



IODS PIPE CLAD LIMITED

Company registration number SC071447

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



IODS PIPE CLAD LIMITED

COMPANY INFORMATION

Directors	Barbara Mincher James Mincher Daniel Church (resigned 30 July 2020)
Company secretary	James Mincher
Registered number	SC071447
Registered office	2 Kelvin Park South East Kilbride Glasgow G75 0RH
Independent auditors	Azets Audit Services Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF

IODS PIPE CLAD LIMITED

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IODS PIPE CLAD LIMITED
REGISTERED NUMBER:SC071447

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	5	1,124	1,372
Current assets			
Stocks	6	1,677	1,464
Debtors	7	2,837	1,817
Cash at bank and in hand	8	25	28
		<u>4,539</u>	<u>3,309</u>
Creditors: amounts falling due within one year	9	(4,907)	(3,836)
Net current liabilities		<u>(368)</u>	<u>(527)</u>
Total assets less current liabilities		<u>756</u>	<u>845</u>
Creditors: amounts falling due after more than one year	10	(2,112)	(2,010)
Provisions for liabilities			
Other provisions	12	(375)	(413)
Net liabilities		<u>(1,731)</u>	<u>(1,578)</u>
Capital and reserves			
Called up share capital	13	25	25
Profit and loss account		(1,756)	(1,603)
		<u>(1,731)</u>	<u>(1,578)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2021. by:

DocuSigned by:

 12C98C8E7005414...
Barbara Mincher
 Director

The notes on pages 3 to 15 form part of these financial statements.

IODS PIPE CLAD LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2018	25	(540)	(515)
Comprehensive income for the year			
Loss for the year	-	(1,063)	(1,063)
At 1 April 2019	25	(1,603)	(1,578)
Comprehensive income for the year			
Loss for the year	-	(153)	(153)
At 31 March 2020	25	(1,756)	(1,731)

The notes on pages 3 to 15 form part of these financial statements.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2020.

The continuing activities of IODS Pipe Clad Limited ('the company') is that of performing weld overlay cladding of various high integrity components including subsea tools and production equipment.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC071447.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 March 2020 the Company had net current liabilities of £368k (2019 net current liabilities of £527k). Since March 2020, the Company's ability to trade has been impacted by the COVID-19 pandemic and its related restrictions. The Company has utilised the Government Job Retention Scheme and HMRC VAT and PAYE deferral schemes during the year ended 31 March 2021 and has negotiated repayment plans for the deferred amounts owed to HMRC. The directors have prepared cashflow projections for the period to March 2023, which demonstrate that the Group is able to meet its financial liabilities as they fall due throughout this period. In making this assessment the directors have considered the continued support of its key customers through Supply Chain Finance with additional facilities being negotiated to support ongoing challenges.

The directors are confident that they can continue to manage any further short term operational or commercial challenges presented by the pandemic and the Principal Risks and Uncertainties referred to in the Directors' Report.

The Company has support from the ultimate parent company, Glenalmond Group Limited, for its current and future commitments. In the absence of the support from the ultimate parent company, the going concern basis would be invalid and adjustments would have to be made to provide against any further liabilities which might arise.

Based on these factors, the directors are satisfied that it remains appropriate for the Company to prepare its financial statements on a going concern basis.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.3 Foreign currency translation**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding value added tax and other sales taxes. Turnover is recognised upon shipment to customers or at the time of delivery. The following criteria must also be met before turnover is recognised:

Sale of goods

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

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

2.5 Leased assets: the company as lessee**Operating leases**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

2.6 Interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Statement of Comprehensive Income (see foreign currency accounting policy).

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.7 Pensions****Defined contribution pension plan**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Group plans

The group operates a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the company which is legally responsible for the plan, which is Glenalmond Group Limited. The contributions payable by the participating entities are determined on the basis of plan members employment with respective group companies. Disclosures regarding the group defined benefit plan can be found in the financial statements of Glenalmond Group Limited.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.9 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described in the leased asset accounting policy.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- 15 years
Plant, machinery and equipment	- 5 to 15 years
Motor vehicles	- 4 years
Fixtures and fittings	- 5 to 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

2.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

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

2.11 Debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

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.

2.14 Provisions for liabilities

A provision is recognised in the Balance Sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

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

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

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2.15 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to/from related parties.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****2. Accounting policies (continued)****2.15 Financial instruments (continued)**

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

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

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

3. Employees

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

	2020	2019
	No.	No.
Administration	29	30
Production	45	45
	74	75

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****4. Taxation**

	2020	2019
	£000	£000
Corporation tax		
Adjustment in respect of prior period	(323)	(138)
Adjustments in respect of previous periods	(241)	-
Total current tax	(564)	(138)
Deferred tax		
Total deferred tax	-	-
Taxation on loss on ordinary activities	(564)	(138)

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****5. Tangible fixed assets**

	Lease Improvements £000	Plant, machinery and equipment £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 April 2019	68	5,481	27	173	5,749
Additions	5	89	3	3	100
At 31 March 2020	<u>73</u>	<u>5,570</u>	<u>30</u>	<u>176</u>	<u>5,849</u>
Depreciation					
At 1 April 2019	21	4,200	1	155	4,377
Charge for the year	4	317	13	14	348
At 31 March 2020	<u>25</u>	<u>4,517</u>	<u>14</u>	<u>169</u>	<u>4,725</u>
Net book value					
At 31 March 2020	<u>48</u>	<u>1,053</u>	<u>16</u>	<u>7</u>	<u>1,124</u>
At 31 March 2019	<u>47</u>	<u>1,281</u>	<u>26</u>	<u>18</u>	<u>1,372</u>

Finance leases

The net book value of assets held under finance leases or hire purchase contracts, included above, is £9k (2019 - £17k).

