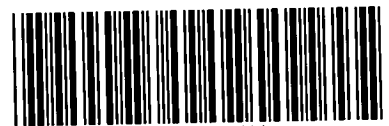

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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GARELOCH SUPPORT SERVICES (PLANT) LIMITED

COMPANY INFORMATION

DIRECTOR	Jamie McGarry
COMPANY SECRETARY	Helen Gibson
REGISTERED NUMBER	SC117613
REGISTERED OFFICE	Gareloch Support Services Office Silverhills Rosneath Helensburgh Dunbartonshire G84 0RW
INDEPENDENT AUDITORS	French Duncan LLP Chartered Accountants & Statutory Auditors 133 Finnieston Street Glasgow G3 8HB
BANKERS	Clydesdale Bank 10 James Street Helensburgh G84 8AU
SOLICITORS	Weightmans (Scotland) LLP The Hub 70 Pacific Quay Glasgow G51 1EA

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

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GARELOCH SUPPORT SERVICES (PLANT) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

INTRODUCTION

The principal activity of the company remains the provision of expert support services for marine construction, engineering, repair and maintenance across the world. Our home market accounts for 64% of turnover as has been the case in previous years and continues to be underpinned by our Term Contracts which offer consistent turnover. The downturn in oil and gas continues to impact the wider market however we have placed more emphasis on construction, infrastructure, repair and maintenance and diving whilst self-delivering much of our offering.

Our business development team has been strengthened to increase our ability to maximise market intelligence and create traction in future workload prospects.

BUSINESS REVIEW

We continue to work in the UK, Northern Europe, Mediterranean, off the West Coast of Africa, and the Middle East. At the same time we have strengthened our offering and delivery in the Caribbean and South America.

Repairs and maintenance service offerings at our facility in Rosneath have been updated with new assets and personnel to provide first class industry standard.

We have continued our business investment and consolidation with further improvement to our Group Headquarters at Silverhills together with process review and improvement to ensure our systems continue to meet the demands of our market. Regular meetings with the Group companies in The Netherlands and Australia ensure a homogenous approach.

Cash flow is manageable, creditors are paid on terms and credit control is robust across the company.

PRINCIPAL RISKS AND UNCERTAINTIES

Oil and gas and off shore renewable sectors remain suppressed, however very little of our turnover has relied upon these for a number of years. We continue to ensure we offer well designed and maintained assets operated by experienced well trained personnel backed by strong experienced management.

We have considered the impact of Brexit upon our business and believe we are ideally placed to minimise impact given the breadth and depth of the Group activities as a whole.

Our business development team continue to identify all significant and appropriate opportunities maintaining strong Client contact to ensure a full understanding of market requirements.

Our currency risks are assessed at tender stage on a contract by contract basis with offset against cost base. We continue to enjoy the active support of the Banks Treasury Department wherever foreign earnings exceed our natural hedge.

We have strengthened our relationship with our Bank and have secured adequate bank facilities to meet our ongoing operating needs and to support our investment plans. A robust process is in place to manage cash and covenant requirements.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

KEY PERFORMANCE INDICATORS

The key financial performance indicators are:

	31 March 2016 £	31 March 2015 £
Turnover	18,348,088	16,257,038
Net (Loss)/Profit Before Tax	(1,023,340)	2,109,648
Credit/(Charge) for Tax	366,668	(460,419)
(Loss)/Profit for the Financial Year	(656,672)	1,649,229
Shareholders' Funds	18,190,909	15,673,303

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

Jamie McGarry
Director

Date:

8/11/16

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

The director presents his report and the financial statements for the year ended 31 March 2016.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

GOING CONCERN

The director has reviewed cash flow forecasts and investment plans and is satisfied that the company has adequate facilities in place to enable it to meet its liabilities as they fall due for the foreseeable future.

POST BALANCE SHEET EVENTS

The company renegotiated its bank facilities reflecting ongoing investment and financing requirements post year end.

