Registered number: SC085639

FORTH ESTUARY ENGINEERING LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

INDEPENDENT AUDITORS' REPORT TO FORTH ESTUARY ENGINEERING LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 9, together with the financial statements of Forth Estuary Engineering Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 9 have been properly prepared in accordance with the regulations made under that section.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 29 July 2016

FORTH ESTUARY ENGINEERING LIMITED
REGISTERED NUMBER:SC085639

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note		2015 £		2014 £
Fixed assets					
Tangible assets	3		113,722		98,432
			113,722		98,432
Current assets					
Stocks		38,224		26,369	
Debtors		169,304		602,037	
Cash at bank and in hand	4	191,682		512,688	
		399,210		1,141,094	
Creditors: Amounts falling due within one year	5	(157,158)		(931,460)	
Net current assets			242,052		209,634
Total assets less current liabilities			355,774		308,066
Deferred Taxation			(5,338)		(11,137)
Net assets			350,436		296,929
Capital and reserves					
Called up share capital	7		18,000		18,000
Other reserves			2,000		2,000
Profit and loss account			330,436		276,929
			350,436		296,929

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf by:

Mr M J Nicol
Director

Date: 29-7-16.

The notes on pages 3 to 9 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Forth Estuary Engineering Limited is a limited liability company incorporated in Scotland. The registered office is c/o Dales Properties (Scotland) Limited, Blackhouse Industrial Estate, Peterhead, Aberdeenshire, AB42 4YL.

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 9.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note).

The following principal accounting policies have been applied:

1.2 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a statement of cash flows on the basis that it is a qualifying entity and its parent company, Dales Engineering Limited, includes the company's cash flows disclosure in its own consolidated financial statements (see note 19).

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

The estimated useful lives range as follows:

L/Term Leasehold Property	-	Over lease term
Plant & machinery	-	20% - 50% on cost
Motor vehicles	-	33% - 50% on cost
Fixtures & fittings	-	25% on cost
Office equipment	-	20% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

1.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.7 Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

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

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

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1. ACCOUNTING POLICIES (continued)

1.12 Finance costs

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

1.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. AUDITORS' REMUNERATION

	2015	2014
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	7,000	5,600

3. TANGIBLE FIXED ASSETS

	£
Cost or valuation	
At 1 January 2015	228,181
Additions	43,737
At 31 December 2015	271,918
Depreciation	
At 1 January 2015	129,749
Charge owned for the period	28,447
At 31 December 2015	158,196
At 31 December 2015	113,722
At 31 December 2014	98,432

4. CASH AND CASH EQUIVALENTS

	2015	2014
	£	£
Cash at bank and in hand	191,682	512,688

5. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	27,870	78,181
Amounts owed to group undertakings	4,955	705,863
Amounts owed to other participating interests	52	22,450
Corporation tax	15,016	45,119
Taxation and social security	29,313	59,882
Other creditors	34,371	10,084
Accruals and deferred income	45,581	9,881
	157,158	931,460

The bank is secured by a bond and floating charge over all assets of the company.

6. DEFERRED TAXATION

At 1 January 2015

Charged to the profit or loss

At 31 December 2015

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	5,508	11,137
Short term timing differences	(170)	-
	5,338	11,137

7. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
18,000 Ordinary shares of £1 each	18,000	18,000

8. CONTROLLING PARTY

The company's parent is Dales Marine Services Limited which is owned by Dales Engineering Limited. The company is therefore ultimately owned by Dales Engineering Limited.

9. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.