

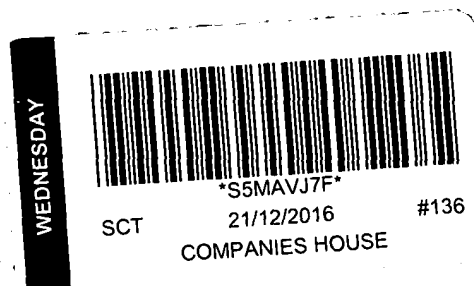
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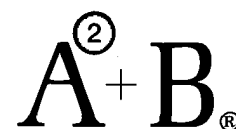
**SURVIVEX LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**



**SURVIVEX LIMITED**



**COMPANY INFORMATION**

**DIRECTORS**

G Green  
M Green  
A Green  
C McLennan  
C Hardie  
L Flint

**COMPANY SECRETARY**

C Hardie

**REGISTERED NUMBER**

SC357717

**REGISTERED OFFICE**

Kirkhill Commercial Park  
Dyce Avenue  
Dyce  
Aberdeen  
AB21 0LQ

**INDEPENDENT AUDITOR**

Anderson Anderson & Brown LLP  
Kingshill View  
Prime Four Business Park  
Kingswells  
Aberdeen  
AB15 8PU

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STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2016

BUSINESS REVIEW

The principal activity of the company is to provide a range of training services to the oil and gas industry which includes survival, industrial skills, fire-fighting and offshore training.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties relate to offshore activity in the North Sea and other oil producing basins around the world. This is directly related to the price of crude oil. The company trains personnel to operate safely in offshore locations so the lower this activity the lesser demand there is for the company's services.

The fall in the price of crude oil in 2015/16 has resulted in a downturn in the oil and gas industry in the North Sea and beyond. The company aim to alleviate the risks and uncertainty in the industry at present by maintaining our high level of customer service and to build upon strong supplier relationships.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators used by the company to determine financial performance are turnover and Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA'). For the year under review, turnover was £6.4m (2015: £12.0m) and EBITDA was £0.6m (2015: £3.6m).

This report was approved by the board and signed on its behalf.

  
.....  
**A Green**  
Director

Date: 4 October 2016

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the financial statements for the year ended 31 March 2016.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £232,039 (2015 - profit £1,429,187).

**DIRECTORS**

The directors who served during the year were:

G Green  
M Green  
A Green  
C McLennan  
C Hardie  
L Flint

**FUTURE DEVELOPMENTS**

The aim for the next 12 months is to consolidate the company's position in the market in response to the fall in the price of crude oil in 2015/16. This will be achieved by continuing to look for new business opportunities to complement the existing training services on offer to current and potential new customers.

**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**

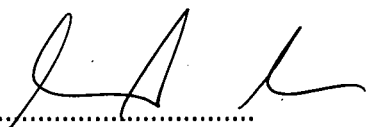
There have been no significant events affecting the Company since the year end.

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

**AUDITORS**

The auditor, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**A Green**  
Director

Date: 4 October 2016

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

The directors are responsible for preparing the Strategic report, 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 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'. 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 for the Company financial statements and then apply them consistently;
- make judgements 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 and disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SURVIVEX LIMITED

We have audited the financial statements of Survivex Limited for the year ended 31 March 2016, set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and the 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 Directors' responsibilities statement, 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 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 directors; 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 Directors' 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 Company's affairs as at 31 March 2016 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 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.



SURVIVEX LIMITED



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SURVIVEX 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.

*Anderson Anderson & Brown LLP*

John Black (Senior statutory auditor)

for and on behalf of  
**Anderson Anderson & Brown LLP**

Chartered Accountants

Kingshill View  
Prime Four Business Park  
Kingswells  
Aberdeen  
AB15 8PU

Date: *4 October 2016*

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

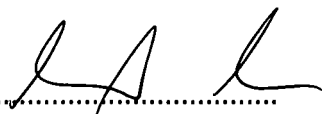
	Note	2016 £	2015 £
Turnover	3	6,357,003	12,011,374
Cost of sales		(2,805,279)	(4,216,836)
<b>GROSS PROFIT</b>		<b>3,551,724</b>	<b>7,794,538</b>
Administrative expenses		(3,680,618)	(4,866,050)
<b>OPERATING (LOSS)/PROFIT</b>	4	<b>(128,894)</b>	<b>2,928,488</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items		-	(723,466)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(128,894)</b>	<b>2,205,022</b>
Interest receivable and similar income	8	411	23,703
Interest payable and expenses	9	(185,276)	(393,159)
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(313,759)</b>	<b>1,835,566</b>
Tax on (loss)/profit	10	81,720	(406,379)
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(232,039)</b>	<b>1,429,187</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(232,039)</b>	<b>1,429,187</b>

The notes on pages 10 to 28 form part of these financial statements.