DIRECTOR

The director who served during the year was:

Jamie McGarry

DISCLOSURE OF INFORMATION TO AUDITORS

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

AUDITORS

Under section 487 (2) of the Companies Act 2006, French Duncan LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Jamie McGarry
Director

Date:

8/11/16



GARELOCH SUPPORT SERVICES (PLANT) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GARELOCH SUPPORT SERVICES (PLANT) LIMITED

We have audited the financial statements of Gareloch Support Services (Plant) Limited for the year ended 31 March 2016, set out on pages 7 to 29. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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 Director's Responsibilities Statement on page 3, the director is 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 Financial Reporting Council'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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 March 2016 and of its loss 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.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GARELOCH SUPPORT SERVICES
(PLANT) LIMITED**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with those accounts.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

French Duncan LLP

Paula Galloway (Senior Statutory Auditor)

for and on behalf of
French Duncan LLP

Chartered Accountants and Statutory Auditors

133 Finnieston Street
G3 8HB

Date: *10 November 2016*

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover	4	18,348,088	16,257,038
Cost of sales		(15,178,252)	(13,040,068)
GROSS PROFIT		3,169,836	3,216,970
Administrative expenses		(3,002,939)	(3,278,126)
Other income - exceptional items	5	526,133	702,573
OPERATING PROFIT	6	693,030	641,417
Income from other participating interests		-	89,752
Interest receivable and similar income	10	-	1,933,268
Interest payable and similar charges	11	(1,716,370)	(554,789)
(LOSS)/PROFIT BEFORE TAX		(1,023,340)	2,109,648
Tax on (loss)/profit	12	366,668	(460,419)
(LOSS)/PROFIT FOR THE YEAR		(656,672)	1,649,229
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Unrealised surplus/(deficit) on revaluation of tangible fixed assets		3,397,469	(1,311,596)
Tax on unrealised surplus/(deficit)		(223,191)	452,324
OTHER COMPREHENSIVE INCOME FOR THE YEAR		3,174,278	(859,272)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,517,606	789,957

The notes on pages 10 to 29 form part of these financial statements.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED
REGISTERED NUMBER: SC117613

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		37,469,678		30,527,586
Investments	14		39,674		39,674
			<u>37,509,352</u>		<u>30,567,260</u>
CURRENT ASSETS					
Stocks	15	753,179		875,278	
Debtors	16	7,463,333		6,747,153	
Cash at bank and in hand	17	199,909		509,072	
			<u>8,416,421</u>	<u>8,131,503</u>	
Creditors: amounts falling due within one year	18	(8,740,469)		(3,816,907)	
NET CURRENT (LIABILITIES)/ASSETS			(324,048)		4,314,596
TOTAL ASSETS LESS CURRENT LIABILITIES			37,185,304		34,881,856
Creditors: amounts falling due after more than one year	19		(15,914,897)		(16,066,834)
PROVISIONS FOR LIABILITIES					
Deferred tax	21	(3,079,498)		(3,141,719)	
			<u>(3,079,498)</u>	<u>(3,141,719)</u>	
NET ASSETS			18,190,909		15,673,303
CAPITAL AND RESERVES					
Called up share capital	22		30,000		30,000
Revaluation reserve	23		7,391,335		4,504,850
Profit and loss account	23		10,769,574		11,138,453
			<u>18,190,909</u>		<u>15,673,303</u>

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

Jamie McGarry
Director

Date: 8/11/16

The notes on pages 10 to 29 form part of these financial statements.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	30,000	4,504,850	11,138,453	15,673,303
Loss for the year	-	-	(656,672)	(656,672)
Surplus on revaluation of tangible fixed assets	-	3,397,469	-	3,397,469
Tax on surplus on revaluation	-	(223,191)	-	(223,191)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	3,174,278	(656,672)	2,517,606
Transfer to/(from) profit and loss account	-	(287,793)	287,793	-
AT 31 MARCH 2016	30,000	7,391,335	10,769,574	18,190,909

