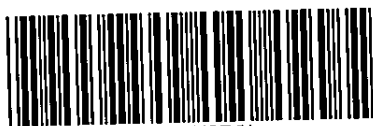


Report of the Directors and
Financial Statements for the Year Ended 31 March 2012
for
Torishima Service Solutions Europe Ltd

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Torishima Service Solutions Europe Ltd

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for the Year Ended 31 March 2012

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Torishima Service Solutions Europe Ltd

Company Information
for the Year Ended 31 March 2012

DIRECTORS:

G Clocherty
G Ashe
J K Frew
R Okada
Y Tsuaki

REGISTERED OFFICE:

Sunnyside Works
Gartsherrie Road
Coatbridge
ML5 2DJ

REGISTERED NUMBER:

SC376021 (Scotland)

AUDITORS:

Richard G. Beattie & Co.
Chartered Accountants
Registered Auditor
121 Moffat Street
Glasgow
G5 0ND

Report of the Directors
for the Year Ended 31 March 2012

The directors present their report with the financial statements of the company for the year ended 31 March 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of engineering services within the pump manufacturing industry.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

G Clocherty
G Ashe
J K Frew
R Okada
Y Tsuki

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Richard G. Beattie & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

Torishima Service Solutions Europe Ltd

Report of the Directors
for the Year Ended 31 March 2012

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'G Clocherty', with a long horizontal stroke extending to the right.

G Clocherty - Director

21 December 2012

Report of the Independent Auditors to the Members of
Torishima Service Solutions Europe Ltd

We have audited the financial statements of Torishima Service Solutions Europe Ltd for the year ended 31 March 2012 on pages six to ten. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors 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 March 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

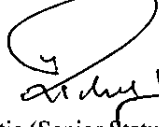
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Torishima Service Solutions Europe Ltd

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

 Richard G Beattie CA (Richard) Beattie, Senior Statutory Auditor

Richard G Beattie (Senior Statutory Auditor)
for and on behalf of Richard G. Beattie & Co.
Chartered Accountants
Registered Auditor
121 Moffat Street
Glasgow
G5 0ND

21 December 2012

Torishima Service Solutions Europe Ltd

Profit and Loss Account
for the Year Ended 31 March 2012

	Notes	Year Ended 31.3.12		Period 31.3.10 to 31.3.11	
		£	£	£	£
TURNOVER			3,017,184		1,066,517
Cost of sales			1,837,205		587,302
GROSS PROFIT			1,179,979		479,215
Distribution costs		15,782		13,157	
Administrative expenses		966,740		654,663	
			982,522		667,820
			197,457		(188,605)
Other operating income			54,123		38,685
OPERATING PROFIT/(LOSS)	2		251,580		(149,920)
Interest receivable and similar income			387		82
			251,967		(149,838)
Interest payable and similar charges			6,674		5,614
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			245,293		(155,452)
Tax on profit/(loss) on ordinary activities	3		-		-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			245,293		(155,452)

The notes form part of these financial statements

Torishima Service Solutions Europe Ltd

Balance Sheet
31 March 2012

	Notes	31.3.12 £	£	31.3.11 £	£
FIXED ASSETS					
Tangible assets	4		233,574		90,251
CURRENT ASSETS					
Stocks	5	55,344		10,068	
Debtors	6	731,047		382,764	
Cash at bank and in hand		254,830		175,329	
		1,041,221		568,161	
CREDITORS					
Amounts falling due within one year	7	900,842		453,864	
NET CURRENT ASSETS			140,379		114,297
TOTAL ASSETS LESS CURRENT LIABILITIES			373,953		204,548
CREDITORS					
Amounts falling due after more than one year	8		(150,000)		(300,000)
ACCRUALS AND DEFERRED INCOME	9		(124,112)		(50,000)
NET ASSETS/(LIABILITIES)			99,841		(145,452)
CAPITAL AND RESERVES					
Called up share capital	10		10,000		10,000
Profit and loss account	11		89,841		(155,452)
SHAREHOLDERS' FUNDS			99,841		(145,452)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 21 December 2012 and were signed on its behalf by:



G Clocherty - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% on cost
IT/Phone equipment	- 33% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. OPERATING PROFIT/(LOSS)

The operating profit (2011 - operating loss) is stated after charging:

	Year Ended 31.3.12	Period 31.3.10 to 31.3.11
	£	£
Depreciation - owned assets	26,915	12,054
Loss on disposal of fixed assets	-	1,250
Pension costs	15,782	13,157
	<u> </u>	<u> </u>
Directors' remuneration and other benefits etc	98,315	83,868
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 nor for the period ended 31 March 2011.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2012

4. TANGIBLE FIXED ASSETS

	Property renovations £	Plant and machinery £	Fixtures and fittings £	IT/Phone equipment £	Totals £
COST					
At 1 April 2011	-	64,804	7,553	29,948	102,305
Additions	35,112	125,897	1,444	7,785	170,238
At 31 March 2012	35,112	190,701	8,997	37,733	272,543
DEPRECIATION					
At 1 April 2011	-	3,622	1,058	7,374	12,054
Charge for year	1,934	11,734	1,670	11,577	26,915
At 31 March 2012	1,934	15,356	2,728	18,951	38,969
NET BOOK VALUE					
At 31 March 2012	33,178	175,345	6,269	18,782	233,574
At 31 March 2011	-	61,182	6,495	22,574	90,251

5. STOCKS

	31.3.12 £	31.3.11 £
Stocks	16,016	7,049
Work-in-progress	39,328	3,019
	55,344	10,068

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.12 £	31.3.11 £
Trade debtors	614,711	343,014
AFEX (FX Deposit)	-	20,660
VAT	45,836	-
Prepayments & other debtors	70,500	19,090
	731,047	382,764

