

**Bon-Accord Engineering Supplies (Caspian)
Limited**

**Directors' report and financial
statements**

Registered number SC192592

31 December 2017



**COMPANIES HOUSE
EDINBURGH**

27 MAR 2019

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Directors' report

The directors present the annual report and audited financial statements for the year ended 31 December 2017.

The company is exempt, by the virtue of its size, from the requirement to prepare a strategic report.

Principal activity

The principal activity of the company is the supply and distribution of piping components to the oil and petrochemical industry.

Results and dividends

The loss after tax for the year was £682,810 (2016: profit £662,405).

Directors

The directors who held office during the year and at the date of this report were as follows:

Genoyer SAS
O Thieblin (appointed 30 January 2018)

A Dudon resigned in the year, on 30 January 2018.

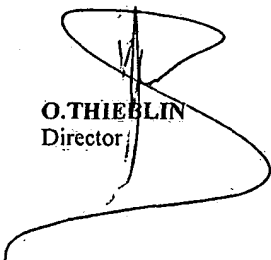
Disclosure of information to auditor

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

Auditor

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

By order of the board


O. THIEBLIN
Director

125 Princes Street
5th Floor
Edinburgh
EH2 4AO

22 March 2019

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 year. 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;
- 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 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Bon-Accord Engineering Supplies (Caspian) Limited

Opinion

We have audited the financial statements of Bon-Accord Engineering Supplies (Caspian) Limited ("the company") for the year ended 31 December 2017 which comprise the statement of profit and loss and other comprehensive income; statement of financial position; statement of changes in equity; and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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

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

Going concern

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

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

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

Independent auditor's report to the members of Bon-Accord Engineering Supplies (Caspian) Limited (continued)

Directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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



David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

27 March 2019

Profit and loss account
 for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Turnover	2	3,102,646	7,048,774
Cost of sales		(2,388,392)	(4,948,511)
Gross profit		714,254	2,100,263
Administrative expenses		(1,434,404)	(2,034,800)
Other operating income	3	81,265	628,667
Operating (loss)/profit		(638,885)	694,130
Interest receivable and similar income	6	4,980	1,788
Interest payable and similar expenses	7	(1,530)	(2,859)
(Loss)/profit before taxation	3	(635,435)	693,059
Tax on (loss)/profit	8	(47,375)	(30,654)
(Loss)/profit for the financial year		(682,810)	662,405
Other comprehensive income for the financial year		-	-
Total comprehensive (loss)/income for the financial year		(682,810)	662,405

Turnover and operating (loss)/profit are wholly derived from continuing operations.

Balance sheet
at 31 December 2017

	<i>Note</i>	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	9		42,007		61,923
Current assets					
Stocks	10	46,875		32,772	
Debtors	11	3,923,859		4,093,669	
Cash at bank and in hand		143,661		285,086	
		<u>4,114,395</u>		<u>4,411,527</u>	
Creditors: amounts falling due within one year	12	<u>(1,732,198)</u>		<u>(1,366,436)</u>	
Net current assets			2,382,197		3,045,091
Net assets			<u>2,424,204</u>		<u>3,107,014</u>
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account	13		2,424,202		3,107,012
Shareholders' funds			<u>2,424,204</u>		<u>3,107,014</u>

These financial statements were approved by the board on 22 March 2019 and were signed on its behalf by:


O. THIEBLIN
 Director

Statement of Changes in Equity

	Called up share capital £	Retained earnings £	Total £
Balance at 1 January 2016	2	2,444,607	2,444,609
Total comprehensive income for the year			
Profit for the year	-	662,405	662,405
Total comprehensive income for the year	-	662,405	662,405
Balance at 31 December 2016	2	3,107,012	3,107,014

	Called up share capital £	Retained earnings £	Total £
Balance at 1 January 2017	2	3,107,012	3,107,014
Total comprehensive loss for the year			
Loss for the year	-	(682,810)	(682,810)
Total comprehensive loss for the year	-	(682,810)	(682,810)
Balance at 31 December 2017	2	2,424,202	2,424,204

