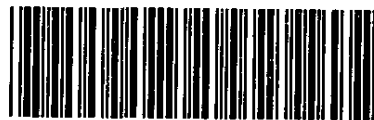


Company Registration No. SC089639 (Scotland)

OTEAC LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

THURSDAY



S2DC3A1L

SCT

25/07/2013

#340

COMPANIES HOUSE

OTEAC LIMITED

COMPANY INFORMATION

Directors	A J Brown W Hogarty
Secretary	Pinsent Masons Secretarial Limited
Company number	SC089639
Registered office	13 Queen's Road Aberdeen AB15 4YL
Auditors	Johnston Carmichael LLP Bishop's Court 29 Albyn Place Aberdeen AB10 1YL
Business address	Templars House South Deeside Road Maryculter Aberdeen AB12 5GB

OTEAC LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 19

OTEAC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012.

Principal activities and review of the business

The principal activity of the company is the provision of specialist integrated safety engineering services to target markets.

Business review

Oteac Ltd performed strongly during 2012 with turnover growing by 3% year on year and profit by 60%. The latter was assisted by a reduction in pension contributions for the year on top of a robust performance.

The Company positions itself as a specialist integrated safety engineering services provider targeting the oil and gas, drilling, marine, onshore blue chip and local government markets. There are six dedicated business streams with the infrastructure and resource to support these markets.

The oil and gas, drilling and marine sectors benefit from a high oil price and the risk to this in the forthcoming year seems minimal based on industry reports with the price per barrel likely to remain high as is their investment both in Capex and Opex. The Company has also secured a major contract with North East Public Partnership (NEPP) in the public sector for fire and security services for a 3+1 year term which provides a solid foundation for that business stream.

The Company continued to invest, in particular in plant and equipment and personnel, to respond promptly to any market opportunities and a major upgrade of business management systems is currently under way with scheduled completion 2013.

The business ended the year on a solid footing and continues to trade strongly at levels ahead of challenging budgetary expectations. Further opportunities are identified in local markets which will be targeted in the coming year.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 January 2012:

A J Brown
W Hogarty

Charitable donations	2012 £	2011 £
During the year the company made the following payments:		
Charitable donations	40,396	25,649

OTEAC LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

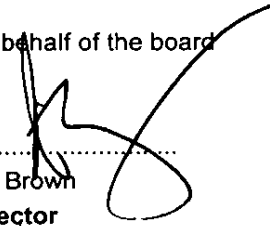
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
A J Brown

Director

28/6/13.....

OTEAC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OTEAC LIMITED

We have audited the financial statements of OTEAC Limited for the year ended 31 December 2012 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

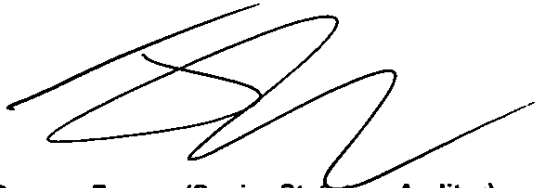
OTEAC LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF OTEAC LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Graeme Fraser (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

22 July 2013

Chartered Accountants
Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

OTEAC LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	8,667,044	8,361,008
Cost of sales		(4,511,339)	(4,726,207)
Gross profit		4,155,705	3,634,801
Administrative expenses		(2,366,927)	(2,324,136)
Operating profit	3	1,788,778	1,310,665
Other interest receivable and similar income		2,285	1,605
Interest payable and similar charges	4	(16,802)	(14,613)
Profit on ordinary activities before taxation		1,774,261	1,297,657
Tax on profit on ordinary activities	5	(412,190)	(450,462)
Profit for the year	15	1,362,071	847,195

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

OTEAC LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	7		298,989		333,914
Current assets					
Stocks	9	373,169		227,460	
Debtors	10	1,635,756		1,764,033	
Cash at bank and in hand		2,640,640		2,061,625	
		<u>4,649,565</u>		<u>4,053,118</u>	
Creditors: amounts falling due within one year	11	<u>(1,070,012)</u>		<u>(1,758,161)</u>	
Net current assets			<u>3,579,553</u>		<u>2,294,957</u>
Total assets less current liabilities			<u>3,878,542</u>		<u>2,628,871</u>
Creditors: amounts falling due after more than one year	12		(97,569)		(93,196)
Provisions for liabilities			-		(11,952)
			<u>3,780,973</u>		<u>2,523,723</u>
Capital and reserves					
Called up share capital	14		35,000		35,000
Profit and loss account	15		<u>3,745,973</u>		<u>2,488,723</u>
Shareholders' funds	16		<u>3,780,973</u>		<u>2,523,723</u>

Approved by the Board and authorised for issue on 28/6/13

A J Brown
Director

Company Registration No. SC089639

OTEAC LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		1,355,537		1,654,760
Returns on investments and servicing of finance				
Interest received	2,285		1,605	
Interest paid	(16,802)		(14,613)	
Net cash outflow for returns on investments and servicing of finance		(14,517)		(13,008)
Taxation		(513,294)		(488,765)
Capital expenditure				
Payments to acquire tangible assets	(79,526)		(50,454)	
Receipts from sales of tangible assets	24,703		10,600	
Net cash outflow for capital expenditure		(54,823)		(39,854)
Equity dividends paid		(104,821)		(126,000)
Net cash inflow before management of liquid resources and financing		668,082		987,133
Financing				
Capital element of hire purchase contracts	(118,361)		(99,214)	
Net cash outflow from financing		(118,361)		(99,214)
Increase in cash in the year		549,721		887,919

