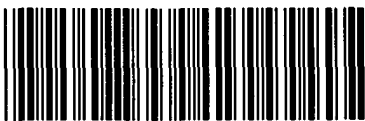


Report of the Directors and
Financial Statements for the Year Ended 31 March 2015
for
Torishima Service Solutions Europe Ltd

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Torishima Service Solutions Europe Ltd

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for the Year Ended 31 March 2015

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Torishima Service Solutions Europe Ltd

Company Information
for the Year Ended 31 March 2015

DIRECTORS:

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

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

Torishima Service Solutions Europe Ltd

Report of the Directors
for the Year Ended 31 March 2015

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

G Clocherty
G Ashe
R Okada
Y Tsuaki

Other changes in directors holding office are as follows:

J K Frew - resigned 22 August 2014
M Ishida - appointed 27 June 2014
P Cunningham - appointed 27 June 2014

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 2015

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 'Paul Cunningham', written in a cursive style.

P Cunningham - Director

2 December 2015

**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 2015 on pages six to eleven. 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 2015 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

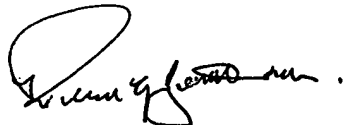
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

2 December 2015

Torishima Service Solutions Europe Ltd

Profit and Loss Account
for the Year Ended 31 March 2015

	Notes	31.3.15 £	£	31.3.14 £	£
TURNOVER			6,067,404		5,198,011
Cost of sales			3,656,471		2,768,576
GROSS PROFIT			2,410,933		2,429,435
Distribution costs		19,527		15,525	
Administrative expenses		1,374,667		1,187,524	
			1,394,194		1,203,049
			1,016,739		1,226,386
Other operating income			47,342		78,474
OPERATING PROFIT	2		1,064,081		1,304,860
Interest receivable and similar income			1,859		1,116
			1,065,940		1,305,976
Interest payable and similar charges			-		2,273
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,065,940		1,303,703
Tax on profit on ordinary activities	3		184,464		294,616
PROFIT FOR THE FINANCIAL YEAR			881,476		1,009,087

The notes form part of these financial statements

Torishima Service Solutions Europe Ltd (Registered number: SC376021)

Balance Sheet
31 March 2015

	Notes	31.3.15 £	31.3.14 £
FIXED ASSETS			
Tangible assets	4	360,074	178,059
CURRENT ASSETS			
Stocks	5	40,931	34,415
Debtors	6	2,220,217	1,035,841
Cash at bank and in hand		1,320,000	1,133,938
		<u>3,581,148</u>	<u>2,204,194</u>
CREDITORS			
Amounts falling due within one year	7	<u>1,995,030</u>	<u>931,826</u>
NET CURRENT ASSETS		<u>1,586,118</u>	<u>1,272,368</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,946,192</u>	<u>1,450,427</u>
ACCRUALS AND DEFERRED INCOME	8	<u>477,364</u>	<u>213,075</u>
NET ASSETS		<u><u>1,468,828</u></u>	<u><u>1,237,352</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	10,000	10,000
Profit and loss account	10	<u>1,458,828</u>	<u>1,227,352</u>
SHAREHOLDERS' FUNDS		<u><u>1,468,828</u></u>	<u><u>1,237,352</u></u>

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 2 December 2015 and were signed on its behalf by:



P Cunningham - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2015**

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.

Property renovations	- 20% on cost
Light plant & machinery, Heavy plant & machinery	- 20% on cost and 10% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% 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:

	31.3.15	31.3.14
	£	£
Depreciation - owned assets	55,581	47,429
Loss on disposal of fixed assets	16,675	-
Pension costs	84,549	15,525
	<u>155,918</u>	<u>102,439</u>
Directors' remuneration	<u>155,918</u>	<u>102,439</u>

3. TAXATION

Analysis of the tax charge

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

	31.3.15	31.3.14
	£	£
Current tax:		
UK corporation tax	184,464	294,616
Tax on profit on ordinary activities	<u>184,464</u>	<u>294,616</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

4. TANGIBLE FIXED ASSETS

	Property renovations £	Light plant & machinery, Heavy plant & £	Fixtures and fittings £
COST			
At 1 April 2014	27,449	197,154	8,997
Additions	12,428	226,599	2,878
Disposals	(27,449)	(10,464)	(612)
At 31 March 2015	12,428	413,289	11,263
DEPRECIATION			
At 1 April 2014	11,122	43,359	6,352
Charge for year	-	50,584	1,722
Eliminated on disposal	(9,259)	-	-
At 31 March 2015	1,863	93,943	8,074
NET BOOK VALUE			
At 31 March 2015	10,565	319,346	3,189
At 31 March 2014	16,327	153,795	2,645

	Motor vehicles £	IT/Phone equipment £	Totals £
COST			
At 1 April 2014	-	43,099	276,699
Additions	11,600	15,677	269,182
Disposals	-	(2,320)	(40,845)
At 31 March 2015	11,600	56,456	505,036
DEPRECIATION			
At 1 April 2014	-	37,807	98,640
Charge for year	726	2,549	55,581
Eliminated on disposal	-	-	(9,259)
At 31 March 2015	726	40,356	144,962
NET BOOK VALUE			
At 31 March 2015	10,874	16,100	360,074
At 31 March 2014	-	5,292	178,059

5. STOCKS

	31.3.15 £	31.3.14 £
Stocks	26,323	30,089
Work-in-progress	14,608	4,326
	40,931	34,415

