

Vertech Integrity Services Limited

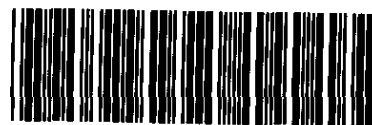
**Unaudited
Report and financial statements
For the year ended 31 March 2018**

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Vertech Integrity Services Limited

Company Information

Directors	R J MacGregor I R MacGregor J D MacDonald S D Paterson
Company secretary	J D MacDonald
Registered number	SC474388
Registered office	13 Henderson Road Inverness IV1 1SN
Bankers	Bank of Scotland 3/5 Albyn Place Aberdeen AB10 1PY
Solicitors	Stronachs LLP 34 Albyn Place Aberdeen AB10 1FW

Vertech Integrity Services Limited

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Vertech Integrity Services Limited

**Directors' report
For the year ended 31 March 2018**

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

Results and dividends

The loss for the year, after taxation, amounted to £1,151,000 (2017 - loss of £214,000).

No dividends were paid during the year (2017 – £nil).

Directors

The directors who served during the year were:

R J MacGregor
I R MacGregor
J D MacDonald
S D Paterson

Small companies note

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

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.

This report was approved by the board on 17 DECEMBER 2018 and signed on its behalf.



R J MacGregor
Director

Vertech Integrity Services Limited

Directors' responsibilities statement
For the year ended 31 March 2018

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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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.

Vertech Integrity Services Limited

Statement of comprehensive income
For the year ended 31 March 2018

	Note	2018 £000	2017 £000
Turnover	2	1,515	620
Cost of sales		(874)	(305)
Gross profit		<u>641</u>	<u>315</u>
Administrative expenses		(1,938)	(586)
Operating loss	3	<u>(1,297)</u>	<u>(271)</u>
Interest payable and expenses		(2)	(12)
Loss before tax		<u>(1,299)</u>	<u>(283)</u>
Tax on loss	5	148	69
Loss for the year		<u>(1,151)</u>	<u>(214)</u>
Other comprehensive income		-	-
Total comprehensive expense for the year		<u><u>(1,151)</u></u>	<u><u>(214)</u></u>

The notes on pages 7 to 15 form part of these financial statements.

Vertech Integrity Services Limited
Registered number:SC474388

Balance sheet
As at 31 March 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	6	1,784	3,247
		<u>1,784</u>	<u>3,247</u>
Current assets			
Stocks	7	105	119
Debtors: amounts falling due within one year	8	107	389
		<u>212</u>	<u>508</u>
Creditors: amounts falling due within one year	9	(4,200)	(4,722)
Net current liabilities		<u>(3,988)</u>	<u>(4,214)</u>
Total assets less current liabilities		<u>(2,204)</u>	<u>(967)</u>
Provisions for liabilities			
Deferred tax	11	-	(86)
		<u>-</u>	<u>(86)</u>
Net liabilities		<u><u>(2,204)</u></u>	<u><u>(1,053)</u></u>

Vertech Integrity Services Limited
Registered number:SC474388

Balance sheet (continued)
As at 31 March 2018

	Note	2018 £000	2017 £000
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		(2,204)	(1,053)
Shareholders' deficit		<u>(2,204)</u>	<u>(1,053)</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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



R J MacGregor
Director

The notes on pages 7 to 15 form part of these financial statements.

Vertech Integrity Services Limited

**Statement of changes in equity
For the year ended 31 March 2018**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2017	-	(1,053)	(1,053)
Loss for the year	-	(1,151)	(1,151)
Total comprehensive expense for the year	-	(1,151)	(1,151)
At 31 March 2018	-	(2,204)	(2,204)

**Statement of changes in equity
For the year ended 31 March 2017**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 2 April 2016	-	(839)	(839)
Loss for the year	-	(214)	(214)
Total comprehensive expense for the year	-	(214)	(214)
At 31 March 2017	-	(1,053)	(1,053)

The notes on pages 7 to 15 form part of these financial statements.

1. Accounting policies

1.1 Statement of compliance and basis of preparation

Vertech Integrity Services 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 31 March 2018.

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.

The Company is exempt by virtue of s400 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. The registered address of the parent Company is 13 Henderson Road, Inverness, IV1 1SN.

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 31 March 2018 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.

There were no judgements or material estimation uncertainties affecting the reported performance in the current or prior year.

The following principal accounting policies have been applied:

**Notes to the financial statements
For the year ended 31 March 2018**

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, using the straight-line method.

Depreciation is provided on the following basis:

Tenants improvements	- 5 years straight line
Plant & machinery	- 5 to 10 years straight line
Office equipment	- 2 to 5 years straight line
Computer equipment	- 3 to 5 years straight line

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 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**Notes to the financial statements
For the year ended 31 March 2018**

1. Accounting policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 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.

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 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge 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.

