Unique System (UK) Limited

Directors report and financial statements

Registered number SC356252

31 December 2018

Contents

Directors and Officers for the year ended 31 December 2018

Directors

G Brading
H S Gandhi

Company Number

SC356252

Registered office

Anderson House
24 Rose Street
Aberdeen
AB10 1UA

Auditor

KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

Directors' report

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

Principal activities

The principal activities of the company are the provision of engineering, sales and rental of equipment for the marine, diving and subsea market sectors.

The company is a part of the Unique Group FZC who are based in the United Arab Emirates and are focussed on the provision of survey equipment, marine and subsea solutions, diving and life support services, buoyancy and ballast products and on-site engineering.

Business review

Turnover increased by 36% *(2017: increased by 158%)* to £10,105,000 (*2017: £7,431,000*).

This also resulted in an operating profit of £1,782,000 (*2017: £457,000 profit)*.

Dividends

The directors do not recommend the payment of a dividend *(2017: nil)*.

Directors

The directors who held office during the year and up to the date of signing these financial statements were as follows:

G Brading
H S Gandhi

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed on behalf of the board by:

G Brading
Director

Anderson House
24 Rose Street
Aberdeen
AB10 1UA
2019

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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;
- 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.

KPMG

Independent auditor's report to the members of Unique System (UK) Limited

Opinion

We have audited the financial statements of Unique System (UK) Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the carrying value of fixed assets and deferred tax assets, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

KPMG

Independent auditor's report to the members of Unique System (UK) Limited *(continued)*

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using 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.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

KPMG

Independent auditor's report to the members of Unique System (UK) Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

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.

Paula Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

19 JUNE 2019

Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2018

	Note	2018 £000	2017 £000
Turnover	2	**10,105**	7,431
Cost of sales		**(5,795)**	(4,431)
Gross profit		**4,310**	3,000
Other operating income	6	**351**	228
Administration expenses		**(2,879)**	(2,771)
Operating profit	3-5	**1,782**	457
Income from shares in group undertakings		**-**	2,818
Interest payable and similar expenses	7	**(297)**	(477)
Profit before taxation		**1,485**	2,798
Tax on profit	8	**(261)**	(243)
Profit for the financial year		**1,224**	2,555
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,224**	2,555

The notes on pages 10 to 22 form part of the financial statements.

Statement of Financial Position
at 31 December 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	9		3,859		4,342
Tangible assets	10		5,042		4,527
Investments	11		355		355
			9,256		9,224
Current assets					
Stocks	12	309		417	
Debtors	13	5,745		3,438	
Cash at bank and in hand		422		239	
		6,476		4,094	
Creditors: amounts falling due within one year	14	(15,656)		(9,286)	
Net current liabilities			(9,180)		(5,192)
Total assets less current liabilities			76		4,032
Creditors: amounts falling due after one year	15		-		(5,180)
Net assets/(liabilities)			76		(1,148)
Capital and reserves					
Called up share capital	19		-		-
Profit and loss account	19		76		(1,148)
Shareholder's funds/(deficit)			76		(1,148)

The notes on pages 10 to 22 form part of the financial statements.

These financial statements were approved by the board of directors on 18 JUN 2019 and were signed on its behalf by:

G. Brad

G Brading
Director

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2017	-	(3,703)	(3,703)
Total comprehensive income for the year			
Profit for the year	-	2,555	2,555
Balance at 31 December 2017	-	(1,148)	(1,148)

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2018	-	(1,148)	(1,148)
Total comprehensive income for the year			
Profit for the year	-	1,224	1,224
Balance at 31 December 2018	-	76	76

The notes on pages 10 to 22 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Unique System (UK) Limited (the "Company") is a company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC356252 and the registered address is Anderson House, 24 Rose Street, Aberdeen, AB10 1UA.

The Company is exempt by virtue of the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Section 1A of the 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 sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below:

Fixed assets

The Company selects the useful economic lives of its tangible fixed assets (as noted in 1.6 and 1.7) in order to best represent the economic consumption of the related benefits. There is an estimate in this selection that effects the timing of depreciation and amortisation charges to the profit and loss.