OTEAC LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012		2011	
		£		£	
	Operating profit	1,788,778		1,310,665	
	Depreciation of tangible assets	211,260		216,478	
	Loss/(profit) on disposal of tangible assets	9,060		(6,490)	
	(Increase)/decrease in stocks	(145,709)		15,765	
	Decrease/(increase) in debtors	128,277		(636,692)	
	(Decrease)/increase in creditors within one year	(636,129)		755,034	
	Net cash inflow from operating activities	1,355,537		1,654,760	
2	Analysis of net funds	1 January 2012		31 December 2012	
		£		£	
	Net cash:				
	Cash at bank and in hand	2,061,625	579,015	-	2,640,640
	Bank overdrafts	(236,987)	(29,294)	-	(266,281)
		1,824,638	549,721	-	2,374,359
	Debt:				
	Finance leases	(183,121)	118,361	(130,572)	(195,332)
	Net funds	1,641,517	668,082	(130,572)	2,179,027
3	Reconciliation of net cash flow to movement in net funds	2012		2011	
		£		£	
	Increase in cash in the year	549,721		887,919	
	Cash outflow from decrease in debt and lease financing	118,361		143,398	
	Change in net debt resulting from cash flows	668,082		1,031,317	
	New finance lease	(130,572)		(186,130)	
	Movement in net funds in the year	537,510		845,187	
	Opening net funds	1,641,517		796,330	
	Closing net funds	2,179,027		1,641,517	

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tenant's improvements	- 20% on cost
Plant and machinery	- 20% on cost
Fixtures, fittings & equipment	- 33% on cost
Motor vehicles	- 33% on cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Turnover

In the year to 31 December 2012 5.56% (2011 - 1.66%) of the turnover of the company was to markets outside the United Kingdom.

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	211,260	216,478
	Loss on disposal of tangible assets	9,060	-
	Operating lease rentals	125,868	125,817
	Auditors' remuneration (including expenses and benefits in kind)	7,500	7,500
	and after crediting:		
	Profit on disposal of tangible assets	-	(6,490)
		<u> </u>	<u> </u>
4	Interest payable	2012	2011
		£	£
	Hire purchase interest	16,802	14,613
		<u> </u>	<u> </u>

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5	Taxation	2012 £	2011 £
	Domestic current year tax		
	U.K. corporation tax	420,840	438,591
	Adjustment for prior years	-	22,965
		<u>420,840</u>	<u>461,556</u>
	Foreign corporation tax		
	Foreign corporation tax	3,302	-
		<u>3,302</u>	<u>-</u>
	Total current tax	<u>424,142</u>	<u>461,556</u>
	Deferred tax		
	Deferred tax credit	(11,952)	(11,094)
		<u>412,190</u>	<u>450,462</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,774,261</u>	<u>1,297,657</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.50% (2011 - 26.49%)	<u>434,694</u>	<u>343,749</u>
	Effects of:		
	Non deductible expenses	19,446	23,524
	Depreciation in excess of capital allowances	23,827	12,914
	Adjustments to previous periods	-	22,965
	Chargeable disposals	2,219	(1,719)
	Other tax adjustments	(44)	(425)
	Provisions adjustments	(56,000)	60,548
		<u>(10,552)</u>	<u>117,807</u>
	Current tax charge for the year	<u>424,142</u>	<u>461,556</u>

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2012 & at 31 December 2012	25,000
Amortisation	
At 1 January 2012 & at 31 December 2012	25,000
Net book value	
At 31 December 2012	-
At 31 December 2011	-

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

7 Tangible fixed assets

	Tenant's improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2012	26,706	545,169	322,408	456,862	1,351,145
Additions	-	93,698	20,664	95,736	210,098
Disposals	-	-	-	(149,554)	(149,554)
At 31 December 2012	26,706	638,867	343,072	403,044	1,411,689
Depreciation					
At 1 January 2012	6,382	446,408	272,623	291,818	1,017,231
On disposals	-	-	-	(115,791)	(115,791)
Charge for the year	5,341	54,279	38,407	113,233	211,260
At 31 December 2012	11,723	500,687	311,030	289,260	1,112,700
Net book value					
At 31 December 2012	14,983	138,180	32,042	113,784	298,989
At 31 December 2011	20,324	98,761	49,785	165,044	333,914

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 December 2012	66,409	1,254	111,596	179,259
At 31 December 2011	44,277	4,387	146,690	195,354
Depreciation charge for the year				
At 31 December 2012	19,369	3,133	85,732	108,234
At 31 December 2011	11,069	3,133	112,682	126,884

