000	£000
Fixed assets			
Investments	6	240	240
Current assets			
Debtors	7	106,738	106,738
		<u>106,738</u>	<u>106,738</u>
Creditors: amounts falling due within one year	8	<u>(106,738)</u>	<u>(106,738)</u>
Net current assets		-	-
Total assets less current liabilities		<u>240</u>	<u>240</u>
Net assets		<u>240</u>	<u>240</u>
Financed by			
Capital and reserves			
Called up share capital	9	240	240
Total capital and reserves		<u>240</u>	<u>240</u>
Total financing		<u>240</u>	<u>240</u>

These financial statements were approved by the board of directors on 20 December 2017 and were signed on its behalf by:



R S Drummond
Director

Statement of Changes in Equity
For the year ended 31 March 2016

	Called up share capital £000
Balance at beginning and end of the year	240

Statement of Changes in Equity
For the year ended 31 March 2017

	Called up share capital £000
Balance at beginning and end of the year	240

Notes

(forming part of the financial statements)

1 Accounting policies

Hydrasun Group Investments Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Hydrasun Group Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Hydrasun Group Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Hydrasun Group Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors, in the application of these accounting policies, have not made any judgments that would have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company is party to a group bank facility. Hydrasun Group Holdings Limited, the company’s ultimate parent company, has secured bank facilities through to 31 March 2020. The Company is expected to generate profits and to retain net assets for the foreseeable future. After making enquiries of the parent company, the directors have a reasonable expectation that the company has adequate resources to continue its operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

Notes (continued)

1 Accounting policies (continued)

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.5 Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Notes *(continued)*

2 Notes to the profit and loss account

Auditor's remuneration of £2,000 (2016: £2,000) was borne by another group company, Hydrasun Limited.

3 Remuneration of directors

The directors also hold office in other group undertakings. Emoluments, paid to the directors for services to other group companies are disclosed within their financial statements.

4 Staff numbers and costs

The company had no employees in the current or prior year, other than directors.

5 Taxation

During the period from incorporation to 31 March 2017 the company has not traded therefore no tax provision is included in these accounts.

6 Fixed asset investments

Cost and net book value

At beginning and end of year

Shares in group
Undertakings
£000

240

Notes (continued)

6 Fixed asset investments (continued)

Subsidiaries	Aggregate of capital and reserves £000s	Profit for the year £000s	Registered office	Activity	Class of shares held	Proportion of ordinary shares held current and prior year
Hydrasun Group Acquisitions Limited	(30,669)	(2,255)	48 Grosvenor Street, London, W1K 3HW	Holding company	Ordinary	100%
Hydrasun Group Limited*	530	-	Moss Road, Gateway Business Park, Aberdeen, AB12 3GQ	Holding company	Ordinary	100%
Hydrasun Limited*	89,001	3,762	Moss Road, Gateway Business Park, Aberdeen, AB12 3GQ	Hydraulic equipment manufacture supply and associated services	Ordinary	100%
Hydrasun Instrumentation BV*	2,015	155	Overwegwachter 2, Bedrijfspark, Boezembocht 3034 KG Rotterdam The Netherlands	Hydraulic equipment manufacture supply and associated services	Ordinary	100%
Hydrasun Kazakhstan LLP*	253	78	Sector #34 Promzona #3 Aktau 130000 Republic of Kazakhstan	Hydraulic equipment manufacture supply and associated services	Ordinary	100%
Hydrasun Rapid Solutions LLC*	549	577	Unit 4, Kilo 15 Salyan Highway Shikhov Baku Azerbaijan	Hydraulic equipment manufacture supply and associated services	Ordinary	50%
Hydrasun Rapid Solutions Limited*	157	126	Moss Road, Gateway Business Park, Aberdeen, AB12 3GQ	Hydraulic equipment manufacture supply and associated services	Ordinary	60%
Hydrasun AMC Limited *	(176)	(9)	Moss Road, Gateway Business Park, Aberdeen, AB12 3GQ	Research and development of innovative subsea products	Ordinary	100%
Hydrasun Remaq Indústria e Comércio Ltda*	99	-	Cidade do Rio de Janeiro, Estado do Rio de Janeiro, nd Avenida Ro. Branco, no. 43 20 andar, Salas 2.001 5 (porte), CEP 20090-003 Brazil	Hydraulic equipment manufacture supply and associated services	Ordinary	100%

Notes (continued)

6 Fixed asset investments (continued)

Hydrasun FZE*	87	-	TPOFCB0328, Jebel Ali, Dubai, UAE	Hydraulic equipment manufacture supply and associated services	Ordinary	100%
---------------	----	---	---	---	----------	------

* Held by subsidiary

7 Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	106,738	106,738

8 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts due to group undertakings	106,738	106,738

9 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i> 239,695 Ordinary shares of £1 each	239,695	239,695

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Contingent liabilities

The company has provided a cross guarantee, as secured by certain property, plant and machinery and a floating charge over the assets of the company to its bankers in respect of the borrowings of all UK incorporated subsidiaries of Hydrasun Group Holdings Limited, the company's ultimate parent undertaking. The contingent liability to the company at 31 March 2017 amounted to £41,342,000 (2016: £43,120,000).

11 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Hydrasun Group Finance Limited which itself is a subsidiary of Hydrasun Group Holdings Limited, the ultimate parent company incorporated in England.

The largest and only group in which the results of the company are consolidated is that headed by Hydrasun Group Holdings Limited. The consolidated financial statements of Hydrasun Group Holdings Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The registered address of Hydrasun Group Holdings Limited is 48 Grosvenor Street, London, W1K 3HW.