

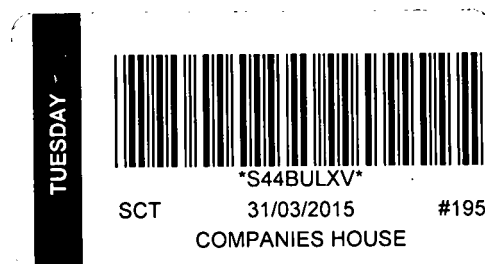
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**SENERGY DEVELOPMENT  
SOLUTIONS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2014**



**SENERGY DEVELOPMENT SOLUTIONS LIMITED**



**COMPANY INFORMATION**

**DIRECTORS**

N M Campbell  
J G McCallum  
S McAuley (resigned 29 August 2014)  
M Douglas (resigned 29 August 2013)  
R Fisher (resigned 29 August 2013)  
D J Mitchell (appointed 4 March 2015)

**COMPANY SECRETARY**

N M Campbell

**REGISTERED NUMBER**

SC402341

**REGISTERED OFFICE**

15 Bon Accord Crescent  
Aberdeen  
AB11 6DE

**INDEPENDENT AUDITORS**

Anderson Anderson & Brown LLP  
9 Queens Road  
Aberdeen  
AB15 4YL

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 JUNE 2014**

The directors present their report and the financial statements for the period ended 30 June 2014.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is to provide facilities engineering and total project delivery.

**RESULTS**

The profit for the period, after taxation, amounted to £1,155,341 (2013 - £635,579).

**DIRECTORS**

The directors who served during the period were:

N M Campbell  
J G McCallum  
S McAuley (resigned 29 August 2014)  
M Douglas (resigned 29 August 2013)  
R Fisher (resigned 29 August 2013)

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the period the company made charitable donations of £15,000 (2013 - £nil).

**BUSINESS REVIEW**

The company continued to experience revenue growth and increased earning performance, as well as increased headcount as a result of an emphasis on recruitment. The directors are focused on continuing this growth for the company through the delivery of larger scale projects, whilst ensuring personnel levels can match the demand of such projects.

**PRINCIPAL RISKS AND UNCERTAINTIES**

As the business grows it faces inherent risk in terms of people recruitment, retention and in the contractual terms and conditions it negotiates with customers. This risk is successfully managed through appropriate corporate governance, QHSE control and assessment procedures and staff development.

**EMPLOYEES**

The business has supported its employees and the continued focus on the development of people to ensure that the company's reputation of delivering quality and performance in everything that it does is maintained.

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 JUNE 2014**

**PROVISION OF INFORMATION TO AUDITORS**


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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, 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.

  
.....  
**N M Campbell**  
Director

Date: 27/3/15

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2014**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SENERGY DEVELOPMENT SOLUTIONS LIMITED**

We have audited the financial statements of Senergy Development Solutions Limited for the period ended 30 June 2014, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 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 30 June 2014 and of its profit for the period 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SENERGY DEVELOPMENT SOLUTIONS 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory Auditor

9 Queens Road

Aberdeen

AB15 4YL

Date:

27 March 2015



**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Note	13 months ended 30 June 2014 £	Year ended 31 May 2013 £
<b>TURNOVER</b>	1,2	7,322,554	4,146,947
Cost of sales		(5,114,979)	(2,970,616)
<b>GROSS PROFIT</b>		2,207,575	1,176,331
Administrative expenses		(674,289)	(369,222)
<b>OPERATING PROFIT</b>	3	1,533,286	807,109
Interest receivable and similar income		-	6,022
Interest payable and similar charges	6	(383)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,532,903	813,131
Tax on profit on ordinary activities	7	(377,562)	(177,552)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	13	1,155,341	635,579

All amounts relate to continuing operations.


There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.

