



Specialist Valve Services Ltd

Report of the Director and Audited Financial Statements

For the Year Ended

31 March 2016

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for the Year Ended 31 March 2016**

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Specialist Valve Services Ltd

Company Information for the Year Ended 31 March 2016

DIRECTOR:

G Henry

REGISTERED OFFICE:

Silvertrees Drive
Westhill
Aberdeen
Aberdeenshire
AB32 6BH

REGISTERED NUMBER:

SC191510 (Scotland)

AUDITORS:

JDD, Chartered Accountants
Chartered Accountants and Registered Auditors
5 Rubislaw Terrace
Aberdeen
AB10 1XE

Specialist Valve Services Ltd

Strategic Report for the Year Ended 31 March 2016

The director presents his strategic report for the year ended 31 March 2016.

REVIEW OF BUSINESS

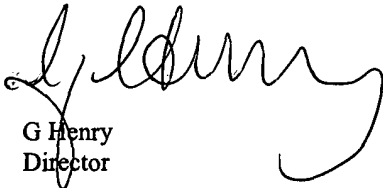
Although the year has a significant reduction of sales over the previous year the directors have been pleased with the way SVS with its TVM has positioned itself in the market place.

The market place has been badly affected by the low oil price to the extent many clients have reduced staff levels slowing down the recovery process to work on any new projects.

The positive is that we have been awarded a 5 year TVM contract by one of the key operators in the N.S. This award has opened new doors and allowed us to increase technical staff and open a new facility in Hull.

We have also negotiated a further contract with a major operator that should be awarded early 2017 and again will be a five year contract. This particular client has recently placed in excess of £2.5m.

ON BEHALF OF THE BOARD:



G Henry
Director

23 December 2016

Specialist Valve Services Ltd

Report of the Director for the Year Ended 31 March 2016

The director presents his report with the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The sale of industrial valves, actuators and controls primarily to the Oil and Gas Industry.

Turnover from geographical regions as follows: UK 94% Others 6%.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2016 will be £500,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

G Henry held office during the whole of the period from 1 April 2015 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

Although the year has a significant reduction of sales over the previous year the directors have been pleased with the way SVS with its TVM has positioned itself in the market place.

The market place has been badly affected by the low oil price to the extent many clients have reduced staff levels slowing down the recovery process to work on any new projects.

The positive is that we have been awarded a 5 year TVM contract by one of the key operators in the N.S. This award has opened new doors and allowed us to increase technical staff and open a new facility in Hull.

We have also negotiated a further contract with a major operator that should be awarded early 2017 and again will be a five year contract. This particular client has recently placed in excess of £2.5m.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

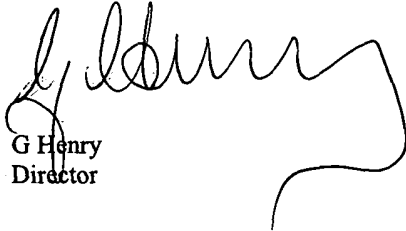
Specialist Valve Services Ltd

Report of the Director for the Year Ended 31 March 2016

AUDITORS

The auditors, JDD, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



G Henry
Director

23 December 2016

We have audited the financial statements of Specialist Valve Services Ltd for the year ended 31 March 2016 on pages six to fifteen. 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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director 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 company's affairs as at 31 March 2016 and of its 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.

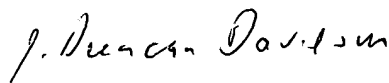
Opinion on other matter prescribed by the Companies Act 2006

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



J Duncan Davidson (Senior Statutory Auditor)
for and on behalf of JDD, Chartered Accountants
Chartered Accountants and Registered Auditors
5 Rubislaw Terrace
Aberdeen
AB10 1XE

