REGISTERED NUMBER: SC376021 (Scotland)

Strategic Report, Report of the Directors and

Financial Statements For The Year Ended 31 March 2021

for

Torishima Service Solutions Europe Limited

Torishima Service Solutions Europe Limited (Registered number: SC376021)

Contents of the Financial Statements For The Year Ended 31 March 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Income Statement	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Statement of Cash Flows	11
Notes to the Financial Statements	12

Torishima Service Solutions Europe Limited

Company Information For The Year Ended 31 March 2021

DIRECTORS:	G Ashe A J Ferrie Mrs L M O'Neill H Koichiro P P Van Der Meulen
REGISTERED OFFICE:	30 Colliery Road Clyde Gateway Business Park London Road Glasgow G32 8SL
REGISTERED NUMBER:	SC376021 (Scotland)
INDEPENDENT AUDITORS:	Robb Ferguson Chartered Accountants & Statutory Auditors Regent Court 70 West Regent Street Glasgow G2 2QZ

Strategic Report For The Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

REVIEW OF BUSINESS

Throughout the year the company focussed on driving our internal processes and service to our customers. Part of our strategy was to ensure we maintained our high standards and cultural focus on health and safety in turn delivering a quality service. The company continued to support Torishima Japan with regards the repair and service of their installed base within our designated territory, however had strategic synergies across our revenue streams with varying risk factors. Our revenue streams are:-

Pump repair & service and surface coatings. We continued to support Torishima Japan by being proactive with our installed equipment, i.e. in previous years we waited for enquiries rather than contacting the customer to assist them in their operations. We focussed throughout the year on power stations and large vertical turbine pumps which have a high skill level to maintain and hence value added as an OEM. Pump repair in and outs were a key focus not only for revenue generation but delivering the pump back to the customer in a reduced time allowing them to get back into service with minimal or zero downtime in their operation. One risk we faced throughout was travelling to various countries (and even within the UK) due to Covid-19 restrictions, however we managed to overcome these as being part of an essential service. With the proactive approach, maintaining high quality standards and reducing repair times we achieved 192% growth from the previous financial year.

Our spare parts revenue was strong throughout the year with customers purchasing spare parts for their pumps (possible due to Covid-19 concerns) which resulted in 70% growth from the previous year. Our spare parts are a key part of the business delivering good gross margins and mitigated currency risks, purchasing from Japan and selling in USD or EURO by managing our currency and selling forward with the support of our Bankers. We also faced a risk in shipping delays for the spares however established an agreement with a logistics company to overcome this and manage the associated risks.

The fluid power group continued to look at lean initiatives throughout the year with the aim of improving their internal processes and improving on gross margin. Fluid power were successful in securing orders and delivering them during the year whilst maintaining their gross margins whilst supporting Torishima Japan in the manufacture of lube oil systems for high energy pumps. A growth of 40% was achieved from the previous year mainly due to driving internal processes and delivering hydraulic systems with reduced lead times.

Our cooling water system team remained stable throughout the year with regards to revenue with the main risk of Covid-19 and delivering the systems to the Middle East. As with spares we managed the currency risk on these projects with our Bankers and established new internal processes to manage our supply chain. We saw a 6% reduction from the previous year however was mainly due to approvals and shipping release that was delayed due to not being able to travel to customer meetings. Although these were conducted by video call we did see a delay in approvals.

Overall we achieved a total growth of 33% from the previous year.

PRINCIPAL RISKS AND UNCERTAINTIES

Our risks going into the next financial year are lack of orders, reducing our order backlog due to lack of customer interaction driven by Covid-19, especially in overseas customers and we will need to navigate through the outcomes of Brexit for 2021. We will continue to drive our internal process, deliver a quality service to our customers and focus on business opportunities that will deliver profitable growth for next year.