1.1 Measurement convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable to 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. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show true and fair view.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These accounting policies have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

Notwithstanding net current liabilities of £9,180,000 as at 31 December 2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient fund to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's immediate parent company, Unique Group FZC not seeking repayment of the amounts currently due to the group, which at 31 December 2018 amounted to £13,936,000, and providing additional financial support during that period. Unique Group FZC has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. 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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Office equipment	25% reducing balance
Survey equipment	20% straight line
Improvements to property	50% straight line
Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	25% straight line
Buoyancy and ballast	20% straight line

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Tangible fixed assets (continued)

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.7 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

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 development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

Development costs are amortised over planned units sales of the bespoke equipment that the business has developed.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Raw materials and consumables are measured at the weighted average cost method.

1.9 Impairment excluding stocks and deferred tax assets

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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Impairment excluding stocks and deferred tax assets (continued)

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.

Non-financial assets

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.

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Turnover

Turnover represents revenue recognised in the accounts. Revenue is recognised when the company fulfils its contractual obligations to customers by supplying goods or services and excludes value added tax. Where services are performed gradually over time, revenue is recognised as activity progresses by reference to the value of the work performed.

Rental income is recognised on a straight line basis over the period of the lease contract.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

1.13 Related party transactions

The company has taken advantage of the exemption available under FRS 102 1A from disclosing transactions with its parent undertaking and other subsidiary undertakings where 100% of the voting rights are controlled within the group. Note 21 details transactions with related parties not 100% controlled within the group.

1.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

	2018 £000	2017 £000
Rental income	**8,216**	5,962
Sale of goods	**1,278**	1,009
Rendering of services	**611**	460
Total turnover	**10,105**	7,431

All turnover is generated through operations in the United Kingdom.

3 Expenses and auditor's remuneration

Profit before tax is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible assets:		
Owned	**1,745**	1,585
Operating lease rentals	**90**	90
Amortisation	**483**	483

Auditor's remuneration:

	2018 £000	2017 £000
Audit of these financial statements	**24**	19
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	**13**	10

4 Directors' remuneration

None of the directors received any remuneration for provision of qualifying services to the company during the year *(2017: Nil)*.

Notes *(continued)*

5 Staff numbers and costs

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

	Number of employees	
	2018	2017
Management	**2**	2
Administration	**16**	16
Operations	**16**	14
	34	32

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£000	£000
Wages and salaries	**1,357**	1,246
Social security costs	**158**	139
Other pensions costs (see note 18)	**156**	127
	1,671	1,512

6 Other operating income

	2018	2017
	£000	£000
Profit on disposal of fixed assets	**351**	228

7 Interest payable and similar charges

	2018	2017
	£000	£000
Interest amounts owed to group undertakings	**297**	477

Notes *(continued)*

8 Taxation

Analysis of charge in year

	2018 £000	2017 £000
Current tax		
Current tax on income for the year	**453**	257
Adjustments in respect of prior years	**(24)**	2
Total current tax	**429**	259
Deferred tax (note 17)		
Origination and reversal of timing differences	**(168)**	(16)
Total deferred tax	**(168)**	(16)
Tax on profit	**261**	243

Factors affecting the tax charge for the current year

The tax charge for the year is lower than *(2017: lower)* than the standard rate of corporation tax in the UK 19% *(2017: 19.25%)*. The differences are explained below:

	2018 £000	2017 £000
Total tax reconciliation		
Profit for the year	**1,224**	2,555
Total tax expense	**261**	243
Profit excluding tax	**1,485**	2,798
Tax using the UK corporation tax rate of 19% *(2017: 19.25%)*	**282**	539
Effects of:		
Expenses not deductible for tax purposes	**1**	57
Income not taxable	**-**	(542)
Fixed Asset differences	**43**	73
Chargeable gains	**41**	17
Adjustment in respect of prior year – current tax	**(24)**	2
Adjustments to deferred tax rate	**9**	13
Deferred tax (recognised)/not recognised in the year	**(91)**	84
Total tax expense included in profit or loss (see above)	**261**	243

Factors affecting the future tax charge

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2018) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017. This will reduce the company's future tax charge accordingly.

