

**Marioff Limited**

**Annual report and financial statements  
For the year ended 31 December 2015**

**Registered number SC 140683**



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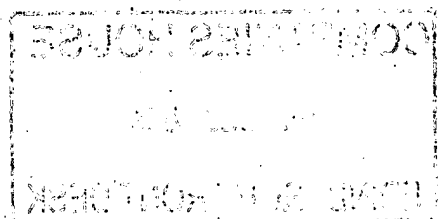
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## **Strategic Report**

### **For the year ended 31 December 2015**

The Directors present their strategic report for the year ended 31<sup>st</sup> December 2015.

The directors present their annual report together with the audited financial statements for the year ended 31 December 2015

#### **Review of the business**

The principal activity of the company is to design, supply and install high pressure water mist fire suppression systems in land based projects within the construction sector across the United Kingdom and Ireland. The company also designs, manufactures and installs the same type of systems within skid mounted units to be supplied to the pipeline, oil & gas market.

#### **Results and performance**

Turnover in the year ended 31<sup>st</sup> December 2015 amounted to £5,580k (2014 £7,354k) a decrease of 21.5% over the previous year.

The Profit for the financial year, after taxation was £387k (2014 £320k) and will be transferred to reserves.

The reduction in sales for the year was mainly due to 2 factors. The primary factor here was uncertainty in the market which has seen around 30% of our projects delayed into 2016 and 2017, and around 7.5% of our expected wins cancelled in the run up to the general election. The second factor was the change in personnel which has seen various key members of the team leave, causing disruption within those departments and ultimately reducing our sales activity.

#### **Principal Risks and Uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks are considered to relate to consistent and timely revenue generation via order intake, staff retention, and competition from both local and international competitors.

Due to the general election in May 2015, we have seen many delays to the awards of contracts, along with further delays regionally in Scotland due to the referendum in September 2014. This has resulted in various contracts being delayed, and as such will have a direct impact on the 2015 revenue figures. We have implemented a new sector focused sales team, ensuring their KPI's reflect additional orders within 2015 to give us a larger intake of orders in Q3 and Q4 of 2015.

During 2015 the number of staff working within the business averaged at 15, two more than the previous year (2014: 13). The majority of the year however, we ran with far less due to the length of time it takes to get authority to backfill which is a risk to the business.

The number of contracts being undertaken by the company is increasing in the second half of the year and moving into 2016, so the resource to facilitate delivering these contracts needs to be addressed in order for us not to risk said contracts. There are plans to increase the number of staff relating to the project deliverable stage in the early part of 2016.

Project execution dates are typically subject to change with factors out with the company's control. These can often lead to project deferral, which will have a direct impact on the company being able to recognise revenues in a particular period. The company closely monitors any potential changes to execution dates, and where possible redirects the resource to another opportunity, due to the limited resource available and in order to continuously improve.

Items that are commonly used within our projects are being stocked where it is commercially viable to do so, to again minimise risks to any projects start date for these specific items, so our "fast moving stock items", allowing us a quick turnaround on core product range.

Another risk identified in 2014 and implemented in 2015 was the "proposal" stage of our sales team. Previously our sales team were responsible for the design and sale of our systems. This was identified as a risk in terms of design criteria, legal aspects not to mention EH&S. As such, we put a clear strategy which was implemented in January

2015 to have a Commercial Design Team started. This would ensure expertise and consistency brought about the change levels needed, in order to give our customer the perfect solution, while making ourselves more commercially viable, giving us a solid platform for sustainable growth.

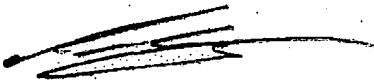
Quality control was another area of risk identified within the Marioff Ltd team. Once this was identified we applied for various ISO accreditations (ISO9001, ISO 14001, ISO18001) in the summer of 2015 and were awarded them. This shows our dedication to moving forward as a continuously improving company seeking to grow from a solid foundation.

#### **Future Plans**

During 2015 there were several future plans to allow us further growth identified which we hope to implement within 2016. These include but are not limited to the following.

- Additional Locations – London for Stock and Glasgow for support services, while retaining smaller premises within Aberdeen for the Offshore Market.
- Additional Personnel – Additional sales person for London Area and Additional Project Manager for London area in order to maximize the potential from the London skyline project.
- New Department Heads – New Silo style department heads such as Sales, Design, Technical, Operational, Service and Finance. This gives customers as well as team member focus on their duties with limited / no cross over into other departments as before, again reducing potential for mistakes and increasing personnel knowledge quickly in their dedicated field.