**BALANCE SHEET  
AS AT 30 JUNE 2014**

	Note	£	30 June 2014 £	31 May 2013 £
<b>FIXED ASSETS</b>				
Tangible assets	8		157,028	132,297
<b>CURRENT ASSETS</b>				
Debtors	9	10,000,815	4,548,374	
Cash at bank		49,870	76,864	
		<u>10,050,685</u>	<u>4,625,238</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	<u>(8,163,975)</u>	<u>(3,875,492)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,886,710</u>	<u>749,746</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,043,738</u>	<u>882,043</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	11		<u>(6,354)</u>	<u>-</u>
<b>NET ASSETS</b>			<u><u>2,037,384</u></u>	<u><u>882,043</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12		105	105
Profit and loss account	13		<u>2,037,279</u>	<u>881,938</u>
<b>SHAREHOLDERS' FUNDS</b>	14		<u><u>2,037,384</u></u>	<u><u>882,043</u></u>

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

  
.....  
**N M Campbell**  
Director

Date: 27/3/15

The notes on pages 8 to 17 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2014

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 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 basis of accounting in preparing the annual financial statements.

#### 1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publically available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	3 years straight line
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#### 1.6 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

**1.8 Pensions**

The company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

**2. TURNOVER**

No analysis of turnover by geographic region is provided, as the directors believe such an analysis would be prejudicial to the company's best interests.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	13 months ended 30 June 2014 £	Year ended 31 May 2013 £
Depreciation of tangible fixed assets:		
- owned by the company	89,951	47,142
Difference on foreign exchange	25,160	555
Auditors remuneration	12,000	11,000
	<hr/>	<hr/>

Auditors remuneration of £12,000 (2013 - £11,000) was borne by another group company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

**4. STAFF COSTS**

All UK employees are employed by Senergy Resources Limited, a fellow subsidiary of Senergy Group Limited. The staff numbers, staff costs and directors' remuneration disclosed relates to recharges from Senergy Resources Limited. Additionally, also included within wages and salaries are further recharges of staff costs, where the company has utilised staff from other fellow subsidiaries of Senergy Group Limited. Where the company has utilised staff from overseas companies within the Senergy group, such costs are also included within wages and salaries.

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

	13 months ended 30 June 2014 £	Year ended 31 May 2013 £
Wages and salaries	2,319,889	1,469,814
Social security costs	261,013	159,769
Other pension costs	182,644	85,209
	<u>2,763,546</u>	<u>1,714,792</u>

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

	13 months ended 30 June 2014 No.	Year ended 31 May 2013 No.
Technical	27	14
Management and Administration	1	1
Directors	2	5
	<u>30</u>	<u>20</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

**5. DIRECTORS' REMUNERATION**

	13 months ended 30 June 2014 £	Year ended 31 May 2013 £
Emoluments including benefits in kind	448,390	566,983
Company pension contributions to defined contribution pension schemes	19,901	36,169

During the period retirement benefits were accruing to 3 directors (2013 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £210,140 (2013 - £220,983).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,069 (2013 - £12,469).

Additionally, two directors were paid by another group company. The directors do not believe it is practical to apportion this amount between their services as a director of this company and their services as director of other group companies. The directors' remuneration paid by other group companies totals £562,420 (2013 - £450,552). The value of the group's contributions paid to a defined contribution pension scheme in respect of these directors amounted to £22,969 (2013 - £15,750).

**6. INTEREST PAYABLE**

	13 months ended 30 June 2014 £	Year ended 31 May 2013 £
On bank loans and overdrafts	383	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

**7. TAXATION**

	13 months ended 30 June 2014 £	Year ended 31 May 2013 £
<b>Analysis of tax charge in the period/year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the period/year	87,045	170,197
Adjustments in respect of prior periods	2,325	(2,218)
	<hr/>	<hr/>
	89,370	167,979
Group taxation relief	272,603	-
	<hr/>	<hr/>
	361,973	167,979
	<hr/>	<hr/>
Foreign tax on income for the period/year	9,235	9,573
	<hr/>	<hr/>
<b>Total current tax</b>	<b>371,208</b>	<b>177,552</b>
	<hr/>	<hr/>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(14,101)	-
Over/(under) provided	20,455	-
	<hr/>	<hr/>
<b>Total deferred tax</b> (see note 11)	<b>6,354</b>	<b>-</b>
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	<b>377,562</b>	<b>177,552</b>
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

**7. TAXATION (continued)**

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 22.54% (2013 - 23.83%). The differences are explained below:

	13 months ended 30 June 2014 £	Year ended 31 May 2013 £
Profit on ordinary activities before tax	1,532,903	813,131
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.54% (2013 - 23.83%)	345,505	193,793
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,917	506
Capital allowances for period/year in excess of depreciation	13,560	(19,179)
Foreign tax credits	9,235	9,573
Adjustments to tax charge in respect of prior periods	2,325	(2,218)
Other short term timing differences	(678)	(620)
Other permanent differences	(2,081)	(2,282)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(2,070)	(2,021)
Group relief claimed	(272,594)	-
Group relief payment	272,603	-
Tax credits	486	-
<b>Current tax charge for the period/year (see note above)</b>	<b>371,208</b>	<b>177,552</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