Notes *(continued)*

9 Intangible assets and goodwill

	Goodwill £000	Development costs £000	Total £000
Cost			
Balance at 1 January 2018	4,825	145	4,970
Balance at 31 December 2018	4,825	145	4,970
Amortisation and impairment			
Balance at 1 January 2018	483	145	628
Amortisation for the year	483	-	483
Balance at 31 December 2018	966	145	1,111
Net book value			
At 1 January 2018	4,342	-	4,342
At 31 December 2018	**3,859**	**-**	**3,859**

10 Tangible assets

Company	Office equipment £000	Survey equipment £000	Improvements to property £000	Plant and machinery £000	Motor vehicles £000	Computer equipment £000	Buoyancy and ballast £000	Total £000
Cost								
At beginning of year	47	9,748	45	74	45	81	116	10,156
Additions	-	2,537	-	10	-	-	1	2,548
Disposals	-	(694)	-	-	(1)	-	(8)	(703)
Transfers	(37)	(51)	36	-	-	1	51	-
At end of year	10	11,540	81	84	44	82	160	12,001
Depreciation								
At beginning of year	10	5,392	43	57	32	75	20	5,629
Charge for year	1	1,681	21	6	3	3	30	1,745
On disposals	-	(411)	-	-	(1)	-	(3)	(415)
Transfers	(1)	(30)	1	-	-	-	30	-
At end of year	10	6,632	65	63	34	78	77	6,959
Net book value								
At 31 December 2018	**-**	**4,908**	**16**	**21**	**10**	**4**	**83**	**5,042**
At 31 December 2017	37	4,356	2	17	13	6	96	4,527

Notes *(continued)*

11 Fixed asset investments

	Shares in group undertakings £000	Total £000
Cost		
At beginning and end of year	355	355

On 1 January 2017 the trade and assets of GSE Rental Limited were transferred into the ongoing activities of Unique System (UK) Limited

The company has the following investments in subsidiaries:

	Aggregate of capital and reserves £000	Principle activity	Registered office address	Class of shares held	Ownership 2018 %	Ownership 2017 %
GSE Rentals Limited	355	Non-trading	Anderson House 24 Rose Street Aberdeen AB10 1UA	Ordinary	100	100

12 Stocks

	2018 £000	2017 £000
Raw materials and consumables	**309**	417

Raw materials and consumables recognised as cost of sales in the year amounted to £1,146,000 (*2017: £694,000)*.

13 Debtors

	2018 £000	2017 £000
Trade debtors	**1,711**	1,595
Amounts owed by group undertakings	**3,715**	1,700
Other debtors	**-**	17
Prepayments and accrued income	**151**	126
Deferred tax asset (note 17)	**168**	-
	5,745	3,438

Notes *(continued)*

14 Creditors: amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	418	625
Amounts owed to group undertakings	13,936	7,600
Amounts owed to subsidiary undertakings	355	355
Taxation and social security	89	87
Other creditors	-	40
Accruals and deferred income	592	316
Corporation tax payable	266	263
	15,656	9,286

15 Creditors: amounts falling due after more than one year

	2018	2017
	£000	£000
Amounts owed to group undertakings	-	5,180

16 Interest bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2018	2017
	£000	£000
Amounts owed to group undertakings with fixed repayment terms	5,180	5,180

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2018	2017
					£000	£000
Amounts owed to Group undertakings	GBP	4%	2019	At maturity	5,180	5,180

Notes *(continued)*

17 Deferred tax assets and liabilities

	2018	2017
	£000	£000
Deferred tax asset at 1 January	**-**	-
Transferred from GSE Rentals Limited	**-**	(16)
(Credit)/charge to the profit and loss account	**(168)**	16
Deferred tax asset at 31 December	**(168)**	-

Deferred tax assets are attributable to the following:

	2018	2017
	£000	£000
Fixed asset timing differences	**(168)**	-

18 Employee benefits

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £156,000 *(2017: £127,000)*.

19 Capital and reserves

Share capital

	2018	2017
	£000	£000
Allotted, issued and fully paid		
1 Ordinary share of £1 each	**-**	-

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.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2018	2017
	£000	£000
Less than one year	**90**	90
Between one and five years	**203**	293
	293	383

Notes *(continued)*

21 Related parties

The Company is controlled by Unique Group FZC, the parent company.

The Company leases its offices from Kariz Properties Limited, which is partly owned by Himanshu Gandhi, a director of Unique System (UK) Limited. In the year the company incurred rental charges of £90,000 *(2017: £90,000)* payable to Kariz Properties Limited. At 31 December 2018 a balance of £nil *(2017: £nil)* was due to Kariz Properties Limited.

22 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's immediate parent undertaking is Unique Group FZC, a company incorporated in the United Arab Emirates.

The ultimate controlling party is UMGHoldco 1 Limited, a limited liability company, which is incorporated in Jersey. The largest and smallest group in which the results of the company and its subsidiaries are consolidated is that headed by UMGHoldco 1 Limited. No other group financial statements include the results of the company. The consolidated financial statements of this group are not available to the public.