Approved by the board of directors and signed on its behalf by:



Gavin Morrison  
Director  
13<sup>th</sup> December 2016

Badentoy Crescent  
Portlethen  
Aberdeen  
AB12 4YD

## **Directors' report**

### **For the year ended 31 December 2015**

The directors present their annual report together with the audited financial statements for the year ended 31 December 2015.

#### **Principal activities**

The company's principal activity is the provision of fire safety, protection and maintenance consultancy services across the United Kingdom and Ireland. The Company also designs, manufactures and installs the same type of systems within skid mounted units to be supplied to the pipeline, oil and gas industry.

#### **Results and dividends**

The profit for the financial year, amounting to £387,000 (2014: £320,000).

Dividends paid during the year comprise a final dividend of £300,000 (£3 per ordinary share) in respect of the previous year ended 31 December 2014 (2014: £500,000).

No interim dividend (2014: nil) was paid during the year.

#### **Future outlook**

The company remain committed to continue to drive growth forward.

#### **Directors**

The directors who held office during the year and up to the date of signing the financial statements were as follows:

I O Hantila  
J M Kuivalainen  
G Morrison

#### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year.


#### **Statement of disclosure of information to 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 auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Approved by the board of directors and signed on its behalf by:



Gavin Morrison  
Director  
13<sup>th</sup> December 2016

Badentoy Crescent  
Portlethen  
Aberdeen  
AB12 4YD

## Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Marioff Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Marioff Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

#### **What we have audited**

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **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.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### What an audit of financial statements involves

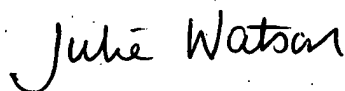
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.



Julie Watson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen  
13 December 2016

## Profit and loss account and other comprehensive income

For the year ended 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Turnover	2	5,580	7,354
Cost of sales		(4,142)	(6,227)
<b>Gross profit</b>		<b>1,438</b>	<b>1,127</b>
Administrative expenses		(1,054)	(817)
<b>Operating profit</b>	3	<b>384</b>	<b>310</b>
Interest receivable and similar income	6	3	10
Interest payable and similar charges		-	-
<b>Profit on ordinary activities before taxation</b>		<b>387</b>	<b>320</b>
Taxation on profit on ordinary activities	7	-	-
<b>Profit for the financial year</b>		<b>387</b>	<b>320</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>387</b>	<b>320</b>

All results for the current and prior year arise wholly from continuing operations.

Notes on pages 10 to 17 are an integral part of these financial statements.

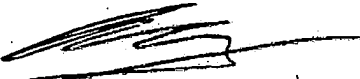
## Balance sheet

As at 31 December 2015

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Intangible assets	9	19	17
		<u>19</u>	<u>17</u>
<b>Current assets</b>			
Stocks	10	325	183
Debtors	11	2,732	4,001
Cash at bank and in hand		-	5
		<u>3,057</u>	<u>4,189</u>
<b>Creditors: amounts falling due within one year</b>	12	(727)	(1,944)
<b>Net current assets</b>		<u>2,330</u>	<u>2,245</u>
<b>Total assets less current liabilities</b>		<u>2,349</u>	<u>2,262</u>
<b>Net assets</b>		<u>2,349</u>	<u>2,262</u>
<b>Capital and reserves</b>			
Called up share capital	16	100	100
Profit and loss account		2,249	2,162
<b>Total shareholders' funds</b>		<u>2,349</u>	<u>2,262</u>

Notes on pages 10 to 17 are an integral part of these financial statements.

These financial statements on pages 7 to 17 were approved by the board of directors on 13<sup>th</sup> December 2016 and signed on its behalf by:

  
**G Morrison**  
Director  
13<sup>th</sup> December 2016

Registered Number: SC 140683

## Statement of changes in equity

### For the year ended 31 December 2015

	Called up share capital £000	Profit and loss account £000	Total shareholders funds £000
<b>Balance at 1 January 2014</b>	100	2,342	2,442
Total comprehensive income for the year	-	320	320
Dividends paid	-	(500)	(500)
<b>Balance at 31 December 2014</b>	100	2,162	2,262
Total comprehensive income for the year	-	387	387
Dividends paid	-	(300)	(300)
<b>Balance at 31 December 2015</b>	100	2,249	2,349

Notes on pages 10 to 17 are an integral part of these financial statements.

