


Survivex Limited

Annual Report and Financial Statements For the period ended 31 December 2018

Registration number: SC357717

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Survivex Limited

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Survivex Limited

Company Information

Directors	K N Franklin
	L Flint
	C Hardie
	P Stonebanks
Registered office	Kirkhill Commercial Park Dyce Avenue Dyce Aberdeen AB21 0LQ
Auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Survivex Limited

Strategic Report

For the period ended 31 December 2018

The directors present their strategic report for the period ended 31 December 2018.

Principal activity

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 onboard training.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties we face.

The company's key financial and other performance indicators during the year / period were as follows:

	Unit	Period ended 31 December 2018	Year ended 31 March 2018
Revenue	£	6,734,937	6,905,345
Gross profit	£	4,511,450	4,290,313
EBITDA*	£	2,479,919	1,346,384
Profit before tax	£	2,076,687	810,806

*EBITDA is calculated as earnings before interest, tax, depreciation, amortisation and non-recurring items.

Principal risks, uncertainties and financial instruments

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.

Future developments

The aim for the next 12 months is to consolidate the company's position in the market. 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.

Approved by the Board on 27 September 2019 and signed on its behalf by:



K N Franklin
Director

Survivex Limited

Directors' Report

For the period ended 31 December 2018

The directors present their report and the financial statements for the period ended 31 December 2018.

Directors of the company

The directors who held office during the period were as follows:

G Green (resigned 31 October 2018)
M Green (resigned 31 October 2018)
A Green (resigned 31 October 2018)
C Hardie
L Flint
K N Franklin (appointed 31 October 2018)
P Stonebanks (appointed 31 October 2018)
M Somerville (appointed 31 October 2018, resigned 17 December 2018)

Political contributions

The company made no political donations or incurred any political expenditure during the period (31 March 2018: £nil).

Dividends

A dividend of £750,000 was paid during the period (31 March 2018: £nil).

Post balance sheet events

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

Other matters

In accordance with section 414C(11) of the Companies Act 2006, information regarding financial instruments and future developments has been disclosed in the Strategic Report.

Approved by the Board on 27 September 2019 and signed on its behalf by:



K N Franklin
Director

Survivex Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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;¹
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

Survivex Limited

Profit and Loss Account

For the period ended 31 December 2018

	Note	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Revenue	3	6,734,937	6,905,345
Cost of sales		<u>(2,223,487)</u>	<u>(2,615,032)</u>
Gross profit		4,511,450	4,290,313
Administrative expenses		<u>(2,399,580)</u>	<u>(3,491,455)</u>
EBITDA (before non-recurring items)		2,479,919	1,346,384
Depreciation	13	253,405	365,072
Amortisation	12	47,123	62,454
Non-recurring items	4	67,521	-
Other income		<u>-</u>	<u>120,000</u>
Operating profit	5	2,111,870	918,858
Other interest receivable and similar income	9	-	-
Interest payable and similar charges	10	<u>(35,183)</u>	<u>(108,852)</u>
Profit on before tax		2,076,687	810,806
Taxation	11	<u>(340,743)</u>	<u>(148,349)</u>
Profit for the financial period/year		<u>1,735,944</u>	<u>662,457</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period (year ended 31 March 2018: Nil) other than the results above so has not prepared a Statement of Comprehensive Income.

Survivex Limited

Balance Sheet


At 31 December 2018

	Note	31 December 2018 £	31 March 2018 £
Fixed assets			
Intangible assets	12	158,032	199,845
Tangible assets	13	<u>3,674,169</u>	<u>3,892,768</u>
		<u>3,832,201</u>	<u>4,092,613</u>
Current assets			
Stocks	14	4,824	1,380
Debtors	15	1,699,339	1,539,958
Cash at bank and in hand		<u>406,972</u>	<u>280,420</u>
		2,111,135	1,821,758
Creditors: Amounts falling due within one year	16	<u>(1,258,974)</u>	<u>(2,227,891)</u>
Net current assets/(liabilities)		<u>852,161</u>	<u>(406,133)</u>
Total assets less current liabilities		<u>4,684,362</u>	<u>3,686,480</u>
Provisions for liabilities	17	<u>(305,739)</u>	<u>(293,801)</u>
Net assets		<u>4,378,623</u>	<u>3,392,679</u>
Capital and reserves			
Called up share capital	19	760,367	760,367
Capital redemption reserve		267,750	267,750
Profit and loss account		<u>3,350,506</u>	<u>2,364,562</u>
Shareholder's funds		<u>4,378,623</u>	<u>3,392,679</u>