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

8 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2012 & at 31 December 2012	15,232
Provisions for diminution in value	
At 1 January 2012 & at 31 December 2012	15,232
Net book value	
At 31 December 2012	-
At 31 December 2011	-

9 Stocks and work in progress

	2012 £	2011 £
Work in progress	213,051	78,544
Finished goods and goods for resale	160,118	148,916
	<u>373,169</u>	<u>227,460</u>

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

10 Debtors	2012 £	2011 £
Trade debtors	1,372,580	1,582,646
Other debtors	120,761	71,032
Prepayments and accrued income	142,415	110,355
	<u>1,635,756</u>	<u>1,764,033</u>

Amounts falling due after more than one year and included in the debtors above are:

	2012 £	2011 £
Other debtors	<u>400</u>	<u>2,800</u>

11 Creditors: amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	266,281	236,987
Net obligations under hire purchase contracts	97,763	89,925
Trade creditors	253,668	604,421
Corporation tax	115,316	204,468
Other taxes and social security costs	209,584	248,931
Directors' current accounts	-	5,750
Other creditors	88,227	82,261
Accruals and deferred income	39,173	285,418
	<u>1,070,012</u>	<u>1,758,161</u>

The aggregate amount of creditors for which security has been given amounted to £364,044 (2011 - £326,912).

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

12 Creditors: amounts falling due after more than one year	2012 £	2011 £
Net obligations under hire purchase contracts	97,569	93,196

The aggregate amount of creditors for which security has been given amounted to £97,569 (2011 - £93,196).

Net obligations under hire purchase contracts		
Repayable between one and five years	195,332	183,121
	195,332	183,121
Included in liabilities falling due within one year	(97,763)	(89,925)
	97,569	93,196

13 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. At the year end pension contributions of £nil (2011 - £228,571) were unpaid and included in creditors.

	2012 £	2011 £
Contributions payable by the company for the year	132,529	294,171

14 Share capital	2012 £	2011 £
Allotted		
40,000 Ordinary shares of £1 each	40,000	40,000
Called up and fully paid		
35,000 Ordinary shares of £1 each	35,000	35,000

5,000 Ordinary shares have been issued but not called up. The nominal value of these shares is £5,000 and the consideration due to be received upon certain call options being enacted is £100,000.

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

15 Statement of movements on profit and loss account

Profit and
loss
account
£

Balance at 1 January 2012	2,488,723
Profit for the year	1,362,071
Dividends paid	(104,821)
Balance at 31 December 2012	<u>3,745,973</u>

16 Reconciliation of movements in shareholders' funds

2012
£

2011
£

Profit for the financial year	1,362,071	847,195
Dividends	(104,821)	(126,000)
Net addition to shareholders' funds	<u>1,257,250</u>	<u>721,195</u>
Opening shareholders' funds	2,523,723	1,802,528
Closing shareholders' funds	<u>3,780,973</u>	<u>2,523,723</u>

17 Directors' remuneration

2012
£

2011
£

Remuneration for qualifying services	227,064	198,086
Company pension contributions to defined contribution schemes	72,571	242,277
	<u>299,635</u>	<u>440,363</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2011 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	120,010	89,255
Company pension contributions to defined contribution schemes	<u>22,570</u>	<u>200,000</u>

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

18 Employees

Number of employees

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

	2012 Number	2011 Number
Administration	25	25
Engineering	28	27
	53	52

Employment costs

	2012 £	2011 £
Wages and salaries	2,014,908	1,878,417
Social security costs	237,443	206,662
Other pension costs	132,529	294,171
	2,384,880	2,379,250

19 Control

The company is controlled by AJ Brown, director.

OTEAC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

20 Related party relationships and transactions

Advances and credits to directors

Advances and credits granted to the directors during the year are outlined in the table below:

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
A J Brown	-	18,064	52,642	-	(50,000)	20,706
W Hogarty	-	(5,750)	11,573	-	-	5,823
		<u>12,314</u>	<u>64,215</u>	<u>-</u>	<u>(50,000)</u>	<u>26,529</u>

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below:

	2012 £	2011 £
A J Brown	91,718	110,250
W Hogarty	13,103	15,750
	<u>104,821</u>	<u>126,000</u>

Other transactions

A J Brown is a shareholder and director of SBS Construction (Scotland) Limited. During the year, the company purchased goods and services from SBS Construction (Scotland) Limited amounting to £150,221 (2011: £115,261). During the year payments of £172,211 (2011: £89,271) were made leaving a creditor of £4,000 (2011:£25,990) at the year end.

A J Brown is also a shareholder and director in Leisure Holiday Homes Limited. During the year the company purchased goods and services amounting to £1,600, and was charged rent of £108,000 (2011:£108,000) from Leisure Holiday Homes Limited. Payments of £109,875 were made in the year leaving a creditor at the year end of £nil (2011:£275)

A J Brown is also a shareholder and director in Landform Limited. During the year costs of £6,501 were paid on behalf of Landform Limited, leaving a debtor at the year end of £6,501 due from Landform Limited.

At the year end 5,000 Ordinary £1 shares were in issue but had not been called up. The consideration due from W Hogarty for these shares is £100,000.