## Notes to the financial statements

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of preparation*

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006. The financial statements are prepared on a going concern basis under the historical cost convention. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. The company had adopted FRS 101 in these financial statements for the first time. Details of the transition to FRS 101 are disclosed in note 20.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 20.

The Company's ultimate parent undertaking, United Technologies Corp, includes the Company in its consolidated financial statements. The consolidated financial statements of United Technologies Corp are available to the public and may be obtained from 1 Financial Plaza, Hartford, CT 06101, USA.

Marioff Limited ("The Company") is a private Limited company incorporated and domiciled in the United Kingdom.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of transactions with other wholly owned group companies;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 Balance Sheet at 1 January 2014 for the purposes of the transition to FRS 101.

#### *Going concern*

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

#### *Intangible fixed assets and amortisation*

Intangible fixed assets purchased separately from a business are capitalised at their cost. Software purchased by the Company is amortised to nil by equal annual instalments over their useful economic lives of 20 year.

#### *Interest receivable and similar income*

Other interest receivable and similar income include interest receivable on amounts owed by group undertakings.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *Leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account and are reported on a net basis.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, and trade and other creditors.

#### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year; using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value services supplied. Turnover from services is recognised as the services are rendered, including where they are based on contractual rates per man hour in respect of multi-year service contracts.

Turnover on construction contracts is recognised according to the stage of completion reached in the contract by reference to the value of work done. An estimate of the profit attributable to work completed is recognised once the outcome of the contract can be estimated reliably. Expected losses are recognised in full as soon as losses are probable. The net amount of costs incurred to date plus recognised profits less the sum of recognised losses and progress billings is disclosed within trade debtors/creditors.

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in this note, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors consider the following judgments or estimation uncertainties may have a significant effect on amounts recognised in the financial statements:

- Assessment of the recoverable amount of on contracts (note 1)

### 2 Turnover

A geographical analysis of turnover by destination is below:

	2015 £000	2014 £000
United Kingdom	3,801	6,670
Europe	363	665
Rest of the world	1,416	19
	<u>5,580</u>	<u>7,354</u>

An analysis of turnover by activity and type is below:

	2015 £000	2014 £000
Contract income	4,621	6,124
Sale of goods	959	1,230
	<u>5,580</u>	<u>7,354</u>

## Notes to the financial statements *(continued)*

### 3 Operating profit

	2015 £000	2014 £000
<i>Included in profit/(loss) are the following</i>		
Amortisation of intangible fixed assets	5	1
Operating lease rentals	72	67
- land and buildings	18	15
- other	-	4
Foreign exchange loss	-	-
	<u>2015</u> <u>£000</u>	<u>2014</u> <u>£000</u>
<i>Auditors' remuneration</i>		
Audit of these financial statements:	<u>13</u>	<u>12</u>

### 4 Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments, including pension contributions	98	101
The number of directors to whom pension benefits are accruing	-	1

### 5 Staff numbers and costs

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 No	2014 No
By activity		
Administration and sales	7	8
Workshop and technical	8	5
	<u>15</u>	<u>13</u>

The aggregate payroll costs of all these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	652	631
Social security costs	74	73
Other pension costs (note 16)	8	22
	<u>734</u>	<u>726</u>

### 6 Interest receivable and similar income

	2015 £000	2014 £000
Intercompany interest receivable	<u>3</u>	<u>10</u>

## Notes to the financial statements (continued)

### 7 Tax on profit on ordinary activities

#### Analysis of charge in year

	2015 £000	2014 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	69
<i>Deferred tax:</i>		
Current years	2	-
Adjustments in respect of prior periods	(1)	-
Effect of changes in tax rates	(1)	-
Tax income per statement	-	-

#### Factors affecting total tax charge for the current year

The current tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK, 20.25% (2014: 21.5%). The differences are explained below.

	2015 £000	2014 £000
Profit for the year – continuing operations	387	320
Tax on profit at standard UK tax rate of 20.25% (2014: 21.5%)	78	69
<i>Effects of:</i>		
Adjustments in respects of prior periods	(2)	-
Effects of group relief/other relief	(76)	(69)
Tax charge for the year	-	-

	2015 £000	2014 £000
<b>Deferred tax assets</b>		
Provision at start of year	3	3
Adjustment in respect of prior periods	.1	-
Deferred tax charge to the income statement	(2)	-
	2	3

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2015 has been calculated based on these rates.