ON BEHALF OF THE BOARD:

A J Ferrie - Director

14 October 2021

Torishima Service Solutions Europe Limited (Registered number: SC376021)

Report of the Directors For The Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2021.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

G Ashe
A J Ferrie
Mrs L M O'Neill
H Koichiro
P P Van Der Meulen

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic Report, 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

A J Ferrie - Director

14 October 2021

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

Opinion
We have audited the financial statements of Torishima Service Solutions Europe Limited (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

Janice Alexander CA (Senior Statutory Auditor)
for and on behalf of Robb Ferguson
Chartered Accountants & Statutory Auditors
Regent Court
70 West Regent Street
Glasgow
G2 2QZ

14 October 2021

Torishima Service Solutions Europe Limited (Registered number: SC376021)

Income Statement
For The Year Ended 31 March 2021

	Notes	2021 £	£	2020 £	£
TURNOVER			**13,901,499**		10,451,486
Cost of sales			**9,051,521**		7,036,709
GROSS PROFIT			**4,849,978**		3,414,777
Distribution costs		**93,116**		58,635	
Administrative expenses		**2,809,125**		2,324,033	
			2,902,241		2,382,668
			1,947,737		1,032,109
Other operating income			**63,217**		3,785
OPERATING PROFIT	4		**2,010,954**		1,035,894
Foreign exchange gains	5		**544,752**		-
			2,555,706		1,035,894
Income from shares in group undertakings			**348,167**		-
			2,903,873		1,035,894
Amounts written off investments	6		**348,167**		-
			2,555,706		1,035,894
Interest payable and similar expenses	7		**709**		223
PROFIT BEFORE TAXATION			**2,554,997**		1,035,671
Tax on profit	8		**502,408**		181,965
PROFIT FOR THE FINANCIAL YEAR			**2,052,589**		853,706
OTHER COMPREHENSIVE INCOME			**-**		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			**2,052,589**		853,706

The notes form part of these financial statements

Torishima Service Solutions Europe Limited (Registered number: SC376021)

Statement of Financial Position
31 March 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	9		**1,032,521**		222,656
Investments	10		**1,559,791**		-
			2,592,312		222,656
CURRENT ASSETS					
Stocks	11	**710,055**		1,704,199	
Debtors	12	**5,386,763**		6,811,667	
Cash at bank and in hand		**1,732,769**		1,151,704	
		7,829,587		9,667,570	
CREDITORS					
Amounts falling due within one year	13	**3,827,962**		5,894,854	
NET CURRENT ASSETS			**4,001,625**		3,772,716
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,593,937**		3,995,372
CREDITORS					
Amounts falling due after more than one year	14		**(506,051)**		-
PROVISIONS FOR LIABILITIES	16		**(74,267)**		(34,342)
NET ASSETS			**6,013,619**		3,961,030
CAPITAL AND RESERVES					
Called up share capital	17		**10,000**		10,000
Retained earnings	18		**6,003,619**		3,951,030
SHAREHOLDERS' FUNDS			**6,013,619**		3,961,030

The financial statements were approved by the Board of Directors and authorised for issue on 14 October 2021 and were signed on its behalf by:

A J Ferrie - Director

The notes form part of these financial statements

Torishima Service Solutions Europe Limited (Registered number: SC376021)

Statement of Changes in Equity For The Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	10,000	3,097,324	3,107,324
Changes in equity			
Total comprehensive income	-	853,706	853,706
Balance at 31 March 2020	10,000	3,951,030	3,961,030
Changes in equity			
Total comprehensive income	-	2,052,589	2,052,589
Balance at 31 March 2021	10,000	6,003,619	6,013,619

The notes form part of these financial statements

Torishima Service Solutions Europe Limited (Registered number: SC376021)

Statement of Cash Flows For The Year Ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	**2,518,602**	173,585
Interest paid		**(709)**	(223)
Tax paid		**(389,499)**	(229,510)
Net cash from operating activities		**2,128,394**	(56,148)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(954,534)**	(79,241)
Purchase of fixed asset investments		**(1,069,607)**	-
Dividends received		**348,167**	-
Net cash from investing activities		**(1,675,974)**	(79,241)
Cash flows from financing activities			
Capital grant receipt		**128,645**	-
Net cash from financing activities		**128,645**	-
Increase/(decrease) in cash and cash equivalents		**581,065**	(135,389)
Cash and cash equivalents at beginning of year	2	**1,151,704**	1,287,093
Cash and cash equivalents at end of year	2	**1,732,769**	1,151,704

