

BUCHAN TECHNICAL SERVICES LIMITED

Registered number SC 177590

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2014

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BUCHAN TECHNICAL SERVICES LIMITED
Strategic report for the year ended 31 December 2014

The directors present their strategic report and the audited financial statements for the year ended 31 December 2014.

Principal activity and business review

The principal activity of the company during the year was the provision of rental equipment and temporary personnel to the offshore oil and gas industry.

The company had a reasonable year in a highly competitive market with operating profit reduced to £378,795 (2013: £730,583).

Transfer of business

On 1 January 2015, the net operating assets and trading activities of the company were transferred to James Fisher Offshore Limited, a fellow subsidiary of James Fisher and Sons plc, at book value. The directors do not intend to acquire a replacement trade in the foreseeable future and therefore the accounts have not been prepared on a going concern basis. The effect of this is explained in note 1.

Results for the year

The trading results for the year and the company financial position at the end of the year are shown in the attached financial statements on pages 6 to 13. The profit for the year after taxation was £302,600 (2013: £584,180).

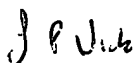
Key performance indicators

The company utilises a number of different measures to monitor its performance, including turnover, operating profit, margins, asset utilisation and cash flow. Further measures employed by the company include return on capital employed, health and safety and employee turnover.

Risks and uncertainties

The main risks facing the company are competition and the economic outlook.

By order of the Board



J P Vick
Company Secretary
Fisher House
PO Box 4
Barrow in Furness
Cumbria
LA14 1HR

26 June 2015

BUCHAN TECHNICAL SERVICES LIMITED
Directors' report for the year ended 31 December 2014

Directors: N P Henry
J M Lorimer
S C Kilpatrick
G M Boyd (resigned 08/07/14)
S F Davidson (appointed 08/07/14)

Secretary: J P Vick

Auditors: KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

Bankers: HSBC Bank Plc

Registered office: North Meadows
Oldmeldrum
Aberdeenshire
AB51 0GQ

Statement of Compliance

To comply with the Companies Act 2006, the company has detailed in the Strategic report on page 1 a review of the development and performance of the business during the year including key financial performance indicators, and a description of the principal risks and uncertainties facing the company.

Treasury policies

The company's treasury management operates under approved treasury policies and guidelines covering funding and management of foreign currency exposure and interest rate risk. Its purpose is to manage the financial risks of the business effectively and to secure finance at a minimum cost. Activities are covered by guidelines, exposure limits controls and a system of authority authorised by the Board of the company's ultimate holding company, James Fisher and Sons plc.

The company manages its cash to ensure maximum benefit is gained whilst ensuring security of investment sources. Any surplus funds are placed with institutions with strong credit ratings.

Political contributions

The company made no political contributions in the year (2013: £nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Dividend

The company paid a dividend of £600,000 during the year (2013: £850,000). The directors do not recommend the payment of a final dividend.

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

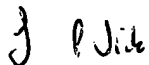
BUCHAN TECHNICAL SERVICES LIMITED

Directors' report for the year ended 31 December 2014 (continued)

Directors' indemnity

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

By order of the Board



J P Vick
Company Secretary
Fisher House
PO Box 4
Barrow in Furness
Cumbria
LA14 1HR

26 June 2015

**BUCHAN TECHNICAL SERVICES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCHAN TECHNICAL SERVICES LIMITED

We have audited the financial statements of Buchan Technical Services Limited for the year ended 31 December 2014 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements.