For the period ended 31 March 2018 the Company was entitled to exemption from the audit under section 479A of the Companies Act 2006 relating to the subsidiary companies and the members have not required to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledged their responsibilities for complying with the requirements of the act with respect to the accounting records and the preparation of the financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 27 September 2019.



K N Franklin

Director

Company Registration Number: SC357717

Survivex Limited

Statement of Changes in Equity

For the period ended 31 December 2018

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2018	760,367	267,750	2,364,562	3,392,679
Profit for the year	-	-	1,735,944	1,735,944
Dividend paid	-	-	(750,000)	(750,000)
At 31 December 2018	<u>760,367</u>	<u>267,750</u>	<u>3,350,506</u>	<u>4,378,623</u>

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2017	760,367	267,750	1,702,105	2,730,222
Profit for the year	-	-	662,457	662,457
At 31 March 2018	<u>760,367</u>	<u>267,750</u>	<u>2,364,562</u>	<u>3,392,679</u>

Survivex Limited

Notes to the Financial Statements

For the period ended 31 December 2018

1 General information

Survivex Limited ("the company") is a private company limited by share capital and incorporated and domiciled in UK.

The address of its registered office is:

Kirkhill Commercial Park

Dyce Avenue

Dyce

Aberdeen

AB21 0LQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). The presentation currency of these financial statements is in Sterling.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Transforming Training with Technology Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

Survivex Limited

Notes to the Financial Statements – continued

2 Accounting policies – continued

Summary of disclosure exemptions (continued)

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Name of parent of group

These financial statements are consolidated in the financial statements of Transforming Training with Technology Limited.

The financial statements of Transforming Training with Technology Limited may be obtained from Hurn View House, 5 Aviation Park West, Bournemouth International Airport, Hurn, Christchurch, Dorset, BH23 6EW.

Group accounts not prepared

The financial statements contain information about Survivex Limited as an individual company and do not contain consolidated information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of Transforming Training with Technology Limited, a company incorporated in England and Wales.

Going concern

After making enquiries and reviewing cash flow forecasts covering at least the next 12 months from the date of approving these accounts, the directors reasonably believe that the company has adequate resources to continue in operation for the foreseeable future. In addition Survivex Group Limited should continue to provide financial and other support for Survivex Limited, for the period of at least 12 months following the signing of the financial statements and thereafter for the foreseeable future to enable it to continue to trade. Accordingly, the directors continue to adopt the going concern basis in the preparation of these financial statements.

Accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are noted below:

Amortisation and depreciation - The company establishes a reliable estimate of the useful lives of tangible and intangible fixed assets.

Revenue recognition - Where additional costs are expected to be incurred, a proportion of the revenue and costs of sales are recognised in the profit and loss account based on the level of costs to date compared to estimated total costs.

Survivex Limited

Notes to the Financial Statements – continued

2 Accounting policies – continued

Accounting estimates and judgements – continued

Bad debt provision - The directors have completed a review of the trade debtor balances to determine which balances are unlikely to be received and a provision has been accounted for where necessary.

Stock provision - In estimating net realisable values of inventories, management takes into account the most reliable evidence available at the year end. During the year, the company adopted a policy of providing for inventory when it reaches a certain age and also for any inventory where there are specific quality concerns. This judgement takes into account forecast sales and product quality issued based on historical data.

Finance leases - Management exercises judgement in determining the classification of leases as finance or operating leases at inception of the lease. Management considers the likelihood of exercising break clauses or extension options in determining the lease term. Where the lease term constitutes substantially all of the economic life of the asset, or where the present value of minimum lease payments amount to substantially all of the fair value of the property, the lease is classified as a finance lease. All other leases are classified as operating leases.

