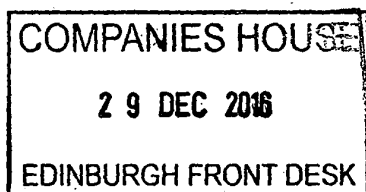


Sureclean Limited
Report and Financial Statements
Year Ended
31 December 2015

Company Number SC185760



Sureclean Limited

Company Information

Directors	J. M. Barron (resigned 7 July 2016) N. A. Challis A. Harman G. Shor
Company secretary	Burness Paull LLP
Registered number	SC185760
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ
Auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
Solicitors	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ

Sureclean Limited

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Sureclean Limited

Strategic Report For the Year Ended 31 December 2015

Business review (SURECLEAN UPDATE REQUIRED)

Sureclean Limited achieved a turnover of £10,831,199 (2014 - £17,014,068) in the period with net loss before taxation of £116,510 (2014 - profit of £3,123,058).

The Company increased its overseas turnover primarily due to significant projects in West Africa which helped underpin the revenues for the period, whilst domestic sales became increasingly challenging as the year progressed as a consequence of the falling oil price.

The Company continued to generate cash from its activities and during the year repaid all long term bank debt.

Principal risks and uncertainties (SURECLEAN UPDATE REQUIRED)

The principal risks and uncertainties facing the Company are broadly grouped as follows:-

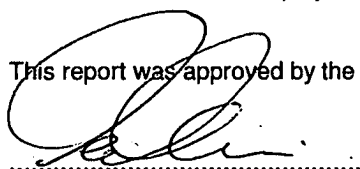
- Liquidity risk: the company operates within its available cash resources and following the acquisition by NRC, liquidity no longer poses a threat to the Company.
- Interest rate risk: the Company has an overdraft facility and the interest rate margin has been reduced. The Company funds the purchase of assets from Hire Purchase finance fixed at competitive rates. Interest rate risk is not considered to pose a threat to the Company.
- Credit Risk: the Company policy is to minimise exposure to losses of defaulting customers with credit terms only being granted to customers who satisfy the credit worthiness procedure. Credit limits are reviewed regularly in conjunction with debt ageing and collection history.
- Currency Risk: the Company policy is to reduce currency exposure with any large projects where necessary hedged against to mitigate any currency loss.

Financial key performance indicators (SURECLEAN UPDATE REQUIRED)

In reviewing performance of the Company, the Board considers key performance indicators including sales, gross profit margin, overheads, net profit margin and EBITDA which are monitored monthly against the forecast and where necessary corrective action is highlighted and implemented. The Company reviews sales on a 13 week look ahead basis identifying in advance any shortfalls or peaks which effect resources and enable the business to plan accordingly. The Company monitors equipment usage on a daily basis providing a comprehensive overview of requirements, future investment and priorities for refurbishment and maintenance. Cash is critical to any business and therefore is managed on a daily basis with a 13 week look ahead matched to the sales forecast and projected cash balances.

This report was approved by the board on

and signed on its behalf.


.....
N. A. Challis
Director

23/12/16

Sureclean Limited

**Directors' Report
For the Year Ended 31 December 2015**

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

Principal activity

The company provides a specialised cleaning service and rental of specialised equipment.

Directors

The directors who served during the year were:

J. M. Barron (resigned 7 July 2016)
N. A. Challis
A. Harman
G. Shor

Future developments

The directors expect the oil & gas sector to remain challenging in 2017 albeit with the potential for improvements in the oil price resulting in some degree of upturn in market activity later in the year. In addition to optimising its oil & gas services, the company will continue to broaden its non-oil & gas services in the UK market and develop its overseas activities with a particular focus on West Africa and the Middle East in collaboration with NRC group affiliates.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

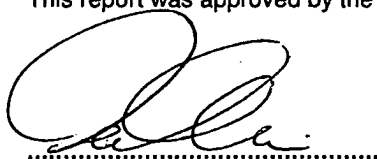
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

This report was approved by the board on

and signed on its behalf.



N. A. Challis

Director

23/12/16

Sureclean Limited

Directors' Responsibilities Statement

The directors are responsible for preparing 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 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 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 judgments and accounting estimates that are reasonable and prudent; 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sureclean Limited

Independent Auditor's report to the members of Sureclean Limited

We have audited the financial statements of Sureclean Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC'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 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been 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 matters 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.

Sureclean Limited

Independent Auditor's report to the members of Sureclean 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, 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.