**BALANCE SHEET  
AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
Intangible assets	12	260,665	150,948
Tangible assets	13	4,498,136	5,086,642
		<u>4,758,801</u>	<u>5,237,590</u>
<b>Current assets</b>			
Stocks	14	4,387	
Debtors: amounts falling due within one year	15	1,109,234	1,564,937
Cash at bank and in hand	16	557,250	493,966
		<u>1,670,871</u>	<u>2,058,903</u>
Creditors: amounts falling due within one year	17	(2,776,179)	(2,671,231)
<b>Net current liabilities</b>		<u>(1,105,308)</u>	<u>(612,328)</u>
<b>Total assets less current liabilities</b>		<u>3,653,493</u>	<u>4,625,262</u>
Creditors: amounts falling due after more than one year	18	(1,007,210)	(1,662,649)
<b>Provisions for liabilities</b>			
Deferred taxation		<u>(180,210)</u>	<u>(264,501)</u>
		(180,210)	(264,501)
<b>Net assets</b>		<u>2,466,073</u>	<u>2,698,112</u>
Called up share capital	23	760,367	760,367
Capital redemption reserve		267,750	267,750
Profit and loss account		1,437,956	1,669,995
<b>Capital and reserves</b>		<u>2,466,073</u>	<u>2,698,112</u>

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

  
.....  
**A Green**  
Director  
Date: 4 October 2016

The notes on pages 10 to 28 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 April 2015	760,367	267,750	1,669,995	2,698,112
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Loss for the year	-	-	(232,039)	(232,039)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	(232,039)	(232,039)
<b>AT 31 MARCH 2016</b>	<u>760,367</u>	<u>267,750</u>	<u>1,437,956</u>	<u>2,466,073</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 April 2014	760,367	267,750	240,808	1,268,925
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Profit for the year	-	-	1,429,187	1,429,187
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	1,429,187	1,429,187
<b>AT 31 MARCH 2015</b>	<u>760,367</u>	<u>267,750</u>	<u>1,669,995</u>	<u>2,698,112</u>

The notes on pages 10 to 28 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

Survivex Limited is a limited liability company incorporated in Scotland. The registered office is Kirkhill Commercial Park, Dyce Avenue, Dyce, Aberdeen, AB21 0LQ.

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 of 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:

#### 1.2 Going concern

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

#### 1.3 Revenue

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

##### Rendering of services

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

**1.5 Tangible fixed assets**

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

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

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

The estimated useful lives range as follows:

Leasehold improvements	-	3-25 years
Plant & machinery	-	3-20 years
Motor vehicles	-	3 years
Fixtures & fittings	-	3-20 years
Computer equipment	-	3 years

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

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

During the year the directors undertook a review of the useful life of assets and such changes have been made to both fixtures & fittings and plant & machinery categories.

**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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### 1.8 Stocks

Stocks are stated at the lower of cost and net realisable value.

#### 1.9 Debtors

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

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.11. Financial instruments (continued)**

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

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

**1.12 Creditors**

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

**1.13 Exemptions for qualifying entities under FRS102**

FRS102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a statement of cash flows on the basis that it is a qualifying entity and its parent company, Survivex Group Limited, includes the company's cash flows disclosure in its own consolidated financial statements (see note 26).

**1.14 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 except when deferred in other comprehensive income as qualifying cash flow hedges.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.15 Finance costs**

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

**1.16 Pensions**

**Defined contribution pension plan**

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

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

**1.17 Interest income**

Interest income is recognised in the Profit and loss account using the effective interest method.

**1.18 Borrowing costs**

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

**1.19 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.20 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.

**1.21 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

**Taxation**

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax authorities and differing interpretations of tax regulations by the Company and the tax authority/ies.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

**Operating lease commitments**

The Company has entered into commercial property leases and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

**3. ANALYSIS OF TURNOVER**

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	5,583,691	10,844,477
Rest of Europe	219,322	237,038
Rest of the world	553,990	929,859
	<u>6,357,003</u>	<u>12,011,374</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**4. OPERATING (LOSS)/PROFIT**

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

	2016 £	2015 £
Depreciation of tangible fixed assets	497,955	638,069
Amortisation of intangible assets	(48,710)	(36,021)
Exchange differences	9,981	12,373
Defined contribution pension cost	58,863	73,962
Operating lease rentals		
- plant and machinery	22,448	7,213
- land and buildings	864,437	871,760
	<u>          </u>	<u>          </u>