## Notes to the financial statements *(continued)*

### 8 Dividends

The aggregate amount of dividends comprises:

	2015 £000	2014 £000
Final dividends paid in respect of prior year but not recognised as liabilities in that year 3p (2014: 5p) per 100p share	300	500
Interim dividends paid in respect of the current year	-	-
	<u>300</u>	<u>500</u>

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is £nil (2014: £500,000).

### 9 Intangible fixed assets

	Software £000
<i>Cost</i>	
At beginning of year	18
Additions	7
At end of year	<u>25</u>
<i>Accumulated Amortisation</i>	
At beginning of year	1
Charged in year	5
At end of year	<u>6</u>
<i>Net book value</i>	
At 31 December 2015	<u>19</u>
At 31 December 2014	<u>17</u>

### 10 Stocks

	2015 £000	2014 £000
Raw material and consumables	<u>325</u>	<u>183</u>

Raw materials and consumables recognised as cost of sales in the year amounted to £1,973k (2014: £2,972k)

## Notes to the financial statements (continued)

### 11 Debtors

	2015 £000	2014 £000
Trade debtors	1,142	1,086
Amounts recoverable on contracts	1,340	1,053
Amounts owed by group undertakings	23	1,684
Other debtors	225	174
Deferred tax asset (note 14)	2	3
Prepayments and accrued income	-	1
	<u>2,732</u>	<u>4,001</u>

At 31 December 2015 aggregate costs incurred under open construction contracts and recognised profits, net of recognised losses, amounted to £425k (2014: £806k). Progress billings and advances received from customers under open construction contracts amounted to £5,511k (2014: £4,333k).

At 31 December 2015 trade debtors include retentions of £227k (2014: £174k) relating to construction contracts in progress.

Amount owed by group undertakings are unsecured, interest bearing and repayable on demand.

### 12 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	35	744
Amounts owed to group undertakings	362	991
Accruals and deferred income	329	208
Taxation and social security	1	1
	<u>727</u>	<u>1,944</u>

Amount owed to group undertakings are unsecured, interest free and repayable on demand.

### 13 Deferred tax

The deferred tax asset comprises:

	2015 £000	2014 £000
Provision at start of year	3	3
Adjustment in respect of prior periods	2	-
Deferred tax charge to the income statement	(3)	-
	<u>2</u>	<u>3</u>

## Notes to the financial statements *(continued)*

### 14 Commitments

The company had not entered into any capital commitments at the end of the financial year (2014: £nil).

Non-cancellable operating leases are payable as follows:

	2015		2014	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Less than one year	44	10	59	10
Between one and five years	-	8	44	18
More than five years	-	-	-	-
	<u>44</u>	<u>18</u>	<u>103</u>	<u>28</u>

The company leases its building facilities and a number of vehicles under operating leases. The building lease is renewable at the end of the lease period at market rates.

During the year, £390,000 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £90,000).

### 15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £8,000 (2014: £22,000).

Contributions of nil (2014: £7,000) were outstanding at the end of the financial year.

### 16 Called up share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
100,000 (2014: 100,000) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 17 Related party transaction

The Company has taken advantage of the exemption contained within FRS 101 and has not disclosed transactions with other wholly owned group companies. There were no other related party transactions in the year.

### 18 Ultimate holding company and controlling party

The company's immediate parent company is Marioff Corporation OY, a company registered in Finland. The company's ultimate parent company and ultimate controlling party is United Technologies Corp (UTC), a company registered in the United States of America. The largest group in which the results of the company are consolidated is that headed by UTC. No other group financial statements include the results of the company. The consolidated financial statements of UTC are available to the public and may be obtained from Investor Relations at [www.utc.com](http://www.utc.com).

### 19 Subsequent events

Subsequent to the balance sheet date, there were no events that require disclosure or adjustment.

### 20 Transition to FRS 101

This is the first year that the company has presented its financial statements under FRS 101 issued by the Financial Reporting Council. The last financial statements under previous UK financial reporting framework were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014. There have been no changes to accounting policies or transition adjustments as a consequence of adopting FRS 101. As such, no reconciliation of profit and equity is presented.