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****6. Stocks**

	2020	2019
	£000	£000
Raw materials and consumables	400	529
Work in progress	1,271	687
Finished goods	6	248
	<u>1,677</u>	<u>1,464</u>

Stock is shown net of the stock provision of £38k (2019 - £62k). Movements in the stock provision are included in cost of sales.

7. Debtors

	2020	2019
	£000	£000
Trade debtors	1,938	1,437
Amounts owed by group undertakings	116	30
Other debtors	89	67
Prepayments and accrued income	189	145
Tax recoverable	505	138
	<u>2,837</u>	<u>1,817</u>

8. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	25	28
Less: bank overdrafts	(800)	(486)
	<u>(775)</u>	<u>(458)</u>

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****9. Creditors: Amounts falling due within one year**

	2020	2019
	£000	£000
Bank overdrafts	800	486
Payments received on account	823	949
Trade creditors	1,327	958
Amounts owed to group undertakings	1,549	1,017
Other taxation and social security	88	94
Obligations under finance lease and hire purchase contracts	5	5
Other creditors	43	42
Accruals and deferred income	272	285
	4,907	3,836

The Clydesdale Bank plc holds a fixed and floating charge over all assets of the company in respect of group debts.

HP creditors are secured over the assets financed until the liability has been paid.

10. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Other loans	2,108	2,000
Net obligations under finance leases and hire purchase contracts	4	10
	2,112	2,010

11. Loans

Analysis of the maturity of loans is given below:

	2020	2019
	£000	£000
Amounts falling due between 2-5 years		
Group loans	2,108	2,000

Loans are unsecured and repayable in one lump sum. This is due to be repaid during the year ended 31 March 2024. Interest is charged on this loan at 2% over the Clydesdale Bank plc lending rate.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****12. Provisions**

	Warranty £000	Liquidated damages £000	Total £000
At 1 April 2019	228	185	413
Charged to profit or loss	(38)	-	(38)
At 31 March 2020	190	185	375

Warranty

A provision is recognised for expected obligations under warranty claims based on contractual terms negotiated with customers and which can extend to four years after delivery of the goods. Costs relating to warranty claims are expected to be incurred over the remaining warranty periods and extend beyond the next financial year.

Liquidated damages

The company enters into contractual arrangements with certain of its customers which provide for payment of liquidated damages in the event of late delivery of goods. The company has received claims for liquidated damages from certain customers which the company have disputed, and they remain subject to negotiated settlement.

13. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
25,000 (2019 - 25,000) Ordinary shares shares of £1.00 each	25	25

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.

IODS PIPE CLAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****14. Pension commitments****Defined contribution plans**

The company operates defined contribution pension plans, the assets of which are held in separate trustee administered funds.

At 31 March 2020, contributions totalling £18,000 (2019 - £17,000) were payable by the company to the defined contribution schemes. These amounts are included in other creditors.

Defined benefit plans

The defined benefit scheme is a multi-employer scheme operated by Glenalmond Group Limited, the ultimate parent company. As there is no contractual agreement or stated group policy for charging the net benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by Glenalmond Group Limited in accordance with FRS 102, as it is the company legally responsible for the plan. The scheme is closed to new entrants and has ceased future accrual of benefits. Glenalmond Group Limited make contributions to the scheme on the advice of an independent actuary to ensure the scheme's assets are sufficient to cover future liabilities.

15. Contingent liabilities

The company has provided a guarantee to Glenalmond Group Limited in respect of its amounts due to the Clydesdale Bank plc.

The company has provided a guarantee to Valve Components Limited in respect of its amounts due to the Clydesdale Bank plc..

16. Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Property 2020 £000	<i>Property 2019 £000</i>
Not later than 1 year	10	22
Later than 1 year and not later than 5 years	-	11
	10	33

17. Related party transactions

The company has taken advantage of the disclosure exemption from the requirement of FRS 102 Section 33 Related Party Disclosures paragraph 33.1A from disclosing transactions with the parent company and wholly owned subsidiaries of Glenalmond Group Limited on the basis that consolidated financial statements are available.

IODS PIPE CLAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

18. Controlling party

The immediate and ultimate parent company is Glenalmond Group Limited, a private company registered in Scotland. Copies of the consolidated financial statements of Glenalmond Group Limited can be obtained from the company's registered office.

The ultimate controlling party is Barbara Mincher, director.

19. Auditors' information

The audit report for these financial statements was unqualified. The senior statutory auditor who signed the audit report was Allison Gibson and the auditor was Azets Audit Services.