

Amending

Pipework Systems & Installation Ltd

Unaudited

Directors' report and financial statements

For the period ended 1 April 2016



Pipework Systems & Installation Ltd

Company Information

Directors

A Dallas
S Johnston
J D MacDonald
R J MacGregor
J C Michie

Company secretary

J D MacDonald

Registered number

SC181373

Registered office

Mansfield House
Muir of Ord Industrial Estate
Great North Road
Muir of Ord
IV6 7UA

Bankers

Bank of Scotland
2-6 Eastgate
Inverness
IV2 3NA

Solicitors

Stornachs LLP
32 Albyn Place
Aberdeen
AB10 1FW

Pipework Systems & Installation Ltd

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Pipework Systems & Installation Ltd

Directors' report
For the period ended 1 April 2016

The directors present their report and the financial statements for the period ended 1 April 2016.

Directors

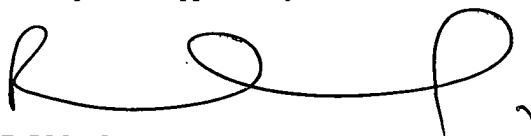
The directors who served during the year were:

A Dallas
S Johnston
J D MacDonald
R J MacGregor
J C Michie

The directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 December 2016 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'R J MacGregor', with a large, stylized 'R' and a long horizontal stroke.

R J MacGregor
Director

**Directors' responsibilities statement
For the year ended 1 April 2016**

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 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 judgments and accounting 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; 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.

Pipework Systems & Installation Ltd

Statement of comprehensive income
For the year ended 1 April 2016

		Period ended 1 April 2016 £000	Year ended 31 December 2014 £000
	Note		
Turnover	2	5,195	3,900
Cost of sales		(3,280)	(2,162)
Gross profit		1,915	1,738
Administrative expenses		(1,156)	(529)
Operating profit	3	759	1,209
Interest payable and expenses	5	-	5
Profit before tax		759	1,214
Tax on profit	6	(163)	(162)
Profit for the period		596	1,052
Other comprehensive income		-	-
Total comprehensive income for the period		596	1,052

The notes on pages 6 to 14 form part of these financial statements.

Pipework Systems & Installation Ltd
Registered number: SC181373

Balance sheet
As at 1 April 2016

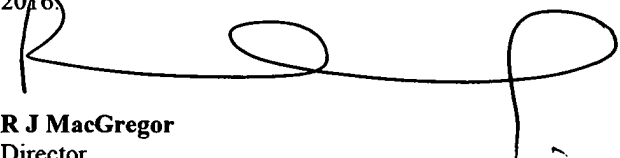
	Note	£000	1 April 2016 £000	31 December 2014 £000
Fixed assets				
Tangible assets	4		58	61
Current assets				
Debtors: amounts falling due within one year	7	427		727
Cash at bank and in hand	8	2,048		90
		<u>2,475</u>		<u>817</u>
Creditors: amounts falling due within one year	9	(1,725)		(670)
Net current assets			<u>750</u>	<u>147</u>
Total assets less current liabilities			<u>808</u>	<u>208</u>
Deferred tax	10	(4)		-
			<u>(4)</u>	<u>-</u>
Net assets			<u><u>804</u></u>	<u><u>208</u></u>
Capital and reserves				
Called up share capital	11		8	8
Profit and loss account			796	200
			<u>804</u>	<u>208</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2016


R J MacGregor
 Director

The notes on pages 6 to 14 form part of these financial statements.

Pipework Systems & Installation Ltd

**Statement of changes in equity
For the period ended 1 April 2016**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2015	8	200	208
Profit for the period	-	596	596
Total comprehensive income for the period	-	596	596
At 1 April 2016	8	796	804

**Statement of changes in equity
For the period ended 31 December 2014**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2014	8	1,212	1,220
Profit for the year	-	1,052	1,052
Total comprehensive income for the year	-	1,052	1,052
Dividends: Equity capital	-	(2,064)	(2,064)
Total transactions with owners	-	(2,064)	(2,064)
At 31 December 2014	8	200	208

The notes on pages 6 to 14 form part of these financial statements.

**Notes to the financial statements
For the period ended 1 April 2016**

1. Accounting policies

1.1 Statement of compliance and basis of preparation

Pipework, Systems & Installation Limited is a limited liability company incorporated in Scotland. The registered office is 13 Henderson Road, Inverness, IV1 1SN.

The financial statements have been prepared in compliance with Financial Reporting Standard 102, as it applies to the financial statements of the Company for the year ended 1 April 2016.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. The policies applied under the equity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit and loss. Accordingly there are no reconciliations from previous extant UK GAAP to FRS 102 presented.

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the company.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GEG (Holdings) Limited as at 1 April 2016 and these financial statements may be obtained from 13 Henderson Road, Inverness, IV1 1SN.

1.3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 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 for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no judgements affecting the reported financial performance in the current or prior year.

The following are the company's key sources of estimation uncertainty:

Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Notes to the financial statements
For the period ended 1 April 2016

1. Accounting policies (continued)

1.4 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.