The notes form part of these financial statements

Notes to the Statement of Cash Flows For The Year Ended 31 March 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	**2,554,997**	1,035,671
Depreciation charges	**144,669**	113,663
Impairment loss on investment	**348,167**	-
Finance costs	**709**	223
Finance income	**(348,167)**	-
	2,700,375	1,149,557
Decrease/(increase) in stocks	**994,144**	(1,218,474)
Decrease/(increase) in trade and other debtors	**1,424,904**	(3,381,215)
(Decrease)/increase in trade and other creditors	**(2,600,821)**	3,623,717
Cash generated from operations	**2,518,602**	173,585

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	**1,732,769**	**1,151,704**

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	1,151,704	1,287,093

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank and in hand	**1,151,704**	**581,065**	**1,732,769**
	1,151,704	**581,065**	**1,732,769**
Total	**1,151,704**	**581,065**	**1,732,769**

The notes form part of these financial statements

1. STATUTORY INFORMATION

Torishima Service Solutions Europe Limited is a private company, limited by shares , registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates
Significant estimates relate to the valuation of costs in relation to long term contract work in progress. These are accrued at the margin rate in line with the stage of completion valuation method and costs are reallocated from work in progress (calculated) costs to the long term contract costs. Identified losses are recognised immediately in line with the company policy on long term contracts.

Other areas of estimation are in the fair value and depreciation policies set by the company. these are reviewed annually and are in line with industry standards.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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 and over the period of lease
Plant and machinery	- 20% on cost and 10% on cost
Fixtures and fittings	- 20% on cost
IT/Phone Equipment	- 33% on cost

Government grants
Government grants relating to tangible fixed assets are treated as deferred income and released to Statement of Comprehensive Income over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Comprehensive Income as the related expenditure is incurred.

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 is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.
Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

continued...

2. **ACCOUNTING POLICIES - continued**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied.

Foreign currency hedging is applied against debts and contracts in foreign currencies to manage foreign currency risk over completion of the contract and until payment is made. These debts are valued at the contracted rate and amended where contracts are extended with losses and profits passing through the profit and loss account.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. Where contracts for exchange (hedging) are held debtor balances are translated at the rate specified in the contract both at intial recognition and at the balance sheet date.

Where a foreign currency exchange contract is renewed at completion (in the event that the transaction with which the exchange contract is not completed within the option period) gains / losses on translation are recognised when the currency contract completes and the debtor asset is revalued at the rate of the new contract.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss 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 profit or loss in the period to which they relate.

continued...

2. ACCOUNTING POLICIES - continued

Long term contracts
Income and expenses on long term contracts are recognised in the profit and loss account based upon the stage of completion of the contract. All recognisable losses are released to the profit and loss account as they are identified with profits being released over the period of the contract based on stage and milestone payment agreements.

Assets in the course of construction
Improvements to leasehold properties incomplete at the balance sheet date are classified as work in progress and are valued at the costs incurred at the year end. Upon completion the assets are reallocated as leasehold improvement and written off over the term of the lease.

3. EMPLOYEES AND DIRECTORS

	2021	2020
£	£	
Wages and salaries	**2,815,151**	1,850,137
Other pension costs	**104,638**	69,248
	2,919,789	1,919,385

	2021	2020
Employee numbers	**54**	43

	2021	2020
£	£	
Directors' remuneration	**280,372**	241,305
Directors' pension contributions to money purchase schemes	**11,522**	10,613

4. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Hire of plant and machinery	**24,674**	8,033
Depreciation - owned assets	**144,669**	113,062
Auditors' remuneration	**10,000**	5,000

5. EXCEPTIONAL ITEMS

	2021	2020
	£	£
Foreign exchange gains	**544,752**	-

During the year the company realised exchange rate gains on forward contracts which they consider to be exceptional in nature.

continued...

