

Aardvark Clear Mine Limited

Report and Financial Statements

Year Ended

31 March 2014

Company Number SC080167

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Aardvark Clear Mine Limited

Report and financial statements for the year ended 31 March 2014

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Directors

P C Cort
S St. John-Claire
J Knox
C Welsh
J Craig
L Breckell

Secretary and registered office

L Breckell, Heathhall, Dumfries, DG1 3NY

Company number

SC080167

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Aardvark Clear Mine Limited

Report of the directors for the year ended 31 March 2014

The directors present their report together with the audited financial statements for the year ended 31 March 2014.

Results

The profit and loss account is set out on page 5 and shows the loss for the year.

Future developments

The Directors will continue to seek opportunities to offer new products and services to global markets, including turnkey mine clearing services, design of innovative equipment integration for OEMS and the introduction of new technologies to the mine clearing sector.

Directors

The directors of the company during the year were:

B S Findlay (resigned 12 June 2014)
A E Smith (resigned 12 June 2014)
A Rodgers (resigned 12 June 2014)
W A Faerestrand (resigned 12 June 2014)
P C Cort
S St. John-Claire (appointed 12 June 2014)
J Knox (appointed 12 June 2014)
C Welsh (appointed 12 June 2014)
J Craig (appointed 12 June 2014)
L Breckell (appointed 12 June 2014)

Directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

Aardvark Clear Mine Limited

Report of the directors for the year ended 31 March 2014 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board

A handwritten signature in black ink, appearing to read 'L Breckell', enclosed within a hand-drawn oval.

L Breckell

Secretary

24 November 2014

Aardvark Clear Mine Limited

Independent auditor's report

To the members of Aardvark Clear Mine Limited

We have audited the financial statements of Aardvark Clear Mine Limited for the year ended 31 March 2014 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

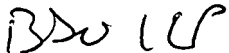
Aardvark Clear Mine Limited

Independent auditor's report (*continued*)

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 prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Neil Craig (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom

24 November 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Aardvark Clear Mine Limited

Profit and loss account for the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	87,198	35,657
Cost of sales		(8,967)	99,337
Gross profit/(loss)		96,165	(63,680)
Administrative expenses		173,640	103,320
		(77,475)	(167,000)
Other operating income		36,000	45,000
Loss on ordinary activities before taxation		(41,475)	(122,000)
Taxation on loss on ordinary activities	6	(11,957)	(9,825)
Loss on ordinary activities after taxation		(53,432)	(131,825)

All amounts relate to continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

Aardvark Clear Mine Limited

Statement of total recognised gains and losses for the year ended 31 March 2014

	Note	2014 £	2013 £
Statement of total recognised gains and losses			
Loss for the financial year		(53,432)	(131,825)
Capital contribution on waiver of inter-company debt		380,148	-
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		326,716	(131,825)
		<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements.

Aardvark Clear Mine Limited

Balance sheet at 31 March 2014

<i>Company number SC080167</i>	Note	2014 £	2014 £	2013 £	2013 £
Current assets					
Stocks	7	4,053		4,459	
Debtors	8	17,526		80,957	
Cash at bank and in hand		19,885		2,192,770	
		<u>41,464</u>		<u>2,278,186</u>	
Creditors: amounts falling due within one year	9	<u>21,364</u>		<u>584,802</u>	
Total assets less current liabilities			<u>20,100</u>		<u>1,693,384</u>
Capital and reserves					
Called up share capital	10		100		100
Capital reserve	11		380,148		-
Profit and loss account	11		(360,148)		1,693,284
Shareholders' funds	12		<u>20,100</u>		<u>1,693,384</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 24 November 2014.



L Breckell
Director

The notes on pages 8 to 14 form part of these financial statements.

Aardvark Clear Mine Limited

Notes forming part of the financial statements for the year ended 31 March 2014

1 Accounting policies

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

The following principal accounting policies have been applied:

Going concern

The company has incurred losses in the year and prior year. The directors consider it to be appropriate to prepare the financial statements on a going concern basis due to the continued financial support from Penman Engineering Holdings Limited.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Penman Engineering Holdings Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts, less value added tax or local taxes on sales, recognised in the period in which the goods are supplied.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	- 25% per annum
Office equipment	- 25% per annum

Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Deferred tax 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 the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Aardvark Clear Mine Limited

Notes forming part of the financial statements for the year ended 31 March 2014 (continued)

1 Accounting policies (continued)

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating loss

	2014 £	2013 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	-	1,438
Audit services	1,200	1,200
Non-audit services	1,500	1,500
	<u>2,700</u>	<u>2,938</u>

4 Employees

Staff costs (including directors) consist of:

	2014 £	2013 £
Wages and salaries	121,537	120,237
Social security costs	14,029	13,489
	<u>135,566</u>	<u>133,726</u>

The average number of employees (including directors) during the year was as follows:

	2014 Number	2013 Number
Distribution and manufacture	2	2
Administration	1	1
	<u>3</u>	<u>3</u>

Aardvark Clear Mine Limited

Notes forming part of the financial statements
for the year ended 31 March 2014 (*continued*)

5 Directors' remuneration

No director received any emoluments during the current year (2013 - £Nil).