Vertech Integrity Services Limited

**Notes to the financial statements
For the year ended 31 March 2018**

2. Turnover

The whole of the turnover is attributable to the rendering of services.

All turnover arose within the United Kingdom.

3. Operating loss

The operating loss is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	621	250
Impairment of tangible fixed assets	842	-
Operating lease rentals:		
- Plant and machinery	-	3
- Land and buildings	-	44
Defined contribution pension cost	14	10
	<u>14</u>	<u>10</u>

4. Employees

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

	2018 No.	2017 No.
Management and Administration	3	5
Production	2	1
	<u>5</u>	<u>6</u>

Vertech Integrity Services Limited

**Notes to the financial statements
For the year ended 31 March 2018**

5. Taxation

	2018 £000	2017 £000
Group taxation relief	(63)	(127)
Total current tax	<u>(63)</u>	<u>(127)</u>
Deferred tax		
Origination and reversal of timing differences	(85)	58
Total deferred tax	<u>(85)</u>	<u>58</u>
Taxation on loss on ordinary activities	<u>(148)</u>	<u>(69)</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from (2017 - differs from) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £000	2017 £000
Loss on ordinary activities before tax	<u>(1,299)</u>	<u>(283)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -20%)	(247)	(57)
Effects of:		
Other timing differences leading to an increase (decrease) in taxation	99	-
Other differences leading to an increase (decrease) in the tax charge	-	(12)
Total tax charge for the year	<u>(148)</u>	<u>(69)</u>

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 17% for financial years beginning 1 April 2020. Deferred tax balances have been calculated at a rate of 17% as this is the rate at which the majority of the timing differences are expected to reverse.

Vertech Integrity Services Limited

**Notes to the financial statements
For the year ended 31 March 2018**

6. Tangible fixed assets

	Tenant's improvements £000	Plant & machinery £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 April 2017	9	3,647	15	1	3,672
Disposals	-	-	(2)	-	(2)
At 31 March 2018	9	3,647	13	1	3,670
Depreciation					
At 1 April 2017	3	414	8	-	425
Charge for the year	2	616	3	-	621
Disposals	-	-	(2)	-	(2)
Impairment charge	-	842	-	-	842
At 31 March 2018	5	1,872	9	-	1,886
Net book value					
At 31 March 2018	4	1,775	4	1	1,784
At 31 March 2017	6	3,233	7	1	3,247

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £000	2017 £000
Plant and machinery	-	792
	-	792

7. Stocks

	2018 £000	2017 £000
Raw materials and consumables	105	119
	105	119

Vertech Integrity Services Limited

**Notes to the financial statements
For the year ended 31 March 2018**

8. Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	23	371
Other debtors	2	11
Prepayments and accrued income	82	7
	<u>107</u>	<u>389</u>

9. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	808	1,265
Trade creditors	46	19
Amounts owed to group undertakings	3,142	3,346
Taxation and social security	8	7
Obligations under finance lease and hire purchase contracts	-	48
Other creditors	1	2
Accruals and deferred income	195	35
	<u>4,200</u>	<u>4,722</u>

The bank overdraft is secured by a bond and floating charge over the assets of the Company.

The hire purchase creditors are secured on the assets to which they relate.

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £000	2017 £000
Within one year	-	48
	<u>-</u>	<u>48</u>

Vertech Integrity Services Limited

**Notes to the financial statements
For the year ended 31 March 2018**

11. Deferred taxation

	2018 £000	2017 £000
At beginning of year	86	28
Charged to profit or loss	(86)	58
At end of year	-	86

The provision for deferred taxation is made up as follows:

	31 March 2018 £000	31 March 2017 £000
Accelerated capital allowances	-	86
	-	86

12. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary shares share of £1	1	1

13. Contingent liabilities

The Company is party to a group composite guarantee.

14. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	1	-
Later than 1 year and not later than 5 years	6	-
Total	7	-

Vertech Integrity Services Limited

**Notes to the financial statements
For the year ended 31 March 2018**

15. Related party transactions

The Company is an 85% owned subsidiary of GEG (Holdings) Limited.

During the year, the Company entered into transactions, in the ordinary course of business, with the following related parties. Transactions entered into, were as follows:

	2018 Purchases £000
MacGregor Industrial Supplies	3
	3

MacGregor Industrial Supplies Limited is a related party as J MacGregor, a close family member of R J MacGregor, had an interest in these transactions due to his shareholding in MacGregor Industrial Supplies Limited.

16. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is GEG (Holdings) Limited. The controlling party of GEG (Holdings) Limited is the MacGregor family.

GEG (Holdings) Limited is the parent undertaking of the smallest and largest groups of which Vertech Integrity Services Limited is a member and for which group financial statements are drawn up.

The group financial statements can be obtained from 13 Henderson Road, Inverness, IV1 1SN. The registered address of the parent Company is 13 Henderson Road, Inverness, IV1 1SN.