**8. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>Cost</b>	
At 1 June 2013	184,166
Additions	114,682
At 30 June 2014	<u>298,848</u>
<b>Depreciation</b>	
At 1 June 2013	51,869
Charge for the period	89,951
At 30 June 2014	<u>141,820</u>
<b>Net book value</b>	
At 30 June 2014	<u>157,028</u>
At 31 May 2013	<u>132,297</u>

**9. DEBTORS**

	30 June 2014 £	31 May 2013 £
<b>Due after more than one year</b>		
Director's loan	67,488	67,488
<b>Due within one year</b>		
Trade debtors	695,357	513,959
Amounts owed by group undertakings	8,229,121	3,227,070
Other debtors	4,530	-
Prepayments and accrued income	1,004,319	659,714
VAT recoverable	-	80,143
	<u>10,000,815</u>	<u>4,548,374</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**
**10. CREDITORS:****Amounts falling due within one year**

	30 June 2014 £	31 May 2013 £
Trade creditors	93,520	23,010
Amounts owed to group undertakings	7,348,123	3,181,058
Corporation tax	259,567	253,934
Other taxation and social security	17,091	-
Other creditors	19,146	-
Accruals	426,528	417,490
	<u>8,163,975</u>	<u>3,875,492</u>

**11. DEFERRED TAXATION**

	30 June 2014 £	31 May 2013 £
At beginning of period/year	-	-
Charge for period/year (P&L)	6,354	-
	<u>6,354</u>	<u>-</u>
At end of period/year	<u>6,354</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	30 June 2014 £	31 May 2013 £
Accelerated capital allowances	<u>6,354</u>	<u>-</u>

**12. SHARE CAPITAL**

	30 June 2014 £	31 May 2013 £
<b>Allotted, called up and fully paid</b>		
690,000 A ordinary shares of £0.0001 each	69	69
310,000 B ordinary shares of £0.0001 each	31	31
50,000 Deferred ordinary shares of £0.0001 each	5	5
	<u>105</u>	<u>105</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

**13. RESERVES**

	Profit and loss account £
At 1 June 2013	881,938
Profit for the financial period	1,155,341
	<hr/>
At 30 June 2014	2,037,279
	<hr/> <hr/>

**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	30 June 2014 £	31 May 2013 £
Opening shareholders' funds	882,043	246,459
Profit for the financial period/year	1,155,341	635,579
Shares issued during the period/year	-	5
	<hr/>	<hr/>
Closing shareholders' funds	2,037,384	882,043
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**
**15. RELATED PARTY TRANSACTIONS**
**Control**

Throughout the period the company was controlled by the directors.

**Transactions**

As the company is a wholly owned subsidiary of Senergy Group Limited, it has taken advantage of the exemption set out in paragraph 3(c) of Financial Reporting Standard 8 which allows exemption from disclosure of related party transactions with other group companies. The company had the following transactions with group companies that are not 100% owned and other related parties:

Related Party	Transaction	Balance at period end	
		£	£
S McAuley, director at Balance Sheet date	Loan	-	67,488
Senergy International Sdn Bhd, a fellow subsidiary	Sales	45,535	27,279
	Purchases	(9,229)	
LR Consulting Limited, a fellow subsidiary	Purchases	(49,093)	-

No interest is receivable on the loan to S McAuley. The loan is repayable on demand, but in the opinion of the directors it will be recoverable in more than one year. The balance shown above is the maximum amount receivable throughout the year.

**16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is Senergy Group Limited, a company registered in Scotland.

With effect from 2 September 2013, the company's ultimate parent company was Lloyd's Register Foundation, a company registered in England. Prior to that date the ultimate holding company was Senergy Group Limited, a company registered in Scotland.

The largest group in which the results of the company are consolidated is that headed by Lloyd's Register Foundation. The smallest group in which the results of the company are consolidated is that headed by Senergy Group Limited. The financial statements of Senergy Group Limited are available from its registered office at 15 Bon Accord Crescent, Aberdeen.