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014	30,000	5,708,205	9,145,141	14,883,346
Profit for the year	-	-	1,649,229	1,649,229
Deficit on revaluation of tangible fixed assets	-	(1,311,596)	-	(1,311,596)
Tax on deficit on revaluation	-	452,324	-	452,324
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(859,272)	1,649,229	789,957
Transfer to/(from) profit and loss account	-	(344,083)	344,083	-
AT 31 MARCH 2015	30,000	4,504,850	11,138,453	15,673,303

The notes on pages 10 to 29 form part of these financial statements.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated in Scotland. The address of its registered office is Gareloch Support Services Office, Silverhills, Rosneath, Helensburgh, Dunbartonshire, G84 0RW.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with the exception of the workboats which are included at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements have been prepared in Sterling.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The Company transitioned to FRS 102 on 1 April 2014. An explanation of how the transition to FRS102 has affected the reported financial position and financial performance is given in note 29.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The director has reviewed cash flow forecasts and investment plans and is satisfied that the company has adequate facilities in place to enable it to meet its liabilities as they fall due for the foreseeable future.

2.3 Financial reporting standard 102 - subsidiary 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 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 SF2004 Limited as at 31 March 2016 and these financial statements may be obtained from Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF.

2.4 Associates and joint ventures

Investments in associates and Joint Ventures are held at cost less impairment.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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:

Revenue from the provision of services is recognised in the period in which the services are provided 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;
- the costs incurred can be measured reliably.

Revenue on long term contracts for services is recognised according to the stage of completion reached on the contract by measuring a proportion of the costs incurred for work performed to date to total estimated costs.

2.7 Long-term contracts

Amounts recoverable on contracts which are included in debtors are stated at cost, which comprises direct materials and direct labour, plus attributable profit to the extent that this is reasonably certain less any losses incurred or foreseen in bringing contracts to completion, and less amounts received as progress payments.

For any contracts where receipts exceed the book value of work done, the excess is included in trade and other payables as payments on account.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model (see 2.9 below) 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis:

Workboats	- Between 4% and 20% Straight Line
Freehold property	- 2% and 6.7% Straight Line
Plant & machinery	- 4% and 10% Straight Line
Motor vehicles	- 25% Straight Line
Fixtures & fittings	- 15% 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 within the Statement of comprehensive income.

2.9 Revaluation of tangible fixed assets

Workboats are carried at fair value at the balance sheet date. The directors review the valuations annually and update the valuation where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the Statement of Other Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in Statement of Comprehensive Income.

2.10 Stocks

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

2.11 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.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.13 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.14 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.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within "interest receivable or interest payable". All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.16 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.17 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.18 Pensions

Defined contribution pension plan

The Company operates a defined contribution pension 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.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 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 change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Property, plant and equipment

The estimates and assumptions made to determine asset lives require judgements to be made as regards useful lives and residual values. The useful lives and residual values of the Company's fixed assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets. Historically changes in useful lives have not resulted in material changes to the Company's depreciation charge.

Provisions

Provisions are recognised where the Company has an obligation, as a result of a past event, that can be measured reliably. The recording of provisions is an area which requires the exercise of management judgement relating to the nature, timing and probability of the liability.

Revenue Recognition

Revenue on long term contracts for services is recognised according to the stage of completion reached on the contract by measuring a proportion of the costs incurred for work performed to date to total estimated costs. Estimating the costs to completion and therefore the total contract costs is a key judgement in respect of revenue recognition on these contracts.

Long term contracts

Judgement is also required in accounting for long-term contracts particularly as regards profit recognition and the assessment of future losses on contracts.

Debtor Recoverability

Judgement is required when assessing the recoverability of trade debtors and amounts recoverable on contracts. The directors consider the financial strength of the debtor when making this judgement.

Capitalisation Policy

The directors review expenditure incurred on boats on a regular basis and capitalise expenditure which represents a clear enhancement to the boat and therefore has incremental future benefits to the company. There is an element of judgement required in the assessment of the incremental future benefits to be derived from such expenditure.