Notes

(forming part of the financial statements)

1 Accounting policies

Bon-Accord Engineering Suppliers (Caspian) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The Company's ultimate parent undertaking, Genoyer International, includes the Company in its consolidated financial statements. The consolidated financial statements of Genoyer International are available to the public and may be obtained from 9-11 Rue de Lisbonne, Z1 Les Estroublans, CS 60061, 13742 Vitrolles Cedex, France. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Genoyer International include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial *Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

As the company is a wholly owned subsidiary of Genoyer International, the company has taken advantage of the exemption contained in FRS 102.33.1A and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

On the basis of their assessment of the company's financial position, including expected cash flows and the level of financial commitments held, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and at least for twelve months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Trade and other debtors / creditors

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

Tangible fixed assets and depreciation

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

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

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

Leasehold building	-	20% straight line
Computer equipment	-	20% straight line
Plant, fixtures and equipment	-	20% straight line
Motor vehicles	-	25% straight line

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

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Taxation

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

Notes (continued)

1 Accounting policies (continued)

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Post-retirement benefits

Defined contribution plans and other long term employee benefits

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

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover represents amounts receivable, excluding VAT, for goods supplied and services rendered during the year. Turnover is recognised on delivery of the related goods or services.

2 Turnover

Turnover all originates in the Caspian area.

Turnover and operating profit have been derived entirely from the company's principal activity.

In the view of the directors, the company has only one class of business, selling goods.

3 Notes to the profit and loss account

	2017 £	2016 £
<i>(Loss)/profit before tax is stated after charging/(crediting):</i>		
Depreciation of tangible fixed assets	23,400	23,626
Hire of other assets – operating leases	27,324	31,480
Management fee	16,197	177,031
Foreign currency gain	(81,265)	(628,667)
Provision for inter-company loan	-	126,697
<i>Auditors' remuneration</i>		
Audit of these financial statements	7,000	3,500

Notes (continued)

4 Staff numbers and costs

The number of persons employed by the company during the year, analysed by category, was as follows:

	2017 Number	2016 Number
Sales and distribution	7	7
Administration	3	3
	<u>10</u>	<u>10</u>

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	370,550	514,394
Pension costs	84,497	114,148
	<u>455,047</u>	<u>628,542</u>

5 Remuneration of directors

The directors did not receive remuneration during the year or in the previous year for qualifying services to the company (2016: *£nil*).

6 Interest receivable and similar income

	2017 £	2016 £
Interest receivable from Group undertakings	4,980	1,788
	<u>4,980</u>	<u>1,788</u>

7 Interest payable and similar expenses

	2017 £	2016 £
Interest payable to Group undertakings	1,530	2,859
	<u>1,530</u>	<u>2,859</u>

Notes (continued)

8 Taxation

(i) Total tax expense recognised in the profit and loss account

	2017 £	2017 £	2016 £	2016 £
<i>UK corporation tax</i>				
Current tax on income for the year	-	-	-	-
Adjustment in respect of prior year	-	-	19,657	-
	-	-	19,657	-
Double taxation relief	-	-	-	-
		-		19,657
<i>Foreign tax</i>				
Current tax on income for the year	47,375	-	14,852	-
		47,375		14,852
Total current tax		47,375		34,509
<i>Deferred tax</i>				
Origination/reversal of timing differences	-	-	(3,855)	-
Adjustment in respect of previous year	-	-	-	-
Total deferred tax		-		(3,855)
Total tax on profit		47,375		30,654

(ii) Factors affecting the charge for the current year

The tax charge (2016: charge) for the year is higher (2016: lower) than the (credit)/charge expected by applying the standard rate of corporation tax in the UK (19%, 2016: 20%) to the profit on ordinary activities before tax. The differences are explained below:

	2017 £	2016 £
<i>Total tax reconciliation</i>		
Profit before tax	(682,810)	693,059
Tax at 19% (2016: 20%)	(129,734)	138,612
<i>Effects of:</i>		
Group taxation relief received for nil consideration	-	(168,975)
Withholding taxes suffered	47,375	14,852
Expenses not deductible for tax purposes	7,645	26,508
Deferred tax asset not recognised	122,089	-
Adjustment to tax charge for previous years	-	19,657
Total tax charge	47,375	30,654

Notes (continued)

8 Taxation (continued)

(iii) Factors affecting the future tax charge

On 26 October 2015, further reductions in the UK tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 were enacted. An additional reduction to 17% (effective 1 April 2020) was enacted in September 2016. This will further reduce the company's UK tax charge.

9 Tangible fixed assets

	Leasehold buildings £	Computer equipment £	Plant, fixtures and equipment £	Motor vehicles £	Total £
Cost					
At beginning of year	59,234	43,941	38,162	108,842	250,179
Additions	-	2,265	1,219	-	3,484
At end of year	59,234	46,206	39,381	108,842	253,663
Depreciation					
At beginning of year	53,594	39,138	31,594	63,930	188,256
Charge for year	1,620	3,090	3,052	15,638	23,400
At end of year	55,214	42,228	34,646	79,568	211,656
Net book value					
At 31 December 2017	4,020	3,978	4,735p	29,274	42,007
At 31 December 2016	5,640	4,803	6,568	44,912	61,923

10 Stocks

	2017 £	2016 £
Goods for resale	46,875	32,772

Goods for resale recognised as cost of sales in the year amounted to £2.4m (2016: £4.9m). The write-down of stocks to net realisable value amounted to £nil (2016: £nil). The write-down, recorded to reflect current market conditions, is included in cost of sales.

Notes (continued)

11 Debtors

	2017 £	2016 £
Trade debtors	1,651,869	1,416,813
Amounts owed by group undertakings	2,166,514	2,542,147
Other taxes recoverable	48,085	82,351
Deferred tax asset	3,996	3,997
Other debtors and prepayments	53,395	48,361
	<u>3,923,859</u>	<u>4,093,669</u>

The deferred tax asset relates wholly to accumulated depreciation in excess of capital allowances.

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	729,643	159,536
Amounts owed to group undertakings	235,128	917,847
Corporation tax payable	13,855	29,753
Accruals and deferred income	753,572	259,300
	<u>1,732,198</u>	<u>1,366,436</u>

13 Capital and reserves

Share capital

	2017 £	2016 £
<i>Allotted called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

Profit and loss account

The profit and loss account comprises cumulative undistributed earnings of the Company.

No dividends were recognised in the current or prior year.

Subsequent to the year end, in June 2018, the company paid a final dividend of £1,000,000 per share (total of £2,000,000) relating to the year ended 31 December 2017.

Notes (continued)

14 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 Land and buildings £	2016 Land and buildings £
Operating leases which expire:		
Within one year	27,000	31,000
In the second to fifth years inclusive	-	-
	27,000	31,000

The company has undertaken new lease agreements in 2017.

15 Ultimate parent undertaking

At 31 December 2017, the company was controlled by Genoyer S.A.S, a company incorporated in France, is the parent of the smallest group to consolidate these financial statements. Genoyer International S.A.S, a company registered in France, is considered to be the ultimate parent company and heads the largest group in which these financial statements are consolidated.

Subsequent to the year end, the company's shares were transferred to a fellow group subsidiary, Phocenne, and from 15 October 2018, the company was controlled by Phocenne.

Copies of the group financial statements of Phocenne, Genoyer SAS and Genoyer International SAS can be obtained from, Genoyer SAS/Genoyer International SAS, 9-11 Rue de Lisbonne, Z1 Les Estroublans, CS 60061, 13742 Vitrolles Cedex, France.

Banque Populaire Development SA, a company incorporated in France, has a controlling interest in the ultimate parent company.