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 an auditor's report 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

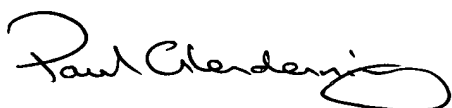
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Paul Glendenning (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

37 Albyn Place

Aberdeen

AB10 1JB

Date: 30 June 2015

BUCHAN TECHNICAL SERVICES LIMITED
Profit and Loss Account for the year ended 31 December 2014

	Notes	Discontinued Year ended 31 December 2014 £	Year ended 31 December 2013 £
Turnover	2	2,078,533	2,597,187
Cost of sales		<u>(1,290,961)</u>	<u>(1,316,999)</u>
Gross profit		787,572	1,280,188
Administrative expenses		<u>(408,777)</u>	<u>(549,605)</u>
Operating profit	3	378,795	730,583
Other interest receivable and similar income	6	<u>6,395</u>	<u>27,397</u>
Profit on ordinary activities before taxation		385,190	757,980
Tax on profit on ordinary activities	7	<u>(82,590)</u>	<u>(173,800)</u>
Profit on ordinary activities after taxation		<u><u>302,600</u></u>	<u><u>584,180</u></u>

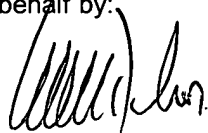
The trade has been discontinued in the current year.

There are no other recognised gains and losses in the year other than the profit for the financial year (2013: none).

BUCHAN TECHNICAL SERVICES LIMITED
Balance Sheet as at 31 December 2014

	Notes	31 December 2014 £	31 December 2013 £
Fixed assets			
Tangible fixed assets	9	<u>1,218,750</u>	<u>1,305,056</u>
		1,218,750	1,305,056
Current assets			
Stocks	10	21,221	37,011
Debtors	11	427,674	570,446
Cash at bank and in hand		<u>149,578</u>	<u>175,887</u>
		598,473	783,344
Creditors: amounts falling due within one year	12	<u>(198,726)</u>	<u>(393,991)</u>
Net current assets		<u>399,747</u>	<u>389,353</u>
Total assets less current liabilities		1,618,497	1,694,409
Creditors: amounts falling due after more than one year	13	(215,253)	-
Provisions for liabilities and charges	14	<u>(35,197)</u>	<u>(28,962)</u>
Net assets		<u>1,368,047</u>	<u>1,665,447</u>
Capital and reserves			
Called up share capital	15	40,000	40,000
Profit and loss account	16	<u>1,328,047</u>	<u>1,625,447</u>
Equity shareholders' funds	17	<u>1,368,047</u>	<u>1,665,447</u>

The financial statements were authorised for issue by the Board of Directors on 26 June 2015 and signed on the Board's behalf by:



S F Davidson
 Director

Company Number SC 177590

BUCHAN TECHNICAL SERVICES LIMITED**Notes to the financial statements for the year ended 31 December 2014****1. Accounting policies****(a) Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of James Fisher and Sons plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of James Fisher and Sons plc within which this company is included, can be obtained from the address in note 20.

Following the cessation of trade on 1 January 2015, and as the Directors' do not intend to acquire a replacement trade, these financial statements have not been prepared on a going concern basis.

(b) Fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated on cost at rates so as to write off the relevant assets by equal annual instalments over their estimated useful lives. Where a provision for impairment in value has been made, depreciation is adjusted over the remaining life of the asset. The principal rates used are as follows:

Leasehold property	12.5%
Plant and equipment	12.5%
Office equipment	25%

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(c) Taxation and deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

(d) Accounting for leases**As a lessor**

Rentals receivable under operating leases are credited to other operating income on a straight line basis over the lease term.

As a lessee

Rentals payable under operating leases are charged in arriving at the operating profit for the year on a straight line basis over the lease term.

Assets acquired under hire purchase contracts are capitalised and a creditor is set up for the future payments net of finance charges. Finance charges are taken to the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation.

BUCHAN TECHNICAL SERVICES LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)****1. Accounting policies (continued)****(e) Pension costs**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Defined contribution schemes

Under a defined contribution pension plan the company pays a pre-determined contribution to a separate privately administered pension plan. Other than this contribution the Group has no further legal or constructive obligation to make further contributions to the scheme.

Obligations for contributions to the scheme are recognised as an expense in the income statement in the period in which they arise.