Operating lease commitments

The company has entered into commercial leases and as a lessee obtains use of workboats. The classification of such leases as operating or finance leases requires the company to determine, based on evaluation of term and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. TURNOVER

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	11,779,642	8,241,118
Rest of Europe	1,929,194	2,745,178
Rest of the world	4,639,252	5,270,742
	<u>18,348,088</u>	<u>16,257,038</u>

All turnover is related to the company's principal activity.

5. OTHER OPERATING INCOME

	2016 £	2015 £
Sundry income	526,133	702,573
	<u>526,133</u>	<u>702,573</u>

In the current year the company received charter rental rebates of £526,133.

During the prior year the company bought and sold a workboat realising a profit on sale of £594,441. An additional settlement in the prior year was realised of £108,132.

6. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	1,691,277	1,643,331
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	18,000	20,050
Exchange differences	(49,825)	385,564
Other operating lease rentals	78,087	76,059
Defined contribution pension cost	43,278	28,938
	<u></u>	<u></u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. EMPLOYEES

Staff costs, including director's remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	4,899,022	4,776,552
Social security costs	500,226	475,201
Cost of defined contribution scheme	43,278	28,938
	<u>5,442,526</u>	<u>5,280,691</u>

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

	2016 No.	2015 No.
Operational	105	110
Administration	25	25
	<u>130</u>	<u>135</u>

8. DIRECTOR'S REMUNERATION

	2016 £	2015 £
Director's emoluments	199,327	196,565
Company contributions to defined contribution pension schemes	6,996	6,996
	<u>206,323</u>	<u>203,561</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

9. INCOME FROM INVESTMENTS

	2016 £	2015 £
Dividends received from joint venture	-	89,752
	<u>-</u>	<u>89,752</u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Exchange gains on financing arrangements	-	1,933,268
	<u>-</u>	<u>1,933,268</u>

11. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest payable	522,726	554,415
Exchange losses on financing arrangements	1,193,644	-
Finance leases and hire purchase contracts	-	374
	<u>1,716,370</u>	<u>554,789</u>

12. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	(81,256)	81,152
Adjustments in respect of previous periods	-	(38,701)
	<u>(81,256)</u>	<u>42,451</u>
TOTAL CURRENT TAX	<u>(81,256)</u>	<u>42,451</u>
DEFERRED TAX		
Origination and reversal of timing differences	(285,412)	417,968
TOTAL DEFERRED TAX	<u>(285,412)</u>	<u>417,968</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(366,668)</u>	<u>460,419</u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	<u>(1,023,340)</u>	<u>2,109,648</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(204,668)	443,026
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	90,884	85,678
Adjustment for change in tax rate	(252,884)	(38,701)
Non-taxable income	-	(18,848)
Other adjustments impacting tax charge	-	(10,736)
TOTAL TAX CHARGE FOR THE YEAR	<u>(366,668)</u>	<u>460,419</u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. TANGIBLE FIXED ASSETS

	Freehold property / leasehold improvements	Plant & machinery	Motor vehicles	Fixtures & fittings	Workboats	Total
	£	£	£	£	£	£
COST OR VALUATION						
At 1 April 2015	419,634	944,873	202,130	197,481	29,557,250	31,321,368
Additions	-	186,425	5,998	57,547	4,985,930	5,235,900
Revaluations	-	-	-	-	1,842,266	1,842,266
At 31 March 2016	419,634	1,131,298	208,128	255,028	36,385,446	38,399,534
DEPRECIATION						
At 1 April 2015	23,084	530,476	150,883	89,339	-	793,782
Charge for the year	18,264	71,757	18,758	27,295	1,555,203	1,691,277
On revalued assets	-	-	-	-	(1,555,203)	(1,555,203)
At 31 March 2016	41,348	602,233	169,641	116,634	-	929,856
NET BOOK VALUE						
At 31 March 2016	378,286	529,065	38,487	138,394	36,385,446	37,469,678
At 31 March 2015	396,550	414,397	51,247	108,142	29,557,250	30,527,586

Fixed assets include Freehold Property with a net book value of £196,565 (£200,870).