23 December 2016

Specialist Valve Services Ltd

Profit and Loss Account for the Year Ended 31 March 2016

	Notes	31.3.16 £	£	31.3.15 £	£
TURNOVER			6,241,089		10,192,307
Cost of sales			4,246,370		6,716,859
GROSS PROFIT			1,994,719		3,475,448
Distribution costs		67,289		78,180	
Administrative expenses		1,212,422		1,173,910	
			1,279,711		1,252,090
			715,008		2,223,358
Other operating income			191,006		31,588
OPERATING PROFIT	3		906,014		2,254,946
Loss on sale of investment property			-		1,900
			906,014		2,253,046
Income from fixed asset investments		-		5,965	
Interest receivable and similar income		15,057		23,848	
			15,057		29,813
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			921,071		2,282,859
Tax on profit on ordinary activities	4		298,487		674,374
PROFIT FOR THE FINANCIAL YEAR			622,584		1,608,485

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

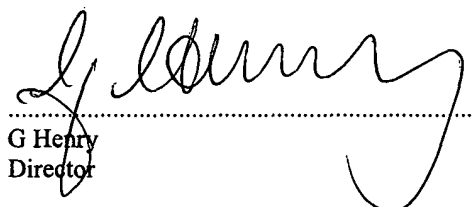
The company has no recognised gains or losses other than the profits for the current year or previous year.

Specialist Valve Services Ltd (Registered number: SC191510)

Balance Sheet
31 March 2016

	Notes	31.3.16 £	31.3.15 £
FIXED ASSETS			
Tangible assets	6	2,257,125	1,798,681
Investments	7	85,996	653,189
Investment property	8	<u>1,024,899</u>	<u>610,499</u>
		3,368,020	3,062,369
CURRENT ASSETS			
Stocks	9	135,390	59,111
Debtors	10	871,187	1,240,018
Cash at bank		<u>2,798,229</u>	<u>3,264,115</u>
		3,804,806	4,563,244
CREDITORS			
Amounts falling due within one year	11	<u>830,484</u>	<u>1,567,316</u>
NET CURRENT ASSETS		<u>2,974,322</u>	<u>2,995,928</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,342,342	6,058,297
CREDITORS			
Amounts falling due after more than one year	12	(625)	-
PROVISIONS FOR LIABILITIES	13	<u>(451,036)</u>	<u>(290,200)</u>
NET ASSETS		<u>5,890,681</u>	<u>5,768,097</u>
CAPITAL AND RESERVES			
Called up share capital	14	4	4
Profit and loss account	15	<u>5,890,677</u>	<u>5,768,093</u>
SHAREHOLDERS' FUNDS	19	<u>5,890,681</u>	<u>5,768,097</u>

The financial statements were approved by the director on 23 December 2016 and were signed by:


G Henry
Director

The notes form part of these financial statements

Specialist Valve Services Ltd

Cash Flow Statement for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
Net cash inflow from operating activities	1	815,498	2,788,956
Returns on investments and servicing of finance	2	15,057	29,813
Taxation		(144,920)	(481,401)
Capital expenditure and financial investment	2	(451,521)	(1,567,607)
Equity dividends paid		<u>(500,000)</u>	<u>(650,000)</u>
		(265,886)	119,761
Financing	2	<u>(200,000)</u>	<u>200,000</u>
(Decrease)/increase in cash in the period		<u>(465,886)</u>	<u>319,761</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		<u>(465,886)</u>	<u>319,761</u>
Change in net funds resulting from cash flows		<u>(465,886)</u>	<u>319,761</u>
Movement in net funds in the period		<u>(465,886)</u>	<u>319,761</u>
Net funds at 1 April		<u>3,264,115</u>	<u>2,944,354</u>
Net funds at 31 March		<u>2,798,229</u>	<u>3,264,115</u>