Development costs – development costs are capitalised in line with the company's accounting policy. Management assess the recoverability of these costs throughout the financial year with reference to the associated products to ensure economic benefit is still being generated from these products.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

For goods sold, turnover is recognised when the goods are physically delivered to the customer and for services provided turnover is recognised to the extent and when there is a right to the consideration.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Tax

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

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

Survivex Limited

Notes to the Financial Statements – continued

2 Accounting policies – continued

Tax (continued)

Deferred corporation tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred corporation tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses arising from an annual review.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Leasehold improvements	3 - 25 years straight line
Fixtures, fittings and office equipment	3 years straight line
Motor vehicles	3 years straight line
Plant and machinery	3 to 20 years straight line

Intangible assets

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other related expenditure which doesn't qualify for capitalisation are recognised in the profit and loss account as an expense when incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Survivex Limited

Notes to the Financial Statements – continued

2 Accounting policies – continued

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Trademark and licenses	over its estimated economic life of 10 years

Amortisation on intangible assets commences at the point the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment in value arising from an annual review.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price less attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment in the lease.

Stocks

Stock

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes all costs incurred in bringing each product to its present location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. At the end of each reporting period inventories are assessed for impairment, based on condition, aging and usage in the period. When a reversal of impairment is recognised the impairment charge is reversed, up to the original loss and recognised as a credit in the profit and loss.

Survivex Limited

Notes to the Financial Statements – continued

2 Accounting policies – continued

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price plus attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The company typically provides a product warranty to customers as part of the sales contract. A provision is made at the balance sheet date to cover costs expected to be incurred under such product warranty claims. Historic warranty costs have been very low and the directors anticipate that this is likely to continue.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Survivex Limited

Notes to the Financial Statements – continued

2 Accounting policies – continued

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared and approved.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted takes into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Survivex Limited

Notes to the Financial Statements – continued

2 Accounting policies – continued

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Survivex Limited

Notes to the Financial Statements – continued

3 Revenue

The whole of the revenue is attributable to the rendering of services.

No analysis of turnover by geographical region or revenue stream is provided, as the directors believe such an analysis would be prejudicial to the company's best interest.

4 Non-recurring items

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Restructuring costs	67,521	-
	<u>67,521</u>	<u>-</u>

One-off costs relate to integration costs incurred as a result of the acquisition within the 3T Energy group, which are deemed to be non-recurring costs during the period ended 31 December 2018.

5 Operating profit

Arrived at after charging/(crediting)

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Depreciation expense	253,405	365,072
Amortisation	47,123	62,454
Foreign exchange losses	<u>8,518</u>	<u>10,974</u>

Survivex Limited

Notes to the Financial Statements – continued

6 Staff costs

The aggregate payroll costs were as follows:

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Wages and salaries	1,833,385	2,546,554
Social security costs	163,891	228,695
Pension costs, defined contribution scheme	35,506	55,416
	<u>2,032,782</u>	<u>2,830,665</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	Period ended 31 December 2018 No.	Year ended 31 March 2018 No
Instructors	50	37
Administration	16	29
Directors	5	5
	<u>71</u>	<u>71</u>

7 Directors' remuneration

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Directors' emoluments	168,803	386,094
Company contributions to defined contribution pension schemes	5,181	10,061
	<u>173,984</u>	<u>396,155</u>

During the year retirement benefits were accruing to 3 directors (31 March 2018 – 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £56,250 (31 March 18 – £95,480). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,813 (31 March 2018 – £4,750).