**5. AUDITOR'S REMUNERATION**

	2016 £	2015 £
Fees payable to the Company's auditor	<u>8,500</u>	<u>8,500</u>

**6. EMPLOYEES**

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

	2016 £	2015 £
Wages and salaries	2,731,563	4,149,903
Social security costs	245,825	417,589
Cost of defined contribution scheme	58,863	73,962
	<u>3,036,251</u>	<u>4,641,454</u>

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

	2016 No.	2015 No.
Instructors	40	65
Administration	25	30
Directors	6	6
	<u>71</u>	<u>101</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**7. DIRECTORS' REMUNERATION**

	2016 £	2015 £
Directors' emoluments	400,866	443,764
Company contributions to defined contribution pension schemes	9,546	8,652
	<u>410,412</u>	<u>452,416</u>

During the year retirement benefits were accruing to 4 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £87,980 (2015 - £122,563).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,667 (2015 - £6,104).

**8. INTEREST RECEIVABLE**

	2016 £	2015 £
Interest receivable from group companies	-	21,502
Other interest receivable	411	2,201
	<u>411</u>	<u>23,703</u>

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016 £	2015 £
Bank interest payable	114,798	156,566
Other loan interest payable	16,759	120,397
Finance leases and hire purchase contracts	39,429	60,958
Other interest payable	14,290	55,238
	<u>185,276</u>	<u>393,159</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**10. TAXATION**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	(45,782)	263,556
Adjustments in respect of previous periods	(7,246)	-
	<u>(53,028)</u>	<u>263,556</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	55,599	6,181
<b>Total current tax</b>	<u>2,571</u>	<u>269,737</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(84,291)	136,642
<b>Total deferred tax</b>	<u>(84,291)</u>	<u>136,642</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(81,720)</u>	<u>406,379</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**10. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(313,759)	1,835,566
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(62,752)	385,469
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,324	196,060
Capital allowances for year in excess of depreciation	32,252	(58,208)
Foreign tax	55,599	6,181
Adjustment in research and development tax credit leading to a decrease in the tax charge	(40,607)	(55,982)
Group relief	-	(118,516)
Utilisation of tax losses	(2,180)	(85,267)
Income not taxable for tax purposes	(32,504)	-
Adjustment to tax charge in respect of prior periods	(7,710)	-
Adjust closing deferred tax to average rate of 20%	(20,023)	-
Other permanent differences	(11,119)	-
Group relief	-	136,642
<b>Total tax charge for the year</b>	<b>(81,720)</b>	<b>406,379</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**11. EXCEPTIONAL ITEMS**

	2016 £	2015 £
Write off of irrecoverable intercompany balances	-	723,466

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**12. INTANGIBLE ASSETS**

	Trademarks, licences & databases £
<b>Cost</b>	
At 1 April 2015	325,022
Additions	158,427
<b>At 31 March 2016</b>	<b>483,449</b>
<b>Amortisation</b>	
At 1 April 2015	174,074
Charge for the year	48,710
<b>At 31 March 2016</b>	<b>222,784</b>
<b>Net book value</b>	
<b>At 31 March 2016</b>	<b>260,665</b>
At 31 March 2015	150,948



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**13. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Plant & machinery £	Computers, fixtures & fittings £	Total £
<b>COST OR VALUATION</b>				
At 1 April 2015	3,113,574	3,795,193	475,283	7,384,050
Additions	3,641	11,368	4,260	19,269
Disposals	-	(244,038)	(4,635)	(248,673)
At 31 March 2016	3,117,215	3,562,523	474,908	7,154,646
<b>DEPRECIATION</b>				
At 1 April 2015	571,756	1,312,071	413,581	2,297,408
Charge owned for the period	142,953	208,291	39,002	390,246
Charge financed for the period	-	107,709	-	107,709
Disposals	-	(134,705)	(4,148)	(138,853)
At 31 March 2016	714,709	1,493,366	448,435	2,656,510
<b>NET BOOK VALUE</b>				
At 31 March 2016	2,402,506	2,069,157	26,473	4,498,136
At 31 March 2015	2,541,818	2,483,122	61,702	5,086,642

The net book value of land and building may be further analysed as follows:

	2016 £	2015 £
Long leasehold	2,402,506	2,541,818

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

	2016 £	2015 £
Plant and machinery	1,043,563	1,233,768

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**14. STOCKS**

	2016 £	2015 £
Raw materials and consumables	4,387	-
	<u>4,387</u>	<u>-</u>

**15. DEBTORS**

	2016 £	2015 £
Trade debtors	840,355	1,263,336
Amounts owed by group undertakings	65,684	30,486
Prepayments and accrued income	203,195	271,115
	<u>1,109,234</u>	<u>1,564,937</u>