The workboats were valued on an open market basis by the directors at 31 March 2016 having regards to a third party valuation completed in August 2015.

If the workboats had not been included at valuation they would have been included under the historical cost convention as follows:

	2016 £	2015 £
Cost	35,297,909	30,311,979
Accumulated depreciation	(6,171,347)	(4,840,536)
NET BOOK VALUE	29,126,562	25,471,443

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
COST			
At 1 April 2015 and 31 March 2016	<u>39,606</u>	<u>68</u>	<u>39,674</u>

SUBSIDIARY UNDERTAKINGS

GSS Marine Services BV is a subsidiary undertaking of the company. Its business is the provision of expert support services for marine construction, engineering, repair and maintenance. Its registered office is at Haven 27, 3143 BC Maassluis, The Netherlands. The company own 90% of the subsidiary undertakings ordinary share capital.

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
GSS Marine Services BV	The Netherlands		90 %	Provision of expert support services for marine construction, engineering, repair and maintenance.

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
GSS Marine Services BV	4,438	67,052
	<u>4,438</u>	<u>67,052</u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. FIXED ASSET INVESTMENTS (continued)

JOINT VENTURES

GSS Marine Broadsword JV Pty is a joint venture in which the company has a 50% interest. Its business is the provision of expert support services for marine construction, engineering, repair and maintenance. Its registered office is a C/- Byers Scott Pty Ltd, G, 292 Rokeby Road, Subiaco, 1E8205025 WA, 6008.

15. STOCKS

	2016 £	2015 £
Raw materials and consumables	470,682	459,008
Fuel stock	118,103	251,876
Finished goods and goods for resale	164,394	164,394
	<u>753,179</u>	<u>875,278</u>

Fuel stock recognised in cost of sales during the year as an expense was £580,070 (2015 - £565,073).

16. DEBTORS

	2016 £	2015 £
Trade debtors	3,066,058	3,483,001
Amounts owed by group undertakings	1,673,340	1,693,797
Other debtors	1,910,085	1,444,092
Prepayments and accrued income	813,850	126,263
	<u>7,463,333</u>	<u>6,747,153</u>

Other debtors include amounts recoverable on contracts of £1,665,800 (2015 - £1,422,178). Details of amounts due from related parties are included in note 26.

17. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	199,909	509,072
Less: bank overdrafts	(5,169,004)	(231,577)
	<u>(4,969,095)</u>	<u>277,495</u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

18. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	5,169,004	231,577
Bank loans	1,313,779	1,211,452
Trade creditors	1,439,477	1,131,329
Corporation tax	-	81,152
Taxation and social security	244,246	302,350
Other creditors	248,331	67,468
Accruals and deferred income	325,632	791,579
	<u>8,740,469</u>	<u>3,816,907</u>

Bank loans and overdrafts are secured by a bond and floating charge over the assets of the company and its parent entity, SF 2004 Limited, in favour of the bank. Bank loans are also secured by individual mortgage charges over the workboats.

19. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	15,914,897	16,066,834
	<u>15,914,897</u>	<u>16,066,834</u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

20. LOANS

Analysis of the maturity of loans is given below:

	2016 £	2015 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	1,313,779	1,211,452
	<u>1,313,779</u>	<u>1,211,452</u>
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	2,809,888	1,216,939
	<u>2,809,888</u>	<u>1,216,939</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	13,105,009	14,849,895
	<u>13,105,009</u>	<u>14,849,895</u>

Each of the above bank loans are repayable over a defined period of time with a balloon payment on each of the loans in relation to the workboats. Interest is being charged at 1.95% above LIBOR. The balloon payments fall due for payment between August 2017 and July 2019. Bank loans are secured by a bond and floating charge over the assets of the company and its parent entity, SF 2004 Limited, in favour of the bank and also by individual mortgage charges over the workboats.