Alastair Rae (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Glasgow
United Kingdom

29 December 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Sureclean Limited

**Profit and Loss Account
For the Year Ended 31 December 2015**

	Note	2015 £	2014 £
Turnover	3	10,831,199	17,014,068
Cost of sales		<u>(4,507,583)</u>	<u>(6,946,895)</u>
Gross profit		6,323,616	10,067,173
Administrative expenses		<u>(5,923,182)</u>	<u>(6,828,403)</u>
Exceptional administrative expenses		<u>(408,914)</u>	<u>-</u>
Operating (loss) / profit		(8,480)	3,238,770
Interest payable and similar charges	8	<u>(108,030)</u>	<u>(115,712)</u>
(Loss) / profit on ordinary activities before taxation		(116,510)	3,123,058
Taxation on (loss) / profit on ordinary activities	9	<u>(19,040)</u>	<u>(543,670)</u>
(Loss) / profit for the year		<u>(135,550)</u>	<u>2,579,388</u>

The notes on pages 11 to 28 form part of these financial statements.

Sureclean Limited

**Statement of Other Comprehensive Income
For the Year Ended 31 December 2015**


	Note	2015 £	2014 £
Profit for the financial year		<u>(135,550)</u>	<u>2,579,388</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(135,550)</u>	<u>2,579,388</u>

Sureclean Limited
Registered number: SC185760

Balance Sheet
As at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
FIXED ASSETS					
Tangible assets	11		7,111,128		8,494,319
			<u>7,111,128</u>		<u>8,494,319</u>
CURRENT ASSETS					
Stocks	12	1,138,367		1,167,090	
Debtors: amounts falling due within one year	13	5,835,407		6,094,085	
Cash at bank and in hand	14	834,882		879,715	
		<u>7,808,656</u>		<u>8,140,890</u>	
Creditors: amounts falling due within one year	15	(1,767,111)		(2,723,346)	
NET CURRENT ASSETS			<u>6,041,545</u>		<u>5,417,544</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,152,673</u>		<u>13,911,863</u>
Creditors: amounts falling due after more than one year	16		(513,187)		(1,014,986)
PROVISIONS FOR LIABILITIES					
Other provisions	20	(192,914)		(314,755)	
			<u>(192,914)</u>		<u>(314,755)</u>
NET ASSETS			<u>12,446,572</u>		<u>12,582,122</u>
CAPITAL AND RESERVES					
Called up share capital	22		250,500		250,500
Share premium account	21		807,952		807,952
Capital redemption reserve	21		372,000		372,000
Profit and loss account	21		11,016,120		11,151,670
			<u>12,446,572</u>		<u>12,582,122</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


.....
N. A. Challis 23/12/16

Director

The notes on pages 11 to 28 form part of these financial statements.

Sureclean Limited

**Statement of Changes in Equity
As at 31 December 2015**

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2015	250,500	807,952	372,000	11,151,670	12,582,122
Comprehensive Income for the year	-	-	-	(135,550)	(135,550)
Loss for the year	-	-	-	(135,550)	(135,550)
At 31 December 2015	250,500	807,952	372,000	11,016,120	12,446,572

Sureclean Limited

Statement of Changes in Equity
As at 31 December 2014

	Share capital £	Share premium £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2014	243,714	734,738	372,000	19,958	8,552,324	9,922,734
Comprehensive income for the year	-	-	-	-	2,579,388	2,579,388
Profit for the year	-	-	-	-	2,579,388	2,579,388
Contributions by and distributions to owners	-	-	-	-	-	-
Shares issued during the year	6,786	73,214	-	-	-	80,000
Transfer between reserves	-	-	-	(19,958)	19,958	-
Total contributions by and distributions to owners	6,786	73,214	-	(19,958)	19,958	80,000
At 31 December 2014	250,500	807,952	372,000	-	11,151,670	12,582,122

The notes on pages 11 to 28 form part of these financial statements.

Sureclean Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

1. Accounting policies

1.1 General Information

Sureclean Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's principal activities is set out in the directors' report. The financial statements have been prepared on a going concern basis in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact first-time adoption of FRS 102 is given in note 28.

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 2).

The following principal accounting policies have been applied:

1.3 Going concern

The financial statements have been prepared on a going concern basis.

As part of their assessment as to whether the use of the going concern basis is appropriate, the directors assess whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. The directors make this assessment in respect of one year from the date of approval of the financial statements.

During the year the company has made a loss of £135,550 however as current assets of 6,041,545 and net assets of £12,446,572. The ultimate parent company has confirmed that it intends to provide financial support over the next 12 months if required. The directors believe that it is therefore appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from financial support ceasing to be made available.

