

Company Registration No. SC185760 (Scotland)

SURECLEAN LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

SURECLEAN LIMITED

DIRECTORS AND ADVISERS

Directors	J M Barron	
	N A Challis	(Appointed 3 March 2014)
	A Harman	(Appointed 3 March 2014)
	G Shor	(Appointed 3 March 2014)
Secretary	Burness Paull LLP	
Company number	SC185760	
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ	
Registered auditors	Johnston Carmichael LLP Clava House Cradlehall Business Park Inverness IV2 5GH	
Solicitors	Ledingham Chalmers LLP Johnstone House 52-54 Rose Street Aberdeen AB10 1HA	

SURECLEAN LIMITED

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SURECLEAN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their Strategic Report for the year ended 31 December 2013.

Principal activities

The principal activity of the group continued to be that of HP and UHP water jetting both on and offshore, tank cleaning, asbestos management and the operation of waste transfer units in Aberdeen and Alness.

Results and dividends

The consolidated profit and loss account for the year is set out on page 7.

The profit for the year, after taxation, amounted to £4,360,420 (2012 - £2,181,453). A final dividend of £182,895 has been proposed.

Review of the business

The directors are pleased to report on another successful year with both record turnover and profits, building on the strong progress made in 2011 and 2012. As reported on last year, the group is benefiting from the stable oil price, the sustained world recovery and the ongoing requirement of the oil and gas industry to maintain its ageing infrastructure. A particular highlight in the period was the FPSO project completed at the Nigg yard in Easter Ross. This significantly contributed to turnover and profitability of the group. The group achieved a turnover of £22,777,646 and net profits before taxation of £5,476,121.

As well as the project detailed above, the group increased sales across a broad base, continuing to develop new and existing customers in Europe, West Africa, the Middle East and Malaysia. The continuing political difficulties in Egypt, presented challenges to the group, but the group had good sales and profitability and look to increase sales and profitability in 2014.

The group continues to generate cash from its activities and during the year, reduced the long term liabilities by £660,537. Subsequent to the year end, all long term bank debt has been repaid.

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

- Liquidity risks - the group continues to operate within its available cash resources. During the year the group did not use the available bank overdraft and as reported above repaid its long term debt. Liquidity no longer poses a risk to the group.
- Interest rate risk - with the increasing liquidity in the group, there is less reliance on bank borrowing. The group has funded the purchase of fixed assets with hire purchase finance. The current fixed rates of hire purchase finance are highly competitive. Interest rate risk no longer poses a risk to the group.
- Credit risk - the group policy is to minimise exposure to losses of defaulting customers. Credit terms are only granted to customers who satisfy credit worthiness procedures. Credit limits are reviewed regularly in conjunction with debt ageing and collection history.
- Currency risk - the group policy is to reduce currency exposure, if required the policy will be to hedge against any currency loss.

In reviewing performance of the group, the Board considers key performance indicators, including sales and gross profit margin, overheads and net profit which are all monitored against budget on a monthly basis and where necessary action is taken. The group reviews sales by customer on a 13 week look ahead basis, thereby identifying in advance any shortfalls or peaks which could give rise to issues in the weeks ahead. The group monitors equipment usage on a daily basis, this usage is measured against standards set by the group, during investment appraisals. Cash has been critical during the development stages of the group and therefore on a daily basis, the group targets cash receipts, projected cash balances against weekly targets and projected cash flows.

SURECLEAN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

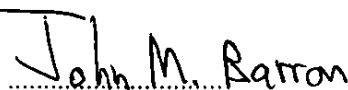
Future developments

As indicated in the previous year's accounts, the group is now engaged in the development of a new international head office complex and stores facility in Alness. This development will be completed in the summer of 2014. Concurrent to this development the group has commenced work on a new office complex with storage and maintenance facilities at Oldmeldrum, Aberdeenshire. This facility will replace currently rented facilities and will be used for further development of the group's offshore activities. Subsequent to the year end, the group has entered into a sale and lease-back of the Oldmeldrum development. This facility is scheduled for completion in September 2014.

Post balance sheet events

On 3rd March 2014, the directors and shareholders concluded a deal in which 100% of the group was sold to National Response Corporation a company based in Great River, New York, USA. National Response Corporation is a leading global provider of diversified environmental, industrial and emergency response solutions. This corporation has bases internationally which when combined with Sureclean's specialised industrial and environmental solutions will provide excellent opportunities from which Sureclean can expand.

