

Report of the Directors and
Financial Statements for the Year Ended 31 March 2014
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 2014

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Torishima Service Solutions Europe Ltd

Company Information
for the Year Ended 31 March 2014

DIRECTORS:

G Clocherty
G Ashe
R Okada
Y Tsuaki
P Cunningham
M Ishida

REGISTERED OFFICE:

2 Colliery Gate
Clyde Gateway East
Glasgow
G32 8RH

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 2014

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

G Clocherty
G Ashe
R Okada
Y Tsuaki

Other changes in directors holding office are as follows:

P Cunningham and M Ishida were appointed as directors after 31 March 2014 but prior to the date of this report.

J K Frew ceased to be a director after 31 March 2014 but prior to the date of this report.

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

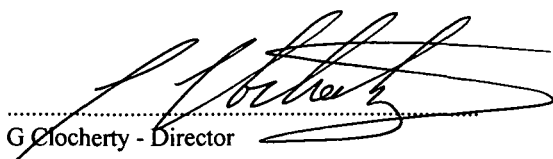
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

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:


G Clocherty - Director

Date: 24th Nov. '14

**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 2014 on pages five to nine. 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 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 2014 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

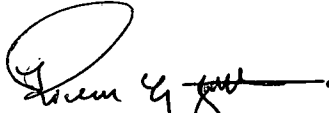
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



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

Date: 27.11.14

Torishima Service Solutions Europe Ltd

Profit and Loss Account
for the Year Ended 31 March 2014

	Notes	31.3.14 £	£	31.3.13 £	£
TURNOVER			5,198,011		3,004,558
Cost of sales			2,768,576		1,825,796
GROSS PROFIT			2,429,435		1,178,762
Distribution costs		15,525		15,129	
Administrative expenses		1,187,524		1,093,834	
			1,203,049		1,108,963
			1,226,386		69,799
Other operating income			78,474		78,861
OPERATING PROFIT	2		1,304,860		148,660
Interest receivable and similar income			1,116		324
			1,305,976		148,984
Interest payable and similar charges			2,273		4,500
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,303,703		144,484
Tax on profit on ordinary activities	3		294,616		16,060
PROFIT FOR THE FINANCIAL YEAR			1,009,087		128,424

The notes form part of these financial statements

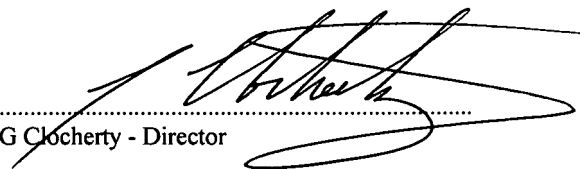
Torishima Service Solutions Europe Ltd (Registered number: SC376021)

Balance Sheet
31 March 2014

	Notes	31.3.14 £	£	31.3.13 £	£
FIXED ASSETS					
Tangible assets	4		178,059		264,187
CURRENT ASSETS					
Stocks	5	34,415		47,363	
Debtors	6	1,035,841		893,518	
Cash at bank and in hand		1,133,938		548,916	
		2,204,194		1,489,797	
CREDITORS					
Amounts falling due within one year	7	931,826		517,032	
NET CURRENT ASSETS			1,272,368		972,765
TOTAL ASSETS LESS CURRENT LIABILITIES			1,450,427		1,236,952
CREDITORS					
Amounts falling due after more than one year	8		-		(150,000)
ACCRUALS AND DEFERRED INCOME	9		(213,075)		(858,687)
NET ASSETS			1,237,352		228,265
CAPITAL AND RESERVES					
Called up share capital	10		10,000		10,000
Profit and loss account	11		1,227,352		218,265
SHAREHOLDERS' FUNDS			1,237,352		228,265

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 24TH. NOV. '14 and were signed on its behalf by:


G Clocherty - Director

Notes to the Financial Statements
for the Year Ended 31 March 2014

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.14 £	31.3.13 £
Depreciation - owned assets	47,429	51,436
Loss on disposal of fixed assets	-	2,562
Pension costs	15,525	15,129
	<u>102,439</u>	<u>103,151</u>
Directors' remuneration		
	<u>102,439</u>	<u>103,151</u>

3. **TAXATION**

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.14 £	31.3.13 £
Current tax:		
UK corporation tax	294,616	16,060
Tax on profit on ordinary activities	<u>294,616</u>	<u>16,060</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

4. TANGIBLE FIXED ASSETS

	Property renovations £	Plant and machinery £	Fixtures and fittings £	IT/Phone equipment £	Totals £
COST					
At 1 April 2013	43,548	263,000	8,997	38,316	353,861
Additions	-	49,567	-	4,783	54,350
Disposals	(16,099)	(115,413)	-	-	(131,512)
At 31 March 2014	27,449	197,154	8,997	43,099	276,699
DEPRECIATION					
At 1 April 2013	9,659	43,756	4,540	31,719	89,674
Charge for year	8,176	31,353	1,812	6,088	47,429
Eliminated on disposal	(6,713)	(31,750)	-	-	(38,463)
At 31 March 2014	11,122	43,359	6,352	37,807	98,640
NET BOOK VALUE					
At 31 March 2014	16,327	153,795	2,645	5,292	178,059
At 31 March 2013	33,889	219,244	4,457	6,597	264,187