Torishima Service Solutions Europe Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 March 2015

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				31.3.15	31.3.14
				£	£
Trade debtors				2,172,654	924,223
Prepayments & other debtors				47,563	111,618
				<u>2,220,217</u>	<u>1,035,841</u>
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				31.3.15	31.3.14
				£	£
Trade creditors				1,361,372	292,709
Tax				193,693	293,629
Social security and other taxes				30,329	29,333
VAT				26,526	10,018
Accrued & other creditors				383,110	306,137
				<u>1,995,030</u>	<u>931,826</u>
8. ACCRUALS AND DEFERRED INCOME				31.3.15	31.3.14
				£	£
Deferred income				<u>477,364</u>	<u>213,075</u>
9. CALLED UP SHARE CAPITAL					
Allotted, issued and fully paid:					
Number:	Class:	Nominal value:		31.3.15	31.3.14
				£	£
10,000	ordinary	1		<u>10,000</u>	<u>10,000</u>
10. RESERVES					
					Profit and loss account £
At 1 April 2014					1,227,352
Profit for the year					881,476
Dividends					(650,000)
At 31 March 2015					<u>1,458,828</u>

11. RELATED PARTY DISCLOSURES

The company made sales to Torishima Pump MFG Co of £138,151 during the year, of which an outstanding trade debtor balance of £40,430 was owed to the company at the year end date.

The company made sales to Torishima Europe Projects Ltd of £7,992 during the year, of which an outstanding trade debtor balance of £1,735 was owed to the company at the year end date.

The company made sales to Torishima Service Solutions FZCO of £12,769 during the year, of which an outstanding trade debtor balance of £4,566 was owed to the company at the year end date.

The company made sales to Torishima Europe Ltd of £28,643 during the year, of which an outstanding trade debtor balance of £3,353 was owed to the company at the year end date.

The company made sales to Torishima Energy Systems Ltd of £1,683 during the year, of which an outstanding trade debtor balance of £352 was owed to the company at the year end date.

The company made purchases from Torishima Pumps Mfg Co of £1,596,658 during the year, of which an outstanding trade creditor balance of £548,711 was owed by the company at the year end date.

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Torishima Pump Manufacturing Co Japan, with 70% ownership of the issued ordinary share capital.

Torishima Service Solutions Europe Ltd

Trading and Profit and Loss Account
for the Year Ended 31 March 2015

	31.3.15		31.3.14	
	£	£	£	£
Sales		6,067,404		5,198,011
Cost of sales				
Opening stock	34,415		47,364	
Purchases	2,970,668		2,249,412	
Labour costs	478,784		383,102	
Transportation costs	-		21,030	
Commissions	213,535		102,083	
	3,697,402		2,802,991	
Closing stock	(40,931)		(34,415)	
		3,656,471		2,768,576
GROSS PROFIT		2,410,933		2,429,435
Other income				
Management charges	29,859		43,940	
Scrap resale	338		130	
RSA Grant monies	14,500		14,775	
Sundry Income	2,645		19,629	
Bank interest received	333		1,116	
Other interest income	1,526		-	
		49,201		79,590
		2,460,134		2,509,025
Expenditure				
Pensions	19,527		15,525	
Rent & rates	128,617		58,781	
Insurance	31,490		1,112	
Light and heat	75,186		41,058	
Health insurance	5,202		-	
Directors' salaries	155,918		102,439	
Directors' pensions paid	11,833		6,023	
Staff salaries	365,326		473,413	
Spares salaries	42,337		-	
Sales managers salaries	65,022		-	
Hire of equipment	41,790		22,153	
Computer maintenance	12,964		9,758	
Telephone & fax	13,816		11,373	
Postages & carriage	212		2,843	
UK entertainment	2,854		1,933	
Travelling	326		41,703	
Motor expenses	48,688		77,010	
Flights	32,004		3,756	
Car & van hire	61,279		1,389	
Overseas entertainment	470		604	
Hotels & subsistence	7,128		7,877	
Overseas travel	732		996	
Small tools	6,818		5,751	
Consumable tools	42,077		-	
Maintenance	13,010		55,214	
Carried forward	1,184,626	2,460,134	940,711	2,509,025

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 2015

	31.3.15		31.3.14	
	£	£	£	£
Brought forward	1,184,626	2,460,134	940,711	2,509,025
PPE	6,912		-	-
Advertising & marketing	4,676		733	
Stationery & printing	10,417		7,142	
Factory relocation costs	30,350		-	
Sundry expenses	24,917		75,465	
Subscriptions	5,559		3,019	
Training costs	24,378		5,401	
Recruitment costs	10,643		-	
Accountancy	4,260		2,678	
Laundry	6,606		-	
Waste disposal	5,040		-	
Legal & professional fees	62,227		57,591	
		1,380,611		1,092,740
		1,079,523		1,416,285
Finance costs				
Bank charges	3,953		3,523	
Exchange rate variances	(71,073)		59,357	
Loan interest	-		2,273	
		(67,120)		65,153
		1,146,643		1,351,132
Depreciation				
Property renovations	3,695		8,176	
Plant and machinery	52,553		31,353	
Fixtures and fittings	2,187		1,812	
IT/Phone equipment	5,593		6,088	
		64,028		47,429
		1,082,615		1,303,703
Loss on disposal of fixed assets				
Property renovations	16,526		-	
Fixtures and fittings	88		-	
Computer equipment	61		-	
		16,675		-
NET PROFIT		1,065,940		1,303,703

This page does not form part of the statutory financial statements