On behalf of the board



J M Barron

Director

21/5/14

SURECLEAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

Directors

The following directors have held office since 1 January 2013:

J M Barron	
I Pirie	(Resigned 3 March 2014)
A Stewart	(Resigned 3 March 2014)
R G McLellan	(Resigned 3 March 2014)
P A Thorn	(Resigned 3 March 2014)
N A Challis	(Appointed 3 March 2014)
A Harman	(Appointed 3 March 2014)
G Shor	(Appointed 3 March 2014)

Auditors

The auditors, Johnston Carmichael LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SURECLEAN LIMITED

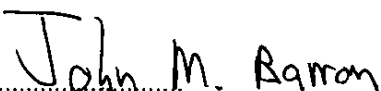
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



J M Barron

Director

21.5.14

SURECLEAN LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURECLEAN LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Sureclean Limited for the year ended 31 December 2013 set out on pages 7 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out within the Directors' Report on pages 3 - 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SURECLEAN LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Johnston Carmichael LLP.

28 May 2014.

Scott Jeffrey (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

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Chartered Accountants
Statutory Auditor

Clava House
Cradlehall Business Park
Inverness
IV2 5GH

SURECLEAN LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Notes	£	(as restated) £
Turnover	2	22,777,646	15,910,223
Cost of sales		(10,041,480)	(6,917,195)
Gross profit		12,736,166	8,993,028
Administrative expenses		(7,101,820)	(5,957,549)
Other operating income		-	2,376
Foreign exchange impairment		-	(102,989)
Operating profit	3	5,634,346	2,934,866
Other interest receivable and similar income		156	-
Interest payable and similar charges	4	(158,381)	(165,878)
Profit on ordinary activities before taxation		5,476,121	2,768,988
Tax on profit on ordinary activities	5	(1,115,701)	(587,535)
Profit on ordinary activities after taxation		4,360,420	2,181,453

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

SURECLEAN LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Note	£	(as restated) £
Profit for the financial year		4,360,420	2,181,453
Prior year adjustment	18	<u>590,861</u>	<u>-</u>
Total gains and losses recognised since last financial statements		<u><u>4,951,281</u></u>	<u><u>2,181,453</u></u>

SURECLEAN LIMITED

BALANCE SHEETS

AS AT 31 DECEMBER 2013

		Group		Company	
		2013	2012	2013	2012
		(as restated)		(as restated)	
Notes		£	£	£	£
Fixed assets					
Intangible assets	8	-	149,393	-	149,393
Tangible assets	9	8,026,929	5,652,401	8,021,656	5,644,415
Investments	10	-	-	-	-
		<u>8,026,929</u>	<u>5,801,794</u>	<u>8,021,656</u>	<u>5,793,808</u>
Current assets					
Stocks	11	1,096,944	955,255	1,096,944	955,255
Debtors	12	5,307,890	3,624,757	5,784,597	4,173,755
Cash at bank and in hand		<u>1,763,029</u>	<u>1,329,720</u>	<u>1,115,533</u>	<u>638,405</u>
		8,167,863	5,909,732	7,997,074	5,767,415
Creditors: amounts falling due within one year	13	(4,890,775)	(4,092,898)	(4,860,617)	(3,847,851)
Net current assets		<u>3,277,088</u>	<u>1,816,834</u>	<u>3,136,457</u>	<u>1,919,564</u>
Total assets less current liabilities		11,304,017	7,618,628	11,158,113	7,713,372
Creditors: amounts falling due after more than one year	14	(1,235,379)	(1,905,916)	(1,235,379)	(1,905,916)
Provisions for liabilities	15	(179,652)	-	-	-
		<u>9,888,986</u>	<u>5,712,712</u>	<u>9,922,734</u>	<u>5,807,456</u>
Capital and reserves					
Called up share capital	17	243,714	243,714	243,714	243,714
Share premium account	18	734,738	734,738	734,738	734,738
Other reserves	18	401,648	401,648	391,958	391,958
Profit and loss account	18	<u>8,508,886</u>	<u>4,332,612</u>	<u>8,552,324</u>	<u>4,437,046</u>
Shareholders' funds	19	<u>9,888,986</u>	<u>5,712,712</u>	<u>9,922,734</u>	<u>5,807,456</u>