5. STOCKS

	31.3.14 £	31.3.13 £
Stocks	30,089	34,131
Work-in-progress	4,326	13,232
	34,415	47,363

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade debtors	924,223	718,976
Prepayments & other debtors	111,618	174,542
	1,035,841	893,518

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade creditors	292,709	317,760
Tax	293,629	16,060
Social security and other taxes	29,333	23,940
VAT	10,018	10,651
Accrued & other creditors	306,137	148,621
	931,826	517,032

Torishima Service Solutions Europe Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

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

	31.3.14	31.3.13
	£	£
THQ Loan	-	150,000
	<u> </u>	<u> </u>

9. **ACCRUALS AND DEFERRED INCOME**

	31.3.14	31.3.13
	£	£
Deferred income	213,075	858,687
	<u> </u>	<u> </u>

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			31.3.14	31.3.13
Number:	Class:	Nominal value:	£	£
10,000	ordinary	1	10,000	10,000
			<u> </u>	<u> </u>

11. **RESERVES**

	Profit and loss account £
At 1 April 2013	218,265
Profit for the year	1,009,087
	<u> </u>
At 31 March 2014	1,227,352
	<u> </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, Torishima Pumps (India) Private Limited and Tori- Well Technologies Ltd all of which are under the common control of the parent company, Torishima Pumps Mfg Co Limited, with which the company transacted.

Sales of £25,969.72(excl vat), £17,572.15, £4,484.36, £120,278.09, £26,955.01 and £23,665.90 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 and respectively during the year.

Outstanding debtor balances of £6,249.74, £1,562.03, £53,696.81, £5,478.15 and £3,759.20 were owed by Torishima Europe Limited, Torishima Service Solutions FZCO, Torishima India Pvt Ltd, Torishima Pumps MFG Co., Torishima Europe Projects Limited and Torishima Service Solutions Dubai respectively at the year end.

Purchases of £97,446.26 and £1,195,105.10 were made from Torishima Europe Limited and Torishima Pump MFG Co. Ltd respectively during the year.

Outstanding creditor balances of £21,696.28 and £14,065.47 was owed to Torishima Europe Limited and Torishima Pumps Mfg Co Limited at the year end.

Torishima Service Solutions Europe Ltd

Trading and Profit and Loss Account
for the Year Ended 31 March 2014

	31.3.14		31.3.13	
	£	£	£	£
Sales		5,198,011		3,004,558
Cost of sales				
Opening stock	47,364		55,344	
Purchases	2,249,412		1,388,326	
Labour costs	383,102		319,681	
Transportation costs	21,030		14,966	
Commissions	102,083		94,843	
	2,802,991		1,873,160	
Closing stock	(34,415)		(47,364)	
		2,768,576		1,825,796
GROSS PROFIT		2,429,435		1,178,762
Other income				
Management charges	43,940		57,440	
Scrap resale	130		315	
RSA Grant monies	14,775		21,106	
Sundry Income	19,629		-	
Bank interest received	1,116		324	
		79,590		79,185
		2,509,025		1,257,947
Expenditure				
Pensions	15,525		15,129	
Rent & rates	58,781		61,379	
Insurance	1,112		24,734	
Light and heat	41,058		29,225	
Directors' salaries	102,439		103,151	
Directors' pensions paid	6,023		-	
Staff salaries	473,413		448,338	
Hire of equipment	22,153		18,189	
Computer maintenance	9,758		9,201	
Telephone & fax	11,373		9,302	
Postages & carriage	2,843		2,330	
UK entertainment	1,933		7,852	
Travelling	41,703		36,583	
Motor expenses	77,010		64,135	
Flights	3,756		18,565	
Car & van hire	1,389		276	
Overseas entertainment	604		147	
Hotels & subsistence	7,877		8,589	
Overseas travel	996		671	
Small tools	5,751		7,965	
Maintenance	55,214		43,199	
Protective clothing & renewals	-		2,622	
Advertising & marketing	733		10,174	
Stationery & printing	7,142		7,025	
Training	-		26,545	
Sundry expenses	75,465		14,783	
Carried forward	1,024,051	2,509,025	970,109	1,257,947

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 2014

	31.3.14		31.3.13	
	£	£	£	£
Brought forward	1,024,051	2,509,025	970,109	1,257,947
Subscriptions	3,019		1,781	
Cleaning	5,401		844	
Accountancy	2,678		1,529	
Office Cost	-		14,876	
Legal & professional fees	57,591		14,173	
Directors' pensions paid	-		5,120	
		<u>1,092,740</u>		<u>1,008,432</u>
		1,416,285		249,515
Finance costs				
Bank charges	3,523		4,489	
Exchange rate variances	59,357		42,044	
Loan interest	2,273		4,500	
		<u>65,153</u>		<u>51,033</u>
		1,351,132		198,482
Depreciation				
Property renovations	8,176		7,725	
Plant and machinery	31,353		29,131	
Fixtures and fittings	1,812		1,812	
IT/Phone equipment	6,088		12,768	
		<u>47,429</u>		<u>51,436</u>
		1,303,703		147,046
Loss on disposal of fixed assets				
Plant and machinery		-		2,562
NET PROFIT		<u><u>1,303,703</u></u>		<u><u>144,484</u></u>

This page does not form part of the statutory financial statements