(f) Stock

Stocks are valued at the lower of cost and net realisable value. In determining the cost of the finished goods and consumables, the weighted average purchase price is used.

(g) Revenue recognition

Revenue after excluding trade discounts and value added tax, represents rental income and rental services by the company in the normal course of business and is recognised on a straight line basis or on completion of the provision of the relevant services. Where services rendered are not completed at the balance sheet date, revenue is recognised in proportion to the stage of completion of the transactions measured by reference to the proportion of total expected costs incurred. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration.

2. Turnover

Turnover represents earnings from the hire of equipment and provision of personnel. Turnover and profit on ordinary activities before taxation is attributable to the Company's principal activity.

Geographical market supplied - turnover:

	2014		2013	
	£	%	£	%
United Kingdom and Republic of Ireland	1,911,176	92	2,548,151	98
Rest of the World	167,357	8	49,036	2
	<u>2,078,533</u>	<u>100</u>	<u>2,597,187</u>	<u>100</u>

3. Notes to the profit and loss account

	2014 £	2013 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	216,518	215,509
Operating lease rentals - property	66,244	66,244
Staff costs (note 5)	1,172,540	1,353,442
Auditors remuneration – audit of financial statements	<u>7,000</u>	<u>7,000</u>

BUCHAN TECHNICAL SERVICES LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)****4. Remuneration of directors**

	2014 £	2013 £
Directors' remuneration	-	21,542
Company contributions to defined contribution schemes	-	6,038
Compensation for loss of office	-	23,118

Number of directors

2014	2013
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Retirement benefits are accruing to the following number of directors under:

Defined contribution schemes	-	2
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Certain directors who served during the year are also directors of the ultimate parent company or a fellow subsidiary company and are remunerated by those companies. Although they do receive remuneration from these companies in respect of their services to various Group companies including this company, it is not practicable to allocate their remuneration to individual companies in the Group. Therefore their remuneration has been disclosed in the accounts of the relevant company from which remuneration is received.

5. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2014	2013
Technical and administration	17	24

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	1,041,556	1,214,101
Social security costs	113,954	122,274
Other pension costs	17,030	17,067
	<u>1,172,540</u>	<u>1,353,442</u>

6. Other income receivable and similar income

	£	£
Bank interest receivable	-	84
Internal interest	6,395	27,313
	<u>6,395</u>	<u>27,397</u>

7. Taxation**(a) Taxation on profit on ordinary activities**

	2014 £	2013 £
Tax charge is made up as follows:		
Current tax:		
UK Corporation tax	80,350	174,854
Adjustment in respect of prior periods	(3,995)	(1,463)
Total current tax (note 7 (b))	<u>76,355</u>	<u>173,391</u>
Deferred taxation	6,235	409
Total tax charge on profit on ordinary activities	<u>82,590</u>	<u>173,800</u>

BUCHAN TECHNICAL SERVICES LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)****7. Taxation (continued)****(b) Factors affecting corporation tax charge in year:**

The effective rate is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%).

	2014 £	2013 £
Profit on ordinary activities before tax	<u>385,190</u>	<u>757,980</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	82,816	176,230
Effects of:		
Accelerated capital allowances	(1,975)	(4,221)
Expenses not deductible	244	1,453
Other differences leading to an increase in tax	(735)	1,392
Adjustment in respect of prior periods	<u>(3,995)</u>	<u>(1,463)</u>
Current taxation credit in year	<u>76,355</u>	<u>173,391</u>

(c) Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability at 31 December 2014 which has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8. Dividends

	2014 £	2013 £
£15.00 per ordinary share (2013: £21.25)	<u>600,000</u>	<u>850,000</u>

9. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Office equipment £	Total £
Cost				
At beginning of year	44,167	2,871,959	69,072	2,985,198
Additions	<u>-</u>	<u>129,472</u>	<u>740</u>	<u>130,212</u>
At end of year	<u>44,167</u>	<u>3,001,431</u>	<u>69,812</u>	<u>3,115,410</u>
Depreciation				
At beginning of year	18,884	1,614,872	46,386	1,680,142
Charge for year	<u>11,041</u>	<u>201,745</u>	<u>3,732</u>	<u>216,518</u>
At end of year	<u>29,925</u>	<u>1,816,617</u>	<u>50,118</u>	<u>1,896,660</u>
Net book value				
At 31 December 2014	<u>14,242</u>	<u>1,184,814</u>	<u>19,694</u>	<u>1,218,750</u>
At 31 December 2013	<u>25,283</u>	<u>1,257,087</u>	<u>22,686</u>	<u>1,305,056</u>

BUCHAN TECHNICAL SERVICES LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)**

10. Stocks		2014	2013
		£	£
Finished goods and goods for resale		21,221	37,011
		<u>21,221</u>	<u>37,011</u>
11. Debtors		2014	2013
		£	£
Trade debtors		360,113	383,188
Amounts owed by group undertakings		43,305	163,721
Prepayments and accrued income		24,256	23,537
		<u>427,674</u>	<u>570,446</u>
12. Creditors: amounts falling due within one year		2014	2013
		£	£
Trade creditors		20,696	36,270
Amounts owed to group undertakings		9,432	15,878
Corporation tax		76,355	173,391
Taxation and social security		51,812	76,662
Other creditors		10,209	4,250
Accruals and deferred income		30,222	87,540
		<u>198,726</u>	<u>393,991</u>
13. Creditors: amounts falling due after more than one year		2014	2013
		£	£
Loan from parent company		215,253	-
		<u>215,253</u>	<u>-</u>
<p>The company has a loan facility with the parent company to cover several funding requirements including acquisitions, working capital and capital expenditure. The facility term is 5 years from 31 December 2014 and interest is charges at a rate of 3% above the 3 month sterling LIBOR and is reviewed quarterly.</p>			
14. Provisions for liabilities			Deferred taxation £
At beginning of year			28,962
Charge to the profit and loss for the year			6,235
At end of year			<u>35,197</u>
<p>The elements of deferred taxation are as follows:</p>			
	31 December 2014	31 December 2013	
	£	£	
Fixed asset timing differences	37,373	35,537	
Short term timing differences	(2,176)	(6,575)	
	<u>35,197</u>	<u>28,962</u>	
15. Called up share capital		2014	2013
		£	£
Allotted, called up and fully paid share capital 40,000 (2013:40,000) ordinary shares of £1 each		<u>40,000</u>	<u>40,000</u>

BUCHAN TECHNICAL SERVICES LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)****16. Profit and loss account**

	31 December 2014	31 December 2013
	£	£
Balance at 1 January	1,625,447	1,891,267
Profit for the year	302,600	584,180
Total dividends paid	(600,000)	(850,000)
Balance at 31 December	<u>1,328,047</u>	<u>1,625,447</u>

17. Reconciliation of movements in shareholder's funds

	31 December 2014	31 December 2013
	£	£
Opening shareholders' funds	1,665,447	1,931,267
Profit for the year	302,600	584,180
Total dividends paid	(600,000)	(850,000)
Closing shareholders' funds	<u>1,368,047</u>	<u>1,665,447</u>

18. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014	2013
	Land and buildings £	Land and buildings £
Operating leases which expire:		
Within one year	-	66,240
In the second to fifth years inclusive	-	-
	<u>-</u>	<u>66,240</u>

19. Post balance sheet event

On 1 January 2015, the trade and assets of the company were transferred to James Fisher Offshore Limited at book value for a consideration of £1,365,244.

20. Parent company and ultimate controlling party

The company is a member of James Fisher and Sons plc which is the ultimate controlling party. James Fisher and Sons plc is incorporated in Great Britain and copies of its group accounts, the largest and smallest group in which the company is consolidated, are available from Companies House or by writing to the Company Secretary at the following address:

Fisher House, PO Box 4, Barrow in Furness, Cumbria, LA14 1HR.