Approved by the Board and authorised for issue on 21-5-14

John M. Barron

J M Barron

Director

Company Registration No. SC185760

SURECLEAN LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	£	2013 £	£	2012 £
Net cash inflow from operating activities		5,408,329		4,220,906
Returns on investments and servicing of finance				
Interest received	156		-	
Interest paid	(158,381)		(165,878)	
Net cash outflow for returns on investments and servicing of finance		(158,225)		(165,878)
Taxation		(791,565)		(846,661)
Capital expenditure				
Payments to acquire tangible assets	(2,858,187)		(1,390,801)	
Receipts from sales of tangible assets	248,557		-	
Net cash outflow for capital expenditure		(2,609,630)		(1,390,801)
Equity dividends paid		(153,663)		(159,300)
Net cash inflow before management of liquid resources and financing		1,695,246		1,658,266
Financing				
Issue of ordinary share capital	-		11,000	
Repayment of long term bank loan	(710,808)		(440,833)	
Capital element of hire purchase contracts	(551,129)		(300,126)	
Net cash outflow from financing		(1,261,937)		(729,959)
Increase in cash in the year		433,309		928,307

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

1	Reconciliation of operating profit to net cash inflow from operating activities	2013	2012
		£	(as restated) £
	Operating profit	5,634,346	2,934,866
	Depreciation of tangible assets	1,562,172	1,303,406
	Amortisation of intangible assets	149,393	20,400
	(Profit) / loss on disposal of tangible assets	(74,015)	2,849
	Increase in stocks	(141,689)	(186,058)
	Increase in debtors	(1,649,523)	(175,545)
	(Decrease)/Increase in creditors within one year	(252,007)	365,988
	Contractual obligation provision	179,652	-
	Restructuring provision	-	(45,000)
	Net cash inflow from operating activities	5,408,329	4,220,906

2	Analysis of net debt	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,329,720	433,309	-	1,763,029
	Finance leases	(900,374)	551,129	(1,253,055)	(1,602,300)
	Debts falling due within one year	(710,808)	(422,526)	-	(1,133,334)
	Debts falling due after one year	(1,405,859)	1,133,334	-	(272,525)
		(3,017,041)	1,261,937	(1,253,055)	(3,008,159)
	Net debt	(1,687,321)	1,695,246	(1,253,055)	(1,245,130)

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	Increase in cash in the year	433,309	928,307
	Cash outflow from decrease in debt	1,261,937	740,959
	Change in net debt resulting from cash flows	1,695,246	1,669,266
	New finance lease	(1,253,055)	(840,939)
	Movement in net debt in the year	442,191	828,327
	Opening net debt	(1,687,321)	(2,515,648)
	Closing net debt	(1,245,130)	(1,687,321)

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2013. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. During the financial period the estimated useful life of the goodwill has been reassessed and fully amortised.

1.5 Research and development

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

1.6 Tangible fixed assets and depreciation

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

Land and buildings freehold	2% - 15% straight line
Plant and machinery	10% - 100% straight line
Computer equipment	33% straight line
Motor vehicles	25% straight line
Waste transfer station	5% straight line

1.7 Leasing and hire purchase commitments

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

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

1.8 Investments

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2013**

1 Accounting policies

(continued)

1.10 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.12 Foreign currency translation

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

1.13 Cash at bank and in hand

Included in cash at bank are amounts held on deposit.

1.14 Share options

The group operates a share option scheme. Where material, the fair value of the employee services received in exchange for the grant of share options is recognised as an expense, with a corresponding adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

1.15 Prior period adjustment

The prior period adjustment is a result of the decision to reverse the change in accounting policy reflected within the 2008 and 2010 financial statements for revaluation of fixed assets. After further consideration, the directors have decided that the group will revert to the original accounting policy for tangible fixed assets. All land and buildings and the hire fleet within plant and machinery will be recorded at historic cost less depreciation. The revaluation reserve balance of £964,884 has consequently been reversed, and historic depreciation adjusted accordingly, resulting in an overall reduction in the net book value of land and buildings brought forward of £224,380 and plant and machinery brought forward of £277,481. Depreciation charged in the prior year of £1,431,244 has reduced to £1,303,406, resulting in profit in the prior year increasing to £2,181,453.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