21. DEFERRED TAXATION

	2016 £	2015 £
At beginning of year	(3,141,719)	(3,176,075)
Charged to income statement	285,412	(417,968)
Charged to other comprehensive income	(223,191)	452,324
	<u>(3,079,498)</u>	<u>(3,141,719)</u>

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

21. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(3,606,812)	(3,142,261)
Tax losses carried forward	526,929	-
Short term timing differences	385	542
	<u>(3,079,498)</u>	<u>(3,141,719)</u>

22. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

23. RESERVES

Revaluation reserve

The revaluation reserve represents the revaluation uplift on the workboats net of the related tax liability.

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

24. PENSION COMMITMENTS

The company has arranged individual pension policies on a money purchase basis for certain employees and make regular contributions. Contributions payable are charged to the income statement in the year they are payable.

Contributions totalling £3,950 (2015 - £4,634) were payable to the fund at the balance sheet date and are included within creditors.

Contributions payable by the company for the year are £43,278 (2015 - £28,938).

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	70,000	70,000
Later than 1 year and not later than 5 years	280,000	280,000
Later than 5 years	507,500	577,500
TOTAL	857,500	927,500
	2016 £	2015 £
Other		
Not later than 1 year	44,365	49,517
Later than 1 year and not later than 5 years	36,158	42,200
TOTAL	80,523	91,717

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

26. RELATED PARTY TRANSACTIONS

During the year the company received services amounting to £200,000 (2015 - £200,000) from CDC Partnership and £4,500 (2015 - £8,500) from Lambie McGarry.

During the year the company made sales of £Nil (2015 £2,597,962) to GSS Broadsword Marine JV Pty.

During the year the company made purchases of £509,521 (2015 - £880,382) from, sales of £438,641 (2015 £3,189,759) to, and extended a loan of £Nil (2015 - £90) to GSS BV.

All transactions were carried out on an arms length basis.

	2016 £	2015 £
Balances due from related parties at the year end:		
GSS Broadsword Marine JV Pty	362,253	863,919
GSS BV	156,503	244,808
	<u>518,756</u>	<u>1,108,727</u>

The partners of CDC Partnership are also directors of SF 2004 Limited, the company's ultimate holding company.

Lambie McGarry is the mother of the director.

The company holds a 50% share in GSS Broadsword Marine JV Pty.

The company holds a 90% share in GSS BV.

SF 2004 Limited and Gareloch Support Services (Plant) Limited are companies within the same group. As such, the company has taken advantage of the exemptions of section 33.1A of FRS 102 where related party transactions with other wholly owned group companies are not required to be disclosed where consolidated accounts are produced.

27. POST BALANCE SHEET EVENTS

The company renegotiated its bank facilities reflecting ongoing investment and financing requirements post year end.

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The issued share capital is wholly owned by its parent company SF 2004 Limited, a company registered in Scotland.

GARELOCH SUPPORT SERVICES (PLANT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

29. FIRST TIME ADOPTION OF FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

	Note	£
Equity at 1 April 2014 under previous UK GAAP		15,949,329
Recognition of deferred tax liability on revalued workboats		(1,065,983)
EQUITY SHAREHOLDERS FUNDS AT 1 APRIL 2014 UNDER FRS 102		14,883,346

Reconciliation of equity at 31 March 2015

	Note	£
Equity at 31 March 2015 under previous UK GAAP		16,286,962
Recognition of deferred tax liability on revalued workboats as at 1 April 2014		(1,065,983)
Deferred tax on movement on workboat valuation		452,324
EQUITY SHAREHOLDERS FUNDS AT 31 MARCH 2015 UNDER FRS 102		15,673,303

Reconciliation of profit and loss account for the year ended 31 March 2015

	£
Profit for the year under UK GAAP	2,109,648
PROFIT FOR THE YEAR ENDED 31 MARCH 2015 UNDER FRS 102	2,109,648

On transition to FRS 102, deferred tax is provided on timing differences arising from the revaluation of workboats in the financial statements.