The notes form part of these financial statements

Specialist Valve Services Ltd

Notes to the Cash Flow Statement for the Year Ended 31 March 2016

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.16	31.3.15
	£	£
Operating profit	906,014	2,254,946
Depreciation charges	145,870	12,073
Increase in stocks	(76,279)	(59,111)
Decrease in debtors	368,831	1,410,131
Decrease in creditors	<u>(528,938)</u>	<u>(829,083)</u>
Net cash inflow from operating activities	<u>815,498</u>	<u>2,788,956</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.16	31.3.15
	£	£
Returns on investments and servicing of finance		
Interest received	15,057	23,848
Dividends received	<u>-</u>	<u>5,965</u>
Net cash inflow for returns on investments and servicing of finance	<u>15,057</u>	<u>29,813</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(604,314)	(1,756,642)
Sale of fixed asset investments	-	(5,965)
Purchase of investment property	(414,400)	-
Loss on sale of investment property	-	(1,900)
Sale of fixed asset investments	567,193	-
Sale of investment property	<u>-</u>	<u>196,900</u>
Net cash outflow for capital expenditure and financial investment	<u>(451,521)</u>	<u>(1,567,607)</u>
Financing		
New loans in year	-	200,000
Loan repayments in year	<u>(200,000)</u>	<u>-</u>
Net cash (outflow)/inflow from financing	<u>(200,000)</u>	<u>200,000</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.15	Cash flow	At 31.3.16
	£	£	£
Net cash:			
Cash at bank	<u>3,264,115</u>	<u>(465,886)</u>	<u>2,798,229</u>
	<u>3,264,115</u>	<u>(465,886)</u>	<u>2,798,229</u>
Total	<u>3,264,115</u>	<u>(465,886)</u>	<u>2,798,229</u>

The notes form part of these financial statements

Specialist Valve Services Ltd

Notes to the Financial Statements for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Building	- 2% on cost
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Stocks and contracts

Goods for resale are only purchased when specific orders have been placed by customers. Where goods have been delivered to a customer before the year end but have not yet been invoiced to the customer, the value of each such sale is included in the accounts together with a corresponding debtor otherwise, these goods are accounted as work in progress at the year end.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

	31.3.16	31.3.15
	£	£
Wages and salaries	567,396	542,014
Social security costs	56,622	59,447
Other pension costs	86,142	384,614
	<u>710,160</u>	<u>986,075</u>

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

	31.3.16	31.3.15
Office and administration	8	6
Sales and marketing	9	9
	<u>17</u>	<u>15</u>

Specialist Valve Services Ltd

Notes to the Financial Statements - continued for the Year Ended 31 March 2016

3. OPERATING PROFIT

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

	31.3.16	31.3.15
	£	£
Depreciation - owned assets	145,870	12,073
Auditors' remuneration	10,931	11,100
Foreign exchange differences	<u>(9,417)</u>	<u>(47,483)</u>
Director's remuneration	<u>13,258</u>	<u>12,522</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.16	31.3.15
	£	£
Current tax:		
UK corporation tax	137,651	392,015
Deferred tax	<u>160,836</u>	<u>282,359</u>
Tax on profit on ordinary activities	<u>298,487</u>	<u>674,374</u>

5. DIVIDENDS

	31.3.16	31.3.15
	£	£
Final	<u>500,000</u>	<u>650,000</u>

6. TANGIBLE FIXED ASSETS

	Assets under construction £	Building £	Investment property fixtures £
COST			
At 1 April 2015	1,766,942	-	9,211
Additions	-	211,190	1,350
Reclassification/transfer	<u>(1,766,942)</u>	<u>1,766,942</u>	<u>-</u>
At 31 March 2016	<u>-</u>	<u>1,978,132</u>	<u>10,561</u>
DEPRECIATION			
At 1 April 2015	-	-	6,781
Charge for year	-	<u>39,563</u>	<u>2,312</u>
At 31 March 2016	-	<u>39,563</u>	<u>9,093</u>
NET BOOK VALUE			
At 31 March 2016	<u>-</u>	<u>1,938,569</u>	<u>1,468</u>
At 31 March 2015	<u>1,766,942</u>	<u>-</u>	<u>2,430</u>

Specialist Valve Services Ltd

Notes to the Financial Statements - continued for the Year Ended 31 March 2016

6. TANGIBLE FIXED ASSETS - continued

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2015	54,058	32,046	29,500	1,891,757
Additions	<u>287,739</u>	<u>104,035</u>	<u>-</u>	<u>604,314</u>
At 31 March 2016	<u>341,797</u>	<u>136,081</u>	<u>29,500</u>	<u>2,496,071</u>
DEPRECIATION				
At 1 April 2015	50,384	30,536	5,375	93,076
Charge for year	<u>72,386</u>	<u>26,234</u>	<u>5,375</u>	<u>145,870</u>
At 31 March 2016	<u>122,770</u>	<u>56,770</u>	<u>10,750</u>	<u>238,946</u>
NET BOOK VALUE				
At 31 March 2016	<u>219,027</u>	<u>79,311</u>	<u>18,750</u>	<u>2,257,125</u>
At 31 March 2015	<u>3,674</u>	<u>1,510</u>	<u>24,125</u>	<u>1,798,681</u>