2 Turnover

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

Segmental analysis by geographical area

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

	2013 £	2012 £
Geographical segment		
United Kingdom	20,019,230	12,237,652
Europe	1,068,041	161,627
Rest of world	1,690,375	3,510,944
	<u>22,777,646</u>	<u>15,910,223</u>

3 Operating profit

	2013 £	2012 (as restated) £
Operating profit is stated after charging:		
Amortisation of intangible assets	149,393	20,400
Depreciation of tangible assets	1,562,172	1,303,406
Loss on disposal of tangible assets	-	2,849
Loss on foreign exchange transactions	15,100	117,537
Research and development	43,519	24,700
Operating lease rentals	111,615	111,385
Fees payable to the group's auditor for the audit of the group's annual accounts (company £13,000; 2012: £11,725)	18,887	15,850
and after crediting:		
Government grants	-	2,376
Profit on disposal of tangible assets	<u>74,015</u>	<u>-</u>

Included in operating profit for the prior year is a foreign exchange impairment of £102,989 arising from the translation of the foreign bank balance.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

4	Interest payable	2013 £	2012 £
	On bank loans and overdrafts	68,894	110,950
	Hire purchase interest	89,487	54,928
		<u>158,381</u>	<u>165,878</u>
5	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	1,254,131	716,974
	Adjustment for prior years	(74,053)	4,387
	Total current tax	<u>1,180,078</u>	<u>721,361</u>
	Deferred tax		
	Deferred tax credit	3,742	(58,705)
	Adjustment resulting from changes in tax rate	-	2,181
	Deferred tax adjustment - previous year	(68,119)	(77,302)
		<u>1,115,701</u>	<u>587,535</u>
			(as restated)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>5,476,121</u>	<u>2,768,988</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.50%)	<u>1,273,198</u>	<u>678,402</u>
	Effects of:		
	Non deductible expenses	41,517	21,121
	Depreciation in excess of capital allowances	(3,779)	51,211
	Utilisation of tax losses	(17,719)	(11,585)
	Adjustments to previous periods	(74,053)	4,387
	Other tax adjustments	(39,086)	(22,175)
		<u>(93,120)</u>	<u>42,959</u>
	Current tax charge for the year	<u>1,180,078</u>	<u>721,361</u>

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

6 Profit for the financial year

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

	2013 £	2012 £
Holding company's profit for the financial year	4,299,424	2,135,613

7 Dividends

	2013 £	2012 £
Ordinary interim paid	1,251	-
Ordinary final proposed	182,895	152,412
	184,146	152,412

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

8 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2013 & at 31 December 2013	409,572
Amortisation	
At 1 January 2013	260,179
Charge for the year	149,393
At 31 December 2013	409,572
Net book value	
At 31 December 2013	-
At 31 December 2012	149,393

Company

	Goodwill £
Cost	
At 1 January 2013 & at 31 December 2013	409,572
Amortisation	
At 1 January 2013	260,179
Charge for the year	149,393
At 31 December 2013	409,572
Net book value	
At 31 December 2013	-
At 31 December 2012	149,393

During the year the directors reassessed the remaining useful life of the goodwill. Consequently the cost was amortised in full.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

9 Tangible fixed assets

Group

	Land and buildings freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2013 - as restated	1,050,097	11,383,763	627,113	13,060,973
Additions	1,832,963	2,278,279	-	4,111,242
Disposals	(151,481)	(327,640)	(6,500)	(485,621)
	<u>2,731,579</u>	<u>13,334,402</u>	<u>620,613</u>	<u>16,686,594</u>
At 31 December 2013	2,731,579	13,334,402	620,613	16,686,594
Depreciation				
At 1 January 2013 - as restated	301,322	6,634,990	472,260	7,408,572
On disposals	(24,179)	(280,400)	(6,500)	(311,079)
Charge for the year	41,674	1,471,885	48,613	1,562,172
	<u>318,817</u>	<u>7,826,475</u>	<u>514,373</u>	<u>8,659,665</u>
At 31 December 2013	318,817	7,826,475	514,373	8,659,665
Net book value				
At 31 December 2013	<u>2,412,762</u>	<u>5,507,927</u>	<u>106,240</u>	<u>8,026,929</u>
At 31 December 2012 - as restated	<u>748,775</u>	<u>4,748,773</u>	<u>154,853</u>	<u>5,652,401</u>