1.4 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.

Revenue is recognised in respect of specialised cleaning services provided to customers at the point at which the service is provided.

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

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 significant parts 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. Depreciation is provided on the following bases:

Freehold property -	2% - 15% straight line
Plant and machinery -	10% - 50% straight line
Motor vehicles -	25% straight line

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 Profit and Loss Account.

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 Research and development costs

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project. Costs not meeting these criteria are taken to the Profit and Loss Account.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less provision for impairment.

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.11 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.

Sureclean Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.12 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) At fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) At cost less impairment for all other investments.

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 of recoverable value, 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.

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and Loss Account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

1.14 Creditors

Short term creditors are measured at the transaction price.

1.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

1.16 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.

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.17 Leased assets: Lessor

Where assets leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they had been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 31 December 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.18 Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

1.19 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.

Sureclean Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account 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.

1.21 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.

1.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Sureclean Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. Analysis of turnover

	2015 £	2014 £
Rigwork	4,548,654	8,082,498
Offshore	5,091,006	7,778,837
Civil	1,191,539	1,152,733
	<u>10,831,199</u>	<u>17,014,068</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	9,247,673	12,427,223
Rest of the world	1,583,526	4,586,845
	<u>10,831,199</u>	<u>17,014,068</u>

4. Operating (loss)/profit

The operating profit/(loss) is stated after charging/(crediting):

	2015 £	2014 £
Research & development charged as an expense	-	16,727
Operating lease - Rent	346,748	168,942
Depreciation of tangible fixed assets	1,739,290	1,781,574
Operating leases - Plant and Equipment	64,139	144,654
	<u></u>	<u></u>

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

5. Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor for the audit of the company's financial statements	25,750	25,000
	<u>25,750</u>	<u>25,000</u>
Fees payable to the company's auditor in respect of non-audit services	6,950	16,950
	<u>6,950</u>	<u>16,950</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	5,049,650	7,387,957
Social security costs	589,823	852,466
Cost of defined contribution scheme	222,288	144,935
	<u>5,861,761</u>	<u>8,385,358</u>

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

	2015 £	2014 £
Operations	67	97
Administration	52	71
	<u>119</u>	<u>168</u>

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	439,656	268,981
	<u>439,656</u>	<u>268,981</u>

During the year retirement benefits were accruing to 4 directors (2014 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £122,115 (2014 - £118,400).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,000 (2014 -£20,000).

8. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	537	17,412
Finance leases and hire purchase contracts	107,493	97,873
Other interest payable	-	427
	<u>108,030</u>	<u>115,712</u>

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

9. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	-	390,823
Adjustments in respect of previous periods	(158,150)	(31,605)
	<u>(158,150)</u>	<u>359,218</u>
Foreign tax		
Foreign tax on income for the year	143,513	132,314
Foreign tax in respect of prior periods	-	28,430
	<u>143,513</u>	<u>160,744</u>
Total current tax	<u>(14,637)</u>	<u>519,962</u>
Deferred tax		
Origination and reversal of timing differences	33,677	23,708
	<u>33,677</u>	<u>23,708</u>
Total deferred tax	<u>33,677</u>	<u>23,708</u>
Taxation on profit on ordinary activities	<u>19,040</u>	<u>543,670</u>

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 -21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	(116,511)	3,123,058
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.49%)	(23,593)	671,145
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,339	54,821
Capital allowances in excess of depreciation	11,729	(43,062)
Adjustments to tax charge in respect of prior periods	(158,150)	(3,175)
Short term timing difference leading to an increase (decrease) in taxation	10,759	23,708
Qualifying charitable donations unutilised	967	-
Trade losses carried back	30,476	-
Foreign tax credits not used	143,513	-
Share schemes	-	(176,051)
Group relief	-	(28,216)
Foreign tax credits	-	910
Provisions	-	43,590
Total tax charge for the year	19,040	543,670

10. Exceptional Items

	2015 £	2014 £
Redundancy costs	408,914	-
	408,914	-

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2015	3,040,241	15,212,091	622,304	18,874,636
Additions	29,715	345,154	2,391	377,260
Disposals	(220,065)	(138,472)	(3,400)	(361,937)
At 31 December 2015	2,849,891	15,418,773	621,295	18,889,959
Depreciation				
At 1 January 2015	424,769	9,416,439	539,109	10,380,317
Charge for period on owned assets	56,925	1,637,745	44,620	1,739,290
Disposals	(220,065)	(117,311)	(3,400)	(340,776)
At 31 December 2015	261,629	10,936,873	580,329	11,778,831
Net book value				
At 31 December 2015	<u>2,588,262</u>	<u>4,481,900</u>	<u>40,966</u>	<u>7,111,128</u>
At 31 December 2014	<u>2,615,472</u>	<u>5,795,652</u>	<u>83,195</u>	<u>8,494,319</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	1,937,646	3,062,266
	<u>1,937,646</u>	<u>3,062,266</u>