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.12 £	31.3.11 £
Trade creditors	858,584	159,892
Social security and other taxes	21,774	15,029
VAT	-	885
Accrued & other creditors	20,484	278,058
	900,842	453,864

Notes to the Financial Statements - continued
for the Year Ended 31 March 2012

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.12	31.3.11
	£	£
THQ Loan	<u>150,000</u>	<u>300,000</u>

9. ACCRUALS AND DEFERRED INCOME

	31.3.12	31.3.11
	£	£
Deferred income	<u>124,112</u>	<u>50,000</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.3.12	31.3.11
Number:	Class:	Nominal value:	£	£
10,000	ordinary	1	<u>10,000</u>	<u>10,000</u>

11. RESERVES

	Profit and loss account £
At 1 April 2011	(155,452)
Profit for the year	<u>245,293</u>
At 31 March 2012	<u>89,841</u>

12. RELATED PARTY DISCLOSURES

The company entered into transactions within the normal course of business during the year with Torishima Europe Limited, Torishima Service Solutions FZCO, Torishima Service Solutions Dubai, Torishima Europe Projects Limited and Torishima Pumps (India) Private Limited all of which are under the common control of the parent company, Torishima Pumps Mfg Co Limited, with which the company transacted.

Sales of £30,950.08, £10,956.34, £2,974.45, £329,759.49, £10,524.45 and £10,696.54 were made to Torishima Europe Limited, Torishima Service Solutions FZCO, Torishima Pumps (India) Private Limited, Torishima Pumps Mfg Co Limited, Torishima Europe Projects Limited and Torishima Service Solutions Dubai respectively during the year.

Outstanding debtor balances of £3,582.00, £2,342.43, £317.92, £41,022.52, £5,697.89 and £2,631.60 were owed by Torishima Europe Limited, Torishima Service Solutions FZCO, Torishima Pumps (India) Private Limited, Torishima Pumps Mfg Co Limited, Torishima Europe Projects Limited and Torishima Service Solutions Dubai respectively at the year end.

Purchases of £43,829.63 and £1,179,457.32 were made from Torishima Europe Limited and Torishima Pumps Mfg Co Limited during the year.

Outstanding creditor balances of £19,695.76 and £498,920.15 were owed to Torishima Europe Limited and Torishima Pumps Mfg Co Limited at the year end.

The company also has an £150,000.00 outstanding loan balance at the year end owed to Torishima Pumps Mfg Co Limited.

Torishima Service Solutions Europe Ltd

Trading and Profit and Loss Account
for the Year Ended 31 March 2012

	Year Ended 31.3.12		Period 31.3.10 to 31.3.11	
	£	£	£	£
Sales		3,017,184		1,066,517
Cost of sales				
Opening stock	10,068		-	
Purchases	1,626,639		439,613	
Labour costs	228,622		157,757	
Transportation costs	26,614		-	
Commissions	606		-	
	1,892,549		597,370	
Closing stock	(55,344)		(10,068)	
		1,837,205		587,302
GROSS PROFIT		1,179,979		479,215
Other income				
Management charges	42,152		38,040	
Scrap resale	1,971		645	
RSA Grant monies	10,000		-	
Bank interest received	387		82	
		54,510		38,767
		1,234,489		517,982
Expenditure				
Pensions	15,782		13,157	
Rent & rates	75,311		-	
Insurance	15,470		12,267	
Light and heat	37,990		29,880	
Directors' salaries	98,315		83,868	
Staff salaries	415,842		248,427	
Hire of equipment	19,444		18,491	
Computer maintenance	14,811		6,283	
Telephone & fax	9,351		6,808	
Postages & carriage	3,672		2,614	
UK entertainment	1,383		957	
Travelling	24,326		12,524	
Motor expenses	48,322		6,506	
Flights	31,926		30,018	
Car & van hire	5,310		31,157	
Overseas entertainment	1,079		719	
Hotels & subsistence	10,307		22,298	
Overseas travel	1,952		1,717	
Small tools	-		9,108	
Consumable tools	-		3,207	
Maintenance	42,071		19,316	
Protective clothing & renewals	446		6,417	
Advertising & marketing	5,766		2,964	
Stationery & printing	5,856		10,037	
Training	13,563		6,710	
Sundry expenses	13,718		6,838	
Carried forward	912,013	1,234,489	592,288	517,982

This page does not form part of the statutory financial statements

Torishima Service Solutions Europe Ltd.

Trading and Profit and Loss Account
for the Year Ended 31 March 2012

	Year Ended 31.3.12		Period 31.3.10 to 31.3.11	
	£	£	£	£
Brought forward	912,013	1,234,489	592,288	517,982
Subscriptions	1,687		1,316	
Accountancy	2,427		-	
Legal & professional fees	38,388		55,052	
Directors' pensions paid	4,944		4,800	
Charities	1,055		-	
	<u> </u>	960,514	<u> </u>	653,456
		273,975		(135,474)
Finance costs				
Bank charges	1,786		729	
Exchange rate variances	(6,693)		331	
Loan interest	6,674		5,614	
	<u> </u>	1,767	<u> </u>	6,674
		272,208		(142,148)
Depreciation				
Property renovations	1,934		-	
Plant and machinery	11,734		3,622	
Fixtures and fittings	1,670		1,058	
IT/Phone equipment	11,577		7,374	
	<u> </u>	26,915	<u> </u>	12,054
		245,293		(154,202)
Loss on disposal of fixed assets				
Motor vehicles		-		1,250
NET PROFIT/(LOSS)		<u>245,293</u>		<u>(155,452)</u>

This page does not form part of the statutory financial statements