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2013	2,321,851	-	2,321,851
At 31 December 2012	<u>1,765,935</u>	<u>7,101</u>	<u>1,773,036</u>
Depreciation charge for the year			
31 December 2013	392,650	1,775	394,425
31 December 2012	<u>213,892</u>	<u>11,576</u>	<u>225,468</u>

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Tangible fixed assets

Company

	Land and buildings freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2013 - as restated	1,050,097	11,368,487	627,113	13,045,697
Additions	1,832,963	2,276,846	-	4,109,809
Disposals	(151,481)	(327,640)	(6,500)	(485,621)
At 31 December 2013	2,731,579	13,317,693	620,613	16,669,885
Depreciation				
At 1 January 2013 - as restated	301,322	6,627,700	472,260	7,401,282
On disposals	(24,179)	(280,400)	(6,500)	(311,079)
Charge for the year	41,674	1,467,739	48,613	1,558,026
At 31 December 2013	318,817	7,815,039	514,373	8,648,229
Net book value				
At 31 December 2013	2,412,762	5,502,654	106,240	8,021,656
At 31 December 2012 - as restated	748,775	4,740,787	154,853	5,644,415

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2013	2,321,851	-	2,321,851
At 31 December 2012	1,765,935	7,101	1,773,036
Depreciation charge for the year			
31 December 2013	392,650	1,775	394,425
31 December 2012	213,892	11,576	225,468

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2013 & at 31 December 2013	321,590
Provisions for diminution in value	
At 1 January 2013 & at 31 December 2013	321,590
Net book value	
At 31 December 2013	-
At 31 December 2012	-

The company has a 100% holding in Sureclean AS, a company incorporated in Norway. The carrying value attributed to this investment in the company's balance sheet as at 31 December 2012 was £nil and remains at £nil as at 31 December 2013.

The company also has a 100% holding in Sureclean International Limited, a company registered in the UK and a 100% holding in Sureclean Ghana Limited, a dormant company registered in Ghana. No carrying values are attributed to these investments in the company's balance sheet as at 31 December 2012 or at 31 December 2013.

11 Stocks

	Group 2013 £	2012 £	Company 2013 £	2012 £
Finished goods and goods for resale	1,096,944	955,255	1,096,944	955,255

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

12 Debtors

	Group 2013 £	2012 £	Company 2013 £	2012 £
Trade debtors	4,769,224	2,669,738	4,485,197	2,619,689
Amounts owed by group undertakings	-	-	760,734	636,732
Corporation tax	28,430	59,197	28,430	59,197
Other debtors	-	24,158	-	-
Prepayments and accrued income	362,070	787,875	362,070	774,348
Deferred tax asset (see note 15)	148,166	83,789	148,166	83,789
	<u>5,307,890</u>	<u>3,624,757</u>	<u>5,784,597</u>	<u>4,173,755</u>

13 Creditors : amounts falling due within one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Bank loans and overdrafts	1,133,334	710,808	1,133,334	710,808
Net obligations under finance lease and hire purchase contracts	639,446	400,317	639,446	400,317
Trade creditors	931,335	957,403	923,939	764,911
Corporation tax	769,712	411,966	769,712	411,966
Taxes and social security costs	407,156	362,821	407,156	362,821
Other creditors	190,154	225,435	182,540	217,821
Accruals and deferred income	636,743	871,736	621,595	826,795
Proposed dividend	182,895	152,412	182,895	152,412
	<u>4,890,775</u>	<u>4,092,898</u>	<u>4,860,617</u>	<u>3,847,851</u>

The bank loans and overdrafts are secured by a bond and floating charge over the whole assets of the group. The bank also holds a standard security over 10 River Drive, Alness Estate; Plot 3 Willowbank Road, Alness and property held at Teaninch Industrial Estate, Alness.

Hire purchase obligations are secured against the assets to which they relate.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