12. Stocks

	2015 £	2014 £
Finished goods	1,138,367	1,167,090
	<u>1,138,367</u>	<u>1,167,090</u>

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

13. Debtors

	2015 £	2014 £
Due within one year		
Trade debtors	1,839,087	3,876,506
Amounts owed by group undertakings	2,935,643	1,306,328
Other debtors	505,777	-
Prepayments and accrued income	464,119	777,736
Tax recoverable	-	9,057
Deferred taxation	90,781	124,458
	<u>5,835,407</u>	<u>6,094,085</u>

14. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	834,882	879,715
	<u>834,882</u>	<u>879,715</u>

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	319,211	829,940
Amounts owed to group undertakings	545	-
Corporation tax	-	52,176
Taxation and social security	411,313	483,845
Obligations under finance leases and hire purchase contracts	551,631	864,524
Other creditors	87,133	107,986
Accruals and deferred income	397,278	384,875
	<u>1,767,111</u>	<u>2,723,346</u>

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

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	513,187	1,014,986
	<u>513,187</u>	<u>1,014,986</u>

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

17. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2015 £	2014 £
Within one year	551,631	864,524
Between 1-2 years	364,487	530,273
Between 2-5 years	148,700	484,713
	<u>1,064,818</u>	<u>1,879,510</u>

18. Deferred taxation

	2015 £
At beginning of year	124,458
Charged to the profit or loss	(33,677)
At end of year	<u><u>90,781</u></u>

The deferred tax asset is made up as follows:

	2015 £
Accelerated capital allowances	90,781
	<u><u>90,781</u></u>

Sureclean Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

19. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	834,822	-
Financial assets that are debt instruments measured at amortised cost	5,536,239	5,649,239
	<u>6,371,061</u>	<u>5,649,239</u>
	2015 £	2014 £
Financial liabilities		
Financial liabilities measured at amortised cost	(1,868,985)	(3,202,311)
	<u>(1,868,985)</u>	<u>(3,202,311)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

20. Accruals and deferred income

	Government grants £
At 1 January 2015	314,755
Released in the year	(121,841)
At 31 December 2015	<u><u>192,914</u></u>

21. Reserves

Share premium

The share premium arose on the purchase of the company's shares by the shareholders.

Capital redemption reserve

The capital redemption reserve arose on a prior year restructure of the share capital.

Profit and loss account

The profit and loss account represents the cumulative historical profits and losses to date less any dividends historically paid.

Sureclean Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

22. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
2,505,000 Ordinary shares of £0.10 each	<u>250,500</u>	<u>250,500</u>

23. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £222,288 (2014: £144,935). Contributions totalling £27,810 (2014: £31,387) were payable to the fund at the Balance Sheet date and are included in creditors.

24. Commitments under operating leases

At 31 December 2015 the company had commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	336,000	336,000
Later than 1 year and not later than 5 years	1,344,000	1,344,000
Later than 5 years	1,344,000	1,680,000
Total	<u>3,024,000</u>	<u>3,360,000</u>

25. Related party transactions

During the year cash of £2,528,462 was advanced by Sureclean Limited to NRC International Services Limited, a fellow group company in the JF Lehman & Company group. At 31 December 2015 NRC International Services Limited owed Sureclean Limited an amount of £2,528,462 (2014 - £nil).

26. Controlling party

Sureclean Limited is wholly owned by Sureclean Holdco Limited which is ultimately owned by JF Lehman & Company. JF Lehman & Company, incorporated in the US, is both the ultimate parent undertaking and the controlling party at 31 December 2015.

Sureclean Holdco Limited in the smallest group for which the company is included in consolidated financial statements. These are publicly available and can be obtained from Companies House. JF Lehman & Company is the largest group for which the company is included in a consolidation. These are not publicly available.

Sureclean Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

27. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Sureclean International Limited	UK	Ordinary	100 %	The company provides a specialised cleaning service and rental of specialised equipment.
Sureclean AS	Norway	Ordinary	100 %	The company provides a specialised cleaning service and rental of specialised equipment.

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Sureclean International Limited	(359,036)	(100,412)
Sureclean AS	-	-

28. 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.