Survivex Limited

Notes to the Financial Statements – continued

8 Auditor remuneration

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Audit of the financial statements	<u>3,500</u>	<u>9,800</u>

9 Other interest receivable and similar income

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Other interest receivable	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

10 Interest payable and similar expenses

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Bank interest payable	28,840	26,099
Other loan interest payable	3,667	29,586
Finance leases and hire purchase contracts	2,677	40,104
Other interest payable	<u>-</u>	<u>12,263</u>
	<u>35,183</u>	<u>108,052</u>

Survivex Limited

Notes to the Financial Statements – continued

11 Taxation

Tax charged in the income statement

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Current taxation		
UK corporation tax	328,256	86,894
Foreign tax on income for the year	-	13,245
UK corporation tax adjustment to prior periods	549	-
	<u>328,805</u>	<u>100,139</u>
Deferred taxation		
Arising from origination and reversal of timing differences	9,674	56,971
Changes to tax rates	2,264	(8,761)
Total deferred taxation	<u>11,938</u>	<u>48,210</u>
Tax expense charged in the income statement	<u>340,743</u>	<u>148,349</u>

The tax on profit before tax for the period is the standard rate of corporation tax in the UK of 19% (31 March 2018 – 19%).

The differences are reconciled below:

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
Profit before tax	<u>2,076,687</u>	<u>810,806</u>
Corporation tax at standard rate of 19% (31 March 2018: 19%)	394,571	154,053
Fixed asset differences	18,480	-
Effect of expense not deductible for tax purposes	3,011	9,844
Income not taxable for tax purposes	-	(1,824)
Capital allowances for year in excess of depreciation	-	30,642
Additional deduction for R&D expenditure	-	(17,637)
Group relief claimed	(76,994)	(21,028)
Foreign tax credits		1,002
Adjust deferred tax to average rate	(1,138)	(6,703)
Adjustment to tax charge in respect of prior periods	2,813	-
Total tax charge for the period/year	<u>340,743</u>	<u>148,349</u>

Survivex Limited

Notes to the Financial Statements – continued

11 Taxation (continued)

Within the summer budget reductions in UK corporation tax rate were announced taking rates down to 18% from April 2020. Reductions in corporation tax from 20% to 19% were effective from April 2019, with a further reduction to 18% from 1 April 2020. These reductions were substantively enacted on 26 October. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2018. This will reduce the Company's future tax charge accordingly. The standard rate for UK corporation tax used in the Period ended 31 December 2018 was 19%.

12 Intangible assets

	Trademarks, licenses & Databases £
Cost	
At 1 April 2018	548,291
Additions	<u>5,310</u>
At 31 December 2018	<u>553,601</u>
Amortisation/impairments	
At 1 April 2018	348,446
Amortisation for the year	<u>47,123</u>
At 31 December 2018	<u>395,569</u>
Net book value	
At 31 December 2018	<u>158,032</u>
At 31 March 2018	<u>199,845</u>

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

Survivex Limited

Notes to the Financial Statements – continued

13 Tangible assets

	L/Term leasehold property £	Plant and machinery £	Fixtures & Fittings £	Total £
Cost				
At 31 March 2018	3,161,395	3,628,205	475,953	7,265,553
Additions	2,882	3,139	28,785	63,114
Disposals	-	(1,337)	-	(1,337)
At 31 December 2018	<u>3,164,277</u>	<u>3,630,007</u>	<u>504,738</u>	<u>7,299,022</u>
Depreciation				
At 31 March 2018	977,501	1,936,374	458,910	3,372,785
Charge for the year	101,297	121,983	30,125	253,405
Disposals	-	(1,337)	-	(1,337)
At 31 December 2018	<u>1,078,798</u>	<u>2,057,020</u>	<u>489,035</u>	<u>3,624,853</u>
Net book value				
At 31 December 2018	<u>2,085,479</u>	<u>1,572,987</u>	<u>15,703</u>	<u>3,674,169</u>
At 31 March 2018	<u>2,138,894</u>	<u>1,691,831</u>	<u>17,043</u>	<u>3,892,768</u>

Survivex Limited

Notes to the Financial Statements – continued

14 Stocks

	31 December 2018 £	31 March 2018 £
Raw materials and consumables	<u>4,824</u>	<u>1,380</u>
	<u>4,824</u>	<u>1,380</u>

15 Debtors

	31 December 2018 £	31 March 2018 £
Trade debtors	679,211	1,029,279
Amounts owed by group undertakings	568,266	266,159
Prepayments and accrued income	327,884	244,520
Other debtors	<u>123,977</u>	<u>-</u>
	<u>1,699,339</u>	<u>1,539,958</u>