**16. CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash at bank and in hand	<u>557,250</u>	<u>493,966</u>

**17. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Bank loans	799,908	765,452
Other loans	791,759	-
Trade creditors	217,889	322,502
Corporation tax	81,456	263,556
Taxation and social security	230,004	377,259
Obligations under finance lease and hire purchase contracts	92,727	281,624
Invoice discounting	476,084	528,841
Other creditors	17,280	36,274
Accruals and deferred income	69,072	95,723
	<u>2,776,179</u>	<u>2,671,231</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**17. CREDITORS: Amounts falling due within one year (continued)**

**Secured loans**

The bank loan is secured by a floating charge over the assets of the company and there is a cross guarantee between the company and Survivex Group Limited and Rigex Limited.

Amounts payable on finance leases are secured against the associated assets.

Invoice discounting is booked against assigned trade debtor balances.

**18. CREDITORS: Amounts falling due after more than one year**

	2016 £	2015 £
Bank loans	847,936	1,645,136
Net obligations under finance leases and hire purchase contracts	159,274	17,513
	<u>1,007,210</u>	<u>1,662,649</u>

**Secured loans**

The bank loans are repayable monthly. The commencement dates were November 2012 and April 2013 and bear interest at an effective rate of 8% and 5%. The final instalments are due on the October 2017 and March 2018.

**19. LOANS**

Analysis of the maturity of loans is given below:

	2016 £	2015 £
<b>Amounts falling due within one year</b>		
Bank loans	799,908	765,452
Other loans	791,759	-
<b>Amounts falling due 1-2 years</b>		
Bank loans	787,699	796,717
<b>Amounts falling due 2-5 years</b>		
Bank loans	<u>60,237</u>	<u>848,419</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**20. HIRE PURCHASE & FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	92,727	281,623
Between 1-2 years	83,684	17,514
Between 2-5 years	75,590	-
	<u>252,001</u>	<u>299,137</u>

**21. FINANCIAL INSTRUMENTS**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>912,052</u>	<u>1,365,932</u>
	<u>912,052</u>	<u>1,365,932</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,696,052)</u>	<u>(2,786,832)</u>
	<u>(2,696,052)</u>	<u>(2,786,832)</u>

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

Financial Liabilities measured at amortised cost comprise trade creditors, bank loans, other creditors and accruals.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**22. DEFERRED TAXATION**

	Deferred tax £
At 1 April 2015	(264,501)
Charged to the profit or loss	84,291
<b>At 31 March 2016</b>	<b><u>(180,210)</u></b>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(209,651)	(304,289)
Tax losses carried forward	29,441	39,788
	<b><u>(180,210)</u></b>	<b><u>(264,501)</u></b>

**23. SHARE CAPITAL**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
760,367 Ordinary shares of £1 each	<b><u>760,367</u></b>	<b><u>760,367</u></b>

**24. PENSION COMMITMENTS**

The company contributes to a defined contribution 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 funds and amounted to £58,863 (2015 : £73,962). There was £15,747 (2015 : £11,557) contributions payables the fund at the year end.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**25. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
<b>Land and Buildings</b>		
Not later than 1 year	863,606	863,606
Later than 1 year and not later than 5 years	995,514	863,606
Later than 5 years	2,986,542	3,982,056
<b>TOTAL</b>	<b>4,845,662</b>	<b>5,709,268</b>
	2016 £	2015 £
<b>Other</b>		
Not later than 1 year	22,842	7,213
Later than 1 year and not later than 5 years	22,842	8,850
<b>TOTAL</b>	<b>45,684</b>	<b>16,063</b>

**26. RELATED PARTY TRANSACTIONS**

**Control**

Throughout the year the company was controlled by the directors.

**Transactions**

During the year the company was a wholly owned subsidiary of Survivex Group Limited. The results of the company are included within the consolidated financial statements of Survivex Group Limited. The company has taken exemption from disclosure of related party transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

Related party	Transaction	£	Balance at 31 March 2016 £
A Green, a director	Loan	75,000	
	Loan interest	(2,003)	(77,003)
G Green, a director	Loan	700,000	
	Loan interest	(14,756)	(714,756)

**NOTES TO THE FINANCIAL STATEMENTS  
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**27. CONTROLLING PARTY**

The company's ultimate and immediate parent company is Survivex Group Limited, a company registered in Scotland. The controlling parties of Survivex Limited and G Green and M Green.

**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.