14 Creditors : amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	272,525	1,405,859	272,525	1,405,859
Net obligations under finance leases and hire purchase agreements	962,854	500,057	962,854	500,057
	<u>1,235,379</u>	<u>1,905,916</u>	<u>1,235,379</u>	<u>1,905,916</u>
Analysis of loans				
Wholly repayable within five years	1,405,859	2,116,667	1,405,859	2,116,667
Included in current liabilities	(1,133,334)	(710,808)	(1,133,334)	(710,808)
	<u>272,525</u>	<u>1,405,859</u>	<u>272,525</u>	<u>1,405,859</u>
Loan maturity analysis				
In more than one year but not more than two years	272,525	-	272,525	-
In more than two years but not more than five years	-	1,405,859	-	1,405,859
	<u>-</u>	<u>1,405,859</u>	<u>-</u>	<u>1,405,859</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	639,446	400,317	639,446	400,317
Repayable between one and five years	962,854	500,057	962,854	500,057
	<u>1,602,300</u>	<u>900,374</u>	<u>1,602,300</u>	<u>900,374</u>
Included in liabilities falling due within one year	(639,446)	(400,317)	(639,446)	(400,317)
	<u>962,854</u>	<u>500,057</u>	<u>962,854</u>	<u>500,057</u>

A £300,000 term loan is repayable in 40 quarterly instalments of £15,000 commencing on 1 November 2009. A £1,400,000 term loan is repayable in various monthly instalments set out in the terms of the loan commencing on 1 September 2009 with a final repayment date of 30 June 2015. A £1,030,000 term loan of which £439,998 is outstanding at 31 December 2013 is repayable by March 2014.

The bank loans are secured by a bond and floating charge over the whole assets of the group. The bank also holds a standard security over 10 River Drive, Alness Estate, Alness; Plot 3 Willowbank Road, Alness and property held at Teaninich Industrial Estate, Alness.

Hire purchase obligations are secured against the assets to which they relate.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

15 Provisions for liabilities Group

	Provision for contractual obligations 2013 £	Deferred tax asset 2013 £
Balance at 1 January 2013	-	(83,789)
Profit and loss account	179,652	(64,377)
Balance at 31 December 2013	<u>179,652</u>	<u>(148,166)</u>

Company

Balance at 1 January 2013	-	(83,789)
Profit and loss account	-	(64,377)
Balance at 31 December 2013	<u>-</u>	<u>(148,166)</u>

The deferred tax asset (included in debtors, note 12) is made up as follows:

	Group 2013 £	2012 £	Company 2013 £	2012 £
Decelerated capital allowances	<u>(148,166)</u>	<u>(83,789)</u>	<u>(148,166)</u>	<u>(83,789)</u>

The provision represents the directors' estimate for the settlement of a claim in respect of revenues recognised by the group on a contract.

16 Pension and other post-retirement benefit commitments

Defined contribution

The group 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 group to the fund and amounted to £146,804 (2012: £470,243). Contributions totalling £57,800 (2012: £5,327) were payable to the fund at the balance sheet date and are included in creditors.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

17	Share capital	2013 £	2012 £
	Allotted, called up and fully paid		
	2,437,144 Ordinary shares of 10p each	243,714	243,714

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

18 Statement of movements on reserves

Group	Revaluation reserve	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£	£
Balance at 1 January 2013 as previously reported	964,884	734,738	401,648	3,869,589
Prior year adjustment	(1,092,722)	-	-	590,861
Reversal of revaluation reserve release	127,838	-	-	(127,838)
Balance at 1 January 2013 as restated	-	734,738	401,648	4,332,612
Profit for the year	-	-	-	4,360,420
Dividends paid	-	-	-	(184,146)
Balance at 31 December 2013	-	734,738	401,648	8,508,886

Other reserves

Capital redemption reserve

Balance at 1 January 2013 & at 31 December 2013 372,000

Reserves provided for by the Articles of Association

Balance at 1 January 2013 & at 31 December 2013 19,958

Foreign exchange reserve

Balance at 1 January 2013 & at 31 December 2013 9,690

Company

	Revaluation reserve	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£	£
Balance at 1 January 2013 as previously reported	964,884	734,738	391,958	3,974,023
Prior year adjustment	(1,092,722)	-	-	590,861
Reversal of revaluation reserve release	127,838	-	-	(127,838)
Balance at 1 January 2013 as restated	-	734,738	391,958	4,437,046
Profit for the year	-	-	-	4,299,424
Dividends paid	-	-	-	(184,146)
Balance at 31 December 2013	-	734,738	391,958	8,552,324

