Company Registration No. SC182820 (Scotland)

MUIR MATHESON LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

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MUIR MATHESON LIMITED

COMPANY INFORMATION

Directors	D McMillan A Brekke S Jorgensen
Secretary	L C Secretaries Limited
Company number	SC182820
Registered office	Aberlan House Woodburn Road Blackburn Industrial Estate Aberdeen AB21 0RX
Auditor	RSM UK Audit LLP Chartered Accountants 52-54 Queen's Road Aberdeen AB15 4YE

MUIR MATHESON LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 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 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.

MUIR MATHESON LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	4		43,355		57,182
Investments	5		2,100		2,100
			45,455		59,282
Current assets					
Stocks		22,248		30,821	
Debtors	6	821,898		453,126	
Cash at bank and in hand		133,230		102,429	
		977,376		586,376	
Creditors: amounts falling due within one year	7	(825,085)		(397,933)	
Net current assets			152,291		188,443
Total assets less current liabilities			197,746		247,725
Capital and reserves					
Called up share capital	8		181,159		181,159
Share premium account			22,440		22,440
Profit and loss reserves	9		(5,853)		44,126
Total equity			197,746		247,725

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 15th March 2017 and are signed on its behalf by:

.... 24th March 2017.
D McMillan
Director

1 Accounting policies

Company information
Muir Matheson Limited is a private company limited by shares incorporated in Scotland. The registered office is Aberlan House, Woodburn Road, Blackburn Industrial Estate, Aberdeen, AB21 0RX.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention.

The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The company incurred a loss for the year as a result of the protracted downturn in the oil and gas industry. The loss has reduced significantly from the previous period due to diversifications in the company's oil and gas offering and through the development of new revenue streams outside this industry. This will continue to a larger extent in the next financial year.

The company have prepared forecasts for 12 months from the date of the balance sheet sign off date which show a return to profitably. The management accounts to date show that the company is ahead of budget. Management expect the company to be working capital positive throughout the forecast period however should the company require short term working capital the company have the support of their parent company.

From above there are no material uncertainties that may cast about the ability of the company to continue as a going concern which have been identified by the directors, and the financial statements have therefore been prepared on a going concern basis.

First time adoption of FRS 102
These financial statements are the first financial statements of Muir Matheson Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of section 1A of FRS102. The financial statements of Muir Matheson Limited for the year ended 31 December 2015 were prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemption to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

The date of transition to FRS 102 was 1 January 2015.

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised on the dispatch of goods or customer acceptance of more complex systems.

Revenue in relation to maintenance and monitoring contracts is spread evenly over the term of the contract.

In respect of long term contracts, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contracted hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% - 33% straight line
Plant and machinery	15% straight line
Fixtures, fittings and equipment	15% - 33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, or the asset as if it were at the age and condition expected at the end of its useful life.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of the asset is estimated to be less than its carrying amount, an impairment loss is recognised immediately in profit or loss.

1 Accounting policies (Continued)

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (Continued)

Financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date or the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Total	18	21

3 Directors' remuneration

	2016 £	2015 £
Remuneration paid to directors	104,947	121,249

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

4 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	32,316	305,526	337,842
Additions	-	3,993	3,993
Disposals	-	(1,871)	(1,871)
At 31 December 2016	32,316	307,648	339,964
Depreciation and impairment			
At 1 January 2016	24,921	255,739	280,660
Depreciation charged in the year	1,614	15,114	16,728
Eliminated in respect of disposals	-	(779)	(779)
At 31 December 2016	26,535	270,074	296,609
Carrying amount			
At 31 December 2016	5,781	37,574	43,355
At 31 December 2015	7,395	49,787	57,182

5 Fixed asset investments

	2016	2015
	£	£
Investments	2,100	2,100

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2016 & 31 December 2016	2,100
Carrying amount	
At 31 December 2016	2,100
At 31 December 2015	2,100

6 Debtors

	2016	2015
Amounts falling due within one year:	**£**	**£**
Trade debtors	318,270	313,009
Corporation tax recoverable	-	8,086
Amounts due from group undertakings	255,320	-
Other debtors	248,308	132,031
	821,898	453,126

7 Creditors: amounts falling due within one year

	2016	2015
	£	**£**
Trade creditors	147,442	103,513
Amounts due to group undertakings	476,329	84,680
Other taxation and social security	19,860	48,722
Other creditors	181,454	161,018
	825,085	397,933

8 Called up share capital

	2016	2015
	£	**£**
Ordinary share capital		
Issued and fully paid		
181,159 Ordinary shares of £1 each	181,159	181,159

9 Profit and loss reserves

	2016	2015
	£	£
At the beginning of the year	44,126	284,217
Loss for the year	(41,912)	(240,091)
Dividends	(8,067)	-
At the end of the year	(5,853)	44,126

On 30 April 2016 a dividend was declared to the shareholders of £8,067. At the date the dividend was declared the company had sufficient profit and loss reserves available for distribution as evidenced by their management accounts.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Cameron Bruce.
The auditor was RSM UK Audit LLP.

11 Financial commitments, guarantees and contingent liabilities

On 15 September and 22 December 2016 the company provided a guarantee to a customer, through Tryg Garanti, in respect of security for any loss suffered due to non-fulfilment of contract obligations for two on-going projects. The guarantees are for £12,660 and £23,681 and they will automatically expire on 5 December 2017 and 28 February 2018 respectively.

During the year the company received notice, from the former owner of the company, of their intention to make a claim regarding a dispute around the respective parties ongoing rights under the sale and purchase agreement, including Intellectual Property Rights. An estimate of the financial effect of this claim, and the timing of any cash outflows are unable to be determined due to the uncertainties surrounding the validity of the claim. If in due course, a financial impact arises, no reimbursement would be available to the company.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	80,000	80,000
Between two and five years	233,333	313,333
	313,333	393,333

13 Consolidated accounts

The company is a fully owned subsidiary of Miros AS, a company registered in Norway. The controlling party of Miros AS is Aircontactgruppen AS who own 62.5% of the ordinary share capital. The registered address of Aircontactgruppen AS is Karenslyst Alle 49, 0279 Oslo, Norway. Aircontactgruppen AS prepare consolidated accounts which include the results of Muir Matheson Limited. The financial statements are publicly available from the Regnskapsregisteret, which is a part of Brønnøysundregisterene, www.brreg.no.

14 Controlling party

The ultimate parent company, Stenersen Holding AS, was under the control of Mr Johan Stenersen throughout the current and previous year. Mr Stenersen is the ultimate controlling party of Muir Matheson Limited.

15 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP		490,641	259,033
Adjustments arising from transition to FRS 102:			
Holiday pay accrual	A	(2,825)	(11,308)
Equity reported under FRS 102		487,816	247,725

Reconciliation of profit/ (loss)

	Notes	2015 £
Profit/ (loss) as reported under previous UK GAAP		(231,608)
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	A	(8,483)
Profit/ (loss) reported under FRS 102		(240,091)

Notes to reconciliations on adoption of FRS 102

A - Holiday pay accrual
FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee services are received. This has resulted in the company recognising a liability for holiday pay of £2,825 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 December 2015 an additional £8,483 was recognised in the profit and loss account and the liability at 31 December 2015 was £11,308.