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2021	2020
	£	£
Amounts w/o invs	**348,167**	-

Amounts written off investments represents consideration paid for surplus net assets for which dividends have now been received from the subsidiary.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	**709**	223

8. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	**462,483**	177,996
Deferred tax	**39,925**	3,969
Tax on profit	**502,408**	181,965

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	**2,554,997**	1,035,671
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	**485,449**	196,777
Effects of:		
Expenses not deductible for tax purposes	**871**	2,751
Income not taxable for tax purposes	**(1,848)**	-
Capital allowances in excess of depreciation	**(30,045)**	-
Depreciation in excess of capital allowances	-	6,426
Adjustments to tax charge in respect of previous periods	**8,056**	1,888
Group relief	-	(24,618)
Deferred tax movement	**39,925**	3,969
Double taxation relief	**-**	(5,228)
Total tax charge	**502,408**	181,965

continued...

9. **TANGIBLE FIXED ASSETS**

	Property renovations £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2020	168,075	553,235	42,814
Additions	332,158	179,978	46,536
At 31 March 2021	500,233	733,213	89,350
DEPRECIATION			
At 1 April 2020	128,904	417,934	18,582
Charge for year	51,475	56,639	12,968
At 31 March 2021	180,379	474,573	31,550
NET BOOK VALUE			
At 31 March 2021	319,854	258,640	57,800
At 31 March 2020	39,171	135,301	24,232

	Development costs £	IT/Phone Equipment £	Totals £
COST			
At 1 April 2020	-	89,411	853,535
Additions	351,764	44,098	954,534
At 31 March 2021	351,764	133,509	1,808,069
DEPRECIATION			
At 1 April 2020	-	65,459	630,879
Charge for year	-	23,587	144,669
At 31 March 2021	-	89,046	775,548
NET BOOK VALUE			
At 31 March 2021	351,764	44,463	1,032,521
At 31 March 2020	-	23,952	222,656

The Development costs included above relate to the Glendevon Hydro Scheme.

continued...

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
Additions	**1,907,958**
Impairments	**(348,167)**
At 31 March 2021	**1,559,791**
NET BOOK VALUE	
At 31 March 2021	**1,559,791**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Cryo Pump Repairs Ltd
Registered office: 1 Barons Court Earls Gate Park, Roseland Hall, Grangemouth, Scotland, FK3 8BH
Nature of business: Repair and maintenance of ships and boats

Class of shares:	% holding
Ordinary	100.00

11. STOCKS

	2021 £	2020 £
Stocks	**110,308**	119,969
Work-in-progress	**599,747**	1,584,230
	710,055	1,704,199

Work in progress includes expenditure on leasehold improvements incomplete at the balance sheet date totalling £0.143 million which will be capitalised as fixed assets in the 2022 Statement of Financial Position.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	**2,690,000**	3,769,881
VAT Asset	**260,757**	238,211
Prepayments and other debtors	**2,436,006**	2,803,575
	5,386,763	6,811,667

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	**2,124,209**	3,316,146
Tax	**98,536**	25,552
Social security and other taxes	**75,473**	61,261
Accrued & other creditors	**1,516,879**	2,491,895
Deferred government grants	**12,865**	-
	3,827,962	5,894,854

continued...

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

	2021	2020
	£	£
Accruals and deferred income	**400,000**	-
Deferred government grants	**106,051**	-
	506,051	-

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	**277,906**	363,582
Between one and five years	**1,005,624**	1,031,294
In more than five years	**1,902,935**	2,131,744
	3,186,465	3,526,620

16. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	**74,267**	34,342

	Deferred tax
	£
Balance at 1 April 2020	**34,342**
Provided during year	**39,925**
Balance at 31 March 2021	**74,267**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
10,000	Ordinary	£1	**10,000**	10,000

18. RESERVES

	Retained earnings
	£
At 1 April 2020	**3,951,030**
Profit for the year	**2,052,589**
At 31 March 2021	**6,003,619**

continued...

19. CAPITAL COMMITMENTS

The company entered into a new premises at Clyde Gateway Business Park in the year. At the year end there were ongoing property improvements of £0.143 million which will be capitalised as fixed assets in the 2022 Statement of Financial Position.

20. RELATED PARTY DISCLOSURES

The company made sales and acquired purchases from various companies under common control and under normal commercial terms. The management have taken advantage of the available exemption to report transactions and balances.

The balances due are reported within trade debtors and creditors.

21. ULTIMATE CONTROLLING PARTY

The company is ultimately owned and controlled by Torishima Mfg Coy Japan

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.