Other reserves

Capital redemption reserve

Balance at 1 January 2013 & at 31 December 2013 372,000

Reserves provided for by the Articles of Association

Balance at 1 January 2013 & at 31 December 2013 19,958

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

19 Reconciliation of movements in shareholders' funds	2013	2012
	£	£ (as restated)
Group		
Profit for the financial year	4,360,420	2,181,453
Dividends	(184,146)	(152,412)
	<u>4,176,274</u>	<u>2,029,041</u>
Proceeds from issue of shares	-	11,000
	<u>4,176,274</u>	<u>2,040,041</u>
Net addition to shareholders' funds	5,712,712	3,672,671
Opening shareholders' funds	<u>9,888,986</u>	<u>5,712,712</u>
Closing shareholders' funds	<u>9,888,986</u>	<u>5,712,712</u>
Company	2013	2012
	£	£ (as restated)
Profit for the financial year	4,299,424	2,135,613
Dividends	(184,146)	(152,412)
	<u>4,115,278</u>	<u>1,983,201</u>
Proceeds from issue of shares	-	11,000
	<u>4,115,278</u>	<u>1,994,201</u>
Net addition to shareholders' funds	5,807,456	3,813,255
Opening shareholders' funds	<u>9,922,734</u>	<u>5,807,456</u>
Closing shareholders' funds	<u>9,922,734</u>	<u>5,807,456</u>

20 Contingent liabilities

Company

A cross corporate guarantee exists in favour of the Bank Of Scotland between Sureclean Limited and Sureclean A/S. At the balance sheet date, the overall bank indebtedness subject to the guarantee was £406,983.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

21 Financial commitments

At 31 December 2013 the group and company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
	£	£
Expiry date:		
Between two and five years	80,000	125,000

22 Capital commitments

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Contracted for but not provided in the financial statements	5,415,317	974,960	5,415,317	974,960

23 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	496,002	479,862
Company pension contributions to defined contribution schemes	106,319	431,545
	602,321	911,407

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2012 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	100,997	102,190
Company pension contributions to defined contribution schemes	73,186	132,465

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

24 Employees

Number of employees

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

	2013 Number	2012 Number
Operations	97	89
Administration	67	65
	<u>164</u>	<u>154</u>

The average monthly number of employees for the group (including directors) during the year was: 166 (2012 - 156)

Employment costs

	2013 £	2012 £
Wages and salaries	8,565,962	5,701,441
Social security costs	966,851	635,238
Other pension costs	146,804	470,243
	<u>9,679,617</u>	<u>6,806,922</u>

The Sureclean Limited 2008 Enterprise Management Incentive Share Option Plan was established by the group on 13 November 2008. On 29 February 2009 60,000 share options were granted with an exercise price of £1.10 per option share. The earliest date on which the option can be exercised is the second anniversary of the grant date unless an earlier event occurs to cause it to lapse or to become exercisable. The option will lapse on the tenth anniversary of the grant date. None of these options were exercised during the year. The total of these share options outstanding at 31 December 2013 is 50,000 (2012: 50,000). The fair value of the options previously granted were measured at £0.65 per option share and was based on recent purchases of the shares of Sureclean Limited and after taking into consideration volatility and other relevant factors.

During the year ended 31 December 2013 there were 17,857 options granted. The fair value of the options granted during the year were measured at £0.33 and was based on the Black-Scholes valuation model. The vesting period for the shares granted and exercised during the year is 2 years. None of these options were exercised during the year. No adjustment has been recognised on the grounds of materiality.

25 Control

During the year the group was controlled by the directors. Subsequent to the year end the group was acquired by Sureclean Holdco Limited, who are now the immediate parent undertaking. The ultimate parent undertaking of the group is now J.F. Lehman & Company, a US based company.

SURECLEAN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2013**

26 Post Balance Sheet Events

Group and company

On 4 March 2014 the Group sold the development site in Oldmeldrum, Aberdeenshire to a related party, Old Meldrum Properties Limited at cost price with no gain or loss being reported. The net book value of the development site at 31 December 2013 amounted to £1,332,966. As a result of this disposal, capital commitments disclosed as at 31 December 2013 amounting to £3,558,985 were transferred to the new owners and are no longer a future obligation of the group.

27 Related party relationships and transactions

Other transactions

Group and company

The group has taken advantage of the exemption in FRS 8 and has not disclosed transactions with its 100% subsidiaries, Sureclean AS, Sureclean Ghana Limited and Sureclean International Limited.

During the year dividends of £60,000 each (2012 - £50,000 each) were declared in respect of the directors J M Barron, I Pirie and A Stewart, £2,144 (2012 - £1,787) to R G McLellan and £713 (2012 - £1,876) to P A Thorn.