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Motor vehicles	-	25% Reducing balance
Office equipment	-	25% Reducing balance

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 in the Statement of comprehensive income.

1.6 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Lease incentives are recognised over the lease term on a straight line basis.

1.7 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.

**Notes to the financial statements
For the period ended 1 April 2016**

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.11 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.

Pipework Systems & Installation Ltd

Notes to the financial statements For the period ended 1 April 2016

1. Accounting policies (continued)

1.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 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 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Turnover

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	Period ended 1 April 2016 £000	Year ended 31 December 2014 £000
Depreciation of tangible fixed assets	26	20
Operating lease rentals:		
- Plant and machinery	21	-
- Land and buildings	49	-

Pipework Systems & Installation Ltd

**Notes to the financial statements
For the period ended 1 April 2016**

4. Tangible fixed assets

	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation			
At 1 January 2015	120	107	227
Additions	-	23	23
At 1 April 2016	120	130	250
Depreciation			
At 1 January 2015	82	84	166
Charge for period on owned assets	9	17	26
At 1 April 2016	91	101	192
Net book value			
At 1 April 2016	29	29	58
At 31 December 2014	38	23	61

5. Interest payable and similar charges

	Period ended 1 April 2016 £000	Year ended 31 December 2014 £000
Other loan interest payable	-	(5)

Pipework Systems & Installation Ltd

**Notes to the financial statements
For the period ended 1 April 2016**

6. Taxation

	Period ended 1 April 2016 £000	Year ended 31 December 2014 £000
Corporation tax		
Current tax on profits for the year	159	221
Adjustments in respect of previous periods	-	(59)
Total current tax	<u>159</u>	<u>162</u>
Deferred tax		
Origination and reversal of timing differences	4	-
Total deferred tax	<u>4</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>163</u>	<u>162</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.20% (2014 -21.5%).
The differences are explained below:

	Period ended 1 April 2016 £000	Year ended 31 December 2014 £000
Profit on ordinary activities before tax	<u>759</u>	<u>1,214</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.20% (2014 -21.5%)	153	261
Effects of:		
Expenses not deductible for tax purposes	2	1
Adjustments to tax charge in respect of prior periods	-	(59)
Other differences leading to an increase (decrease) in the tax charge	8	(41)
Total tax charge for the period/year	<u>163</u>	<u>162</u>

Pipework Systems & Installation Ltd

**Notes to the financial statements
For the period ended 1 April 2016**

6. Taxation (continued)**Factors that may affect future tax charges**

The UK corporation tax rate will reduce to 19% for financial years beginning 1 April 2017 and will reduce to 18% for financial years beginning 1 April 2018. Deferred tax balances have been calculated at a rate of 18% as this is the rate at which the majority of the timing differences are expected to reverse.

7. Debtors

	1 April 2016 £000	31 December 2014 £000
Trade debtors	99	54
Other debtors	12	2
Amounts recoverable on long term contracts	316	671
	<u>427</u>	<u>727</u>

8. Cash and cash equivalents

	1 April 2016 £000	31 December 2014 £000
Cash at bank and in hand	2,048	89

9. Creditors: Amounts falling due within one year

	1 April 2016 £000	31 December 2014 £000
Payments received on account	589	-
Trade creditors	465	123
Amounts owed to group undertakings	-	159
Corporation tax	94	-
Taxation and social security	347	256
Accruals and deferred income	230	132
	<u>1,725</u>	<u>670</u>

Pipework Systems & Installation Ltd

**Notes to the financial statements
For the period ended 1 April 2016**

10. Deferred taxation

	2016
	£000
At beginning of year	-
Charged to the profit or loss	(4)
At end of year	(4)

The deferred taxation balance is made up as follows:

	1 April 2016 £000	31 December 2014 £000
Accelerated capital allowances	(4)	-

11. Share capital

	1 April 2016 £000	31 December 2014 £000
Shares classified as equity		
Allotted, called up and fully paid		
8,160 Ordinary shares of £1 each	8	8

12. Commitments under operating leases

At 1 April 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	1 April 2016 £000	31 December 2014 £000
Not later than 1 year	78	78
Later than 1 year and not later than 5 years	240	240
	318	318

Pipework Systems & Installation Ltd

Notes to the financial statements For the period ended 1 April 2016

13. Related party transactions

Pipework Systems & Installation Limited is a 75% subsidiary of Ross-shire Engineering Limited. Ross-shire Engineering Limited is a 83% subsidiary of GEG (Process & Equipment) Limited. GEG (Process & Equipment) Limited is a wholly owned subsidiary of GEG (Holdings) Limited.

During the year, the company entered into transactions, in the ordinary course of business, with other related parties. The transactions entered into, and trading balances outstanding at 1 April 2016 were as follows:

	1 April 2016 Purchases £000
Stufi Properties Limited	37
	37

Stufi Properties Limited is a related party as S Johnston, Director, has a shareholding in the company.

14. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking is GEG (Holdings) Limited. It has included the company in its group financial statements, copies of which are available from its registered office at 13 Henderson Road, Inverness, IV1 1SN.

The controlling party GEG (Holdings) Limited is the MacGregor family.