7. FIXED ASSET INVESTMENTS

	31.3.16 £	31.3.15 £
Loans to group undertakings	85,996	85,996
Other investments not loans	<u>-</u>	<u>567,193</u>
	<u>85,996</u>	<u>653,189</u>

Additional information is as follows:

	Listed investments £
COST	
At 1 April 2015	567,193
Disposals	<u>(567,193)</u>
At 31 March 2016	<u>-</u>
NET BOOK VALUE	
At 31 March 2016	<u>-</u>
At 31 March 2015	<u>567,193</u>
	Loans to group undertakings £
At 1 April 2015 and 31 March 2016	<u>85,996</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

7. **FIXED ASSET INVESTMENTS - continued**

The company has sold all their fixed asset investments during the year realising a profit on sale of investments of £167,695.

The loans to group undertakings are interest free and have no fixed repayment terms.

8. **INVESTMENT PROPERTY**

	Total £
COST	
At 1 April 2015	610,499
Additions	<u>414,400</u>
At 31 March 2016	<u>1,024,899</u>
NET BOOK VALUE	
At 31 March 2016	<u>1,024,899</u>
At 31 March 2015	<u>610,499</u>

The director believes that the net book value of the investment property, as shown above, is a fair reflection of its actual market value at 31 March 2016.

9. **STOCKS**

	31.3.16 £	31.3.15 £
Stocks	59,111	59,111
Work-in-progress	<u>76,279</u>	<u>-</u>
	<u>135,390</u>	<u>59,111</u>

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.16 £	31.3.15 £
Trade debtors	854,679	1,192,001
Other debtors	-	34,989
Prepayments and accrued income	<u>16,508</u>	<u>13,028</u>
	<u>871,187</u>	<u>1,240,018</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.16 £	31.3.15 £
Trade creditors	439,089	987,962
Amounts owed to group undertakings	-	200,000
Corporation tax	136,268	143,537
Social security and other taxes	174,542	152,533
Accrued expenses	<u>80,585</u>	<u>83,284</u>
	<u>830,484</u>	<u>1,567,316</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued.**

Although the company has no bank borrowing, a facility exists. Any borrowing secured is by a bond and floating charge over all the sums becoming due, and the whole assets of the company. This security is held by The Bank of Scotland through a charge registered on 22 February 2006.

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.16	31.3.15
	£	£
Other creditors	<u>625</u>	<u>-</u>

13. **PROVISIONS FOR LIABILITIES**

	31.3.16	31.3.15
	£	£
Deferred tax	<u>451,036</u>	<u>290,200</u>

	Deferred tax £
Balance at 1 April 2015	290,200
Provided during year	<u>160,836</u>
Balance at 31 March 2016	<u>451,036</u>

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.16	31.3.15
			£	£
4	Ordinary	£1	<u>4</u>	<u>4</u>

15. **RESERVES**

	Profit and loss account £
At 1 April 2015	5,768,093
Profit for the year	622,584
Dividends	<u>(500,000)</u>
At 31 March 2016	<u>5,890,677</u>

16. **RELATED PARTY DISCLOSURES**

During the year, dividends were declared to the shareholders amounting to £500,000 (31 March 2015: 650,000).

17. **POST BALANCE SHEET EVENTS**

At the year end, there are no significant changes in the company operations which may cast any going concern issues.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

18. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is SVS Holdings Ltd, a company incorporated in Scotland.

19. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.3.16	31.3.15
	£	£
Profit for the financial year	622,584	1,608,485
Dividends	(500,000)	(650,000)
Shares issued and fully paid.		
Net addition to shareholders' funds	122,584	958,485
Opening shareholders' funds	<u>5,768,097</u>	<u>4,809,612</u>
Closing shareholders' funds	<u>5,890,681</u>	<u>5,768,097</u>