Survivex Limited

Notes to the Financial Statements – continued

16 Creditors

	Note	31 December 2018 £	31 March 2018 £
Due within one year			
Bank loans	21	-	67,588
Other loans		-	527,093
Trade creditors		401,516	390,781
Amounts due to group undertakings		39,358	-
Corporation tax		328,256	86,894
Social security and other taxes		335,199	279,269
Obligations under finance lease and hire purchase contracts		-	75,173
Other creditors		4,529	35,708
Accruals and deferred income		150,116	120,714
Invoice discounting		-	644,671
		<u>1,258,974</u>	<u>2,227,891</u>

17 Deferred taxation

	31 December 2018 £	31 March 2018 £
At beginning of period/year	(293,801)	(245,591)
Recognised in the profit and loss account	(11,938)	(48,210)
	<u>(305,739)</u>	<u>(293,801)</u>
At end of period/year		

Survivex Limited

Notes to the Financial Statements – continued

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £35,506 (31 March 2018: £55,416).

Contributions totalling £12,611 (31 March 2018: £32,578) were payable to the scheme at the end of the year and are included in creditors.

19 Called up share capital

Allotted, called up and fully paid shares

	31 December 2018		31 March 2018	
	No.	£	No.	£
Ordinary shares of £1 each	760,367	760,367	760,367	760,367

Rights, preferences and restrictions

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Survivex Limited

Notes to the Financial Statements – continued

20 Loans and borrowings

	31 December 2018 £	31 March 2018 £
Current loans and borrowings		
Bank loans	-	67,588
Other loans	-	527,093
	<u>-</u>	<u>594,681</u>

The bank loan is repayable monthly. This commenced in April 2013 and bears interest at an effective rate of 5%. The final instalment was repayable on April 2018.

There is a bond and floating charge over the whole assets on the company and a cross corporate guarantee.

As part of a refinancing that took place in October 2018 as part of the wider 3T Group, the existing bank overdraft and loans was settled as part of this transaction and repaid in full.

21 Operating leases

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	31 December 2018 £	31 March 2018 £
Not later than one year	995,514	995,514
Later than one year and not later than five years	4,272,866	4,316,489
Later than five years	19,795,270	19,360,543
	<u>25,063,650</u>	<u>24,672,546</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £747,385 (31 March 2018: £996,514).

22 Dividends

An interim dividend of £750,000 was paid during the year (31 March 2018: £nil).

23 Related party transactions

The company has taken advantage of the exemptions in FRS 102 from disclosing transactions with other members of the group.

In the prior year loan interest of £258 and a capital repayment of £50,844 was made to A Green, a director. In the prior year loan interest of £29,303 and a capital repayment of £305,000 was made to G Green, a director. Business expenses of £76,631 were made to G Green during the prior year.

Survivex Limited

Notes to the Financial Statements – continued

24 Parent and ultimate parent undertaking

The company's controlling shareholders were G Green and M Green until 31 October 2018. From 31 October 2018 the company's controlling shareholder is Drilling Systems Guernsey Limited, incorporated in Guernsey, Channel Islands. The registered address for Drilling Systems Guernsey Limited is PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

Drilling Systems Guernsey Limited is owned by Blue Water Energy Fund I L.P and Blue Water Energy Fund I-A L.P. These funds are ultimately controlled by BWE General Partner Limited, incorporated in Guernsey, Channel Islands. The registered address for BWE General Partner Limited is PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

The company's immediate parent company is Survivex Group Limited, incorporated in England and Wales. The registered address for Drilling Systems Limited is Hurn View House, 5 Aviation Park West, Bournemouth International Airport, Christchurch, Dorset, BH23 6EW.

The most senior parent entity producing publicly available financial statements is 3T Energy Group Limited. The registered address for 3T Energy Group Limited is Hurn View House, 5 Aviation Park West, Bournemouth International Airport, Christchurch, Dorset, BH23 6EW.