Company Registration No. SC412554 (Scotland)

QED TESTING LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

QED TESTING LIMITED

COMPANY INFORMATION

Directors	S S Murray R N Mackay
Company number	SC412554
Registered office	Strathdeveron House Steven Road Huntly AB54 8SX
Accountants	Johnston Carmichael LLP Strathdeveron House Steven Road Huntly AB54 8SX
Business address	Depot Road Huntly AB54 8JZ

QED TESTING LIMITED

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QED TESTING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	**3**		6,452		8,602
Current assets					
Stocks		-		160	
Debtors	**4**	74,181		169,714	
Cash at bank and in hand		904		2,477	
		75,085		172,351	
Creditors: amounts falling due within one year	**5**	(117,253)		(191,392)	
Net current liabilities			(42,168)		(19,041)
Total assets less current liabilities			(35,716)		(10,439)
Capital and reserves					
Called up share capital	**6**		100		100
Profit and loss reserves			(35,816)		(10,539)
Total equity			(35,716)		(10,439)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 6 November 2017 and are signed on its behalf by:

S S Murray
Director

R N Mackay
Director

Company Registration No. SC412554

1 Accounting policies

Company information

QED Testing Limited is a private company limited by shares incorporated in Scotland. The registered office is Strathdeveron House, Steven Road, Huntly, AB54 8SX and the business address is Depot Road, Huntly, AB54 8JZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of QED Testing Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 8.

1.2 Going concern

The company has suffered significant losses due to the downturn in the oil industry and the company balance sheet at the year end is in a net deficit position. Post year end however the market has picked up and the company reported profits in the first quarter of the next financial year. The directors believe that the company will be able to operate successfully for at least another 12 months with the support of the parent company therefore the accounts have been prepared on the going concern basis.

1.3 Turnover

Turnover represents amounts receivable from the testing of components in the oil & gas and mooring sectors, net of VAT. Turnover is recognised on the accruals basis.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	- 25% reducing balance
Fixtures, fittings & equipment	- 33.3% straight line

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and comprise deposits held at call with banks.

1.9 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 in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

1 Accounting policies **(Continued)**

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

Basic financial liabilities, including creditors and loans from fellow group companies are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2016 - 2).

3 **Tangible fixed assets**

	Plant and machinery etc
	£
Cost	
At 1 April 2016 and 31 March 2017	24,987
Depreciation and impairment	
At 1 April 2016	16,385
Depreciation charged in the year	2,150
At 31 March 2017	18,535
Carrying amount	
At 31 March 2017	6,452
At 31 March 2016	8,602

4 **Debtors**

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	5,347	69,483
Corporation tax recoverable	-	1,761
Amounts due from group undertakings	68,200	97,700
Other debtors	634	770
	74,181	169,714

5 **Creditors: amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	3,295	1,709
Amounts due to group undertakings	107,181	172,300
Other taxation and social security	2,204	9,834
Other creditors	4,573	7,549
	117,253	191,392

6 **Called up share capital**

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

7 **Parent company**

The parent and ultimate parent company is QED Sales Limited. The registered office is Strathdeveron House, Steven Road, Huntly, AB54 8SX.

8 **Reconciliations on adoption of FRS 102**

Reconciliation of equity

	Notes	1 April 2015 £	31 March 2016 £
Equity as reported under previous UK GAAP		(56,098)	(9,840)
Adjustments arising from transition to FRS 102:			
Introduce 2015 Holiday pay accrual		(1,602)	-
Introduce 2016 Holiday pay accrual		-	(599)
Equity reported under FRS 102		(57,700)	(10,439)

Reconciliation of profit for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		46,258
Adjustments arising from transition to FRS 102:		
Reverse 2015 Holiday pay accrual		1,602
Introduce 2016 Holiday pay accrual		(599)
Profit reported under FRS 102		47,261

Notes to reconciliations on adoption of FRS 102

Holiday pay accrual
The company has recognised a holiday pay accrual.

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