6 Taxation on loss on ordinary activities

	2014 £	2013 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	7,200	9,000
<i>Deferred tax</i>		
Origination and reversal of timing differences	6,117	825
Adjustment in respect of previous periods	(1,360)	-
	<hr/>	<hr/>
Movement in deferred tax provision	4,757	825
	<hr/>	<hr/>
Taxation on loss on ordinary activities	11,957	9,825
	<hr/>	<hr/>

The tax assessed for the year differs from the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(41,475)	(122,000)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (2013 - 20.00%)	(8,295)	(24,400)
Effect of:		
Disallowed expenses and non qualifying depreciation	298	499
Capital allowances for period in excess of depreciation	(237)	(2)
Other timing differences	(5,880)	520
Group relief surrendered	21,314	32,383
	<hr/>	<hr/>
Current tax charge for the year	7,200	9,000
	<hr/>	<hr/>

Aardvark Clear Mine Limited

Notes forming part of the financial statements
for the year ended 31 March 2014 (*continued*)

7 Stocks

	2014 £	2013 £
Stocks	4,053	4,459
	<u> </u>	<u> </u>

8 Debtors

	2014 £	2013 £
Trade debtors	11,958	66,063
Other debtors	2,259	6,828
Prepayments and accrued income	2,227	2,227
Deferred taxation	1,082	5,839
	<u> </u>	<u> </u>
	17,526	80,957
	<u> </u>	<u> </u>

All amounts shown under debtors fall due for payment within one year.

	Deferred taxation £
At 1 April 2013	5,839
Charged to profit and loss account	(4,757)
	<u> </u>
At 31 March 2014	1,082
	<u> </u>

Deferred taxation - asset

	2014 £	2013 £
The amount of deferred tax provided for is as follows:		
Fixed asset timing differences	1,082	1,319
Sundry timing differences	-	4,520
	<u> </u>	<u> </u>
	1,082	5,839
	<u> </u>	<u> </u>

Aardvark Clear Mine Limited

Notes forming part of the financial statements for the year ended 31 March 2014 (continued)

9 Creditors: amounts falling due within one year

	2014 £	2013 £
Payments received on account	-	35,820
Trade creditors	5,989	1,787
Amounts owed to group undertakings	-	393,614
Corporation tax	7,200	9,000
Other taxation and social security	3,223	3,922
Accruals and deferred income	4,952	140,659
	<u>21,364</u>	<u>584,802</u>

The bank borrowings of group companies are secured by a bond and floating charge over all of the assets of the company.

There is an unlimited inter-company guarantee in place between Penman Engineering Limited, Aardvark Clear Mine Limited, Creation UK (Design) Limited and their parent company Penman Engineering Holdings Limited, in respect of bank borrowings. As at 31 March 2014, bank borrowings of other group companies amounted to £nil (31 March 2013 - £3,841,521).

10 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 Reserves

	Other reserve £	Profit and loss account £
At 1 April 2013	-	1,693,284
Loss for the year	-	(53,432)
Dividends	-	(2,000,000)
Inter-company debt waiver	380,148	-
	<u>380,148</u>	<u>(360,148)</u>
At 31 March 2014	<u>380,148</u>	<u>(360,148)</u>

During the year the parent company agreed to waive inter-company indebtedness of £380,148.

Aardvark Clear Mine Limited

Notes forming part of the financial statements
for the year ended 31 March 2014 (continued)

12 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Loss for the year	(53,432)	(131,825)
Dividends	(2,000,000)	-
	<u>(2,053,432)</u>	<u>(131,825)</u>
Other net recognised gains and losses relating to the year		
- Capital contribution on waiver of inter-company debt	380,148	-
	<u>380,148</u>	<u>-</u>
Net deductions from shareholders' funds	(1,673,284)	(131,825)
Opening shareholders' funds	1,693,384	1,825,209
	<u>1,693,384</u>	<u>1,825,209</u>
Closing shareholders' funds	20,100	1,693,384
	<u>20,100</u>	<u>1,693,384</u>

13 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 £	Other 2014 £	Land and buildings 2013 £	Other 2013 £
Operating leases which expire:				
After five years	12,000	-	7,500	7,500
	<u>12,000</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>

14 Related party disclosures

The company is a wholly owned subsidiary of Penman Engineering Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Penman Engineering Holdings Limited or other wholly owned subsidiaries within the group.

Aardvark Clear Mine Limited

Notes forming part of the financial statements for the year ended 31 March 2014 (continued)

15 Ultimate parent company

After the year end the parent company, Penman Engineering Holdings Limited, became a wholly owned subsidiary of Penman Specialist Services Limited which is now the ultimate parent company registered in Scotland.

Penman Engineering Holdings Limited is the only company within the group of companies for which group financial statements are drawn up and of which the company is a member. No single party has overall control of Penman Engineering Holdings Limited. The consolidated accounts of Penman Engineering Holdings Limited are available to the public and may be obtained from The Registrar of Companies, 139 Fountainbridge, Edinburgh EH3 9FF.

The first consolidated accounts for the group headed by Penman Specialist Services Limited will be for the period ended 31 March 2015.