Audit - Tax - Advisory

KSi Malta

Helping clients succeed

ABLECARE OILFIELD SERVICES HOLDINGS LIMITED
(GROUP ACCOUNTS)

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

For the year ended 31 December 2015

Holding Company Information

Directors :	Mr Paul Abela Mr Duncan Brincat Mr Joseph Mario Maggi Ms Angelique Maggi (appointed on 14 April 2015) Mr Raymond Ciantar Mr Jason Azzopardi
Secretary :	Dr Michael Zammit Maempel
Company number :	C 45547
Registered office :	UB 22, Industrial Estate San Gwann Malta
Auditors :	KSi Malta Villa Gauci Mdina Road Balzan Malta
Business address :	Mediterranean Maritime Hub Xatt il-Mollijiet Marsa Malta
Bankers :	Banif Bank 125/126 Triq il-Kbira San Giljan Malta Bank of Valletta plc 49, Constitution Street Mosta Malta

ABLECARE OILFIELD SERVICES HOLDINGS LIMITED – CONSOLIDATED ACCOUNTS

Contents

Report of the Directors
For the year ended 31 December 2015

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

Principal activity

The group provides specialised services to the marine and oil and gas industry. The group caters for the specific requirements of drilling contractors and their service provides with services ranging from manpower planning, project recruitment, contracting of pre-screened and qualified personnel for the offshore/onshore oilfield industry, training of personnel, logistics, supply chain solutions, project management, rig agency services and rig stop services and facilities.

Dividends

The directors do not recommend the payment of a final dividend.

Results

The Group profit for the year after tax amounted to € 430,403 (2014: € 1,897,454). This decrease is due to the worldwide decline in oil prices which has a direct effect on global activity in this sector. The Group will also be making a public bond issue.

Directors

The following have served as directors of the Holding Company during the year under review:

Mr Paul Ablea
Mr Duncan Brincat
Mr Joseph Mario Maggi
Ms Angelique Maggi (appointed on 14 April 2015)
Mr Raymond Ciantar
Mr Jason Azzopardi

In accordance with the company's Articles of Association the present directors remain in office.

Directors' interest

The directors' beneficial interest in the shares of the holding company at 31 December 2015 was as stated below:

	Ordinary shares of €1
Mr Paul Abela	20 'B' shares

Statement of directors' responsibilities

The Companies Act, 1995 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. In preparing these financial statements, the directors are required to:

Report of the Directors (continued)
For the year ended 31 December 2015

Statement of directors' responsibilities (continued)

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;

- select suitable accounting policies and apply them consistently from one accounting period to another;

- make judgements and estimates that are reasonable and prudent;

- account for income and charges relating to the accounting period on accruals basis; and

- value separately the components of asset and liability items on a prudent basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and holding company and to enable them to ensure that the financial statements comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the group and holding company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, through oversight of management, are responsible to ensure that the group establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Other matters

Mediterranean Maritime Hub- In January 2015 Ablecare Oilfield Services Holdings Limited Group was declared by the Government of Malta as the preferred bidder to rehabilitate the former Malta Shipbuilding facility in Marsa into a regional oil and gas maritime hub. The Mediterranean Maritime Hub will encompass an area of about 170,000 square metres and will include quay walls, quayside laydown areas, engineering workshops, fabrication, inspection and repair facilities for oilfield equipment, corporate offices, equipment laydown areas and training facilities.

Auditors

KSi Malta have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Mr Paul Abela
Director

Mr Raymond Ciantar
Director

5 July 2016

ABLECARE OILFIELD SERVICES HOLDINGS LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report

To the shareholders of Ablecare Oilfield Services Holdings Limited

Report on the Financial Statements

We have audited the financial statements on pages 5 to 33, which comprise the statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Maltese Companies Act, 1995, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes assessing the accounting principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ABLECARE OILFIELD SERVICES HOLDINGS LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ablecare Oilfield Services Holdings Limited and the Group as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with the provisions of the Companies Act, 1995 enacted in Malta.

Report on Other Legal and Regulatory Requirements

We have responsibilities under the Companies Act, 1995 enacted in Malta to report to you if, in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

Joseph Gauci (Partner) for and on behalf of

KSi M lta
Certifi d Public Accountants

Balzan
Malta

6 July 2016

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Revenue	3	13,706,594	40,797,829		286,141
Direct costs		(9,920,020)	(35,312,196)		
Gross profit		3,786,574	5,485,633		286,141
Administrative expenses		(2,639,631)	(2,090,851)	(8,110)	(5,497)
Distribution costs		(283,947)	(224,856)		
Finance income	6	63,184	47,780	2,535	3,295
Finance costs	7	(220,384)	(224,539)	(11,184)	(27,294)
Profit/(Loss) before tax	4	705,796	2,993,167	(16,759)	256,645
Income tax expense	8	(275,393)	(1,095,713)	(380)	(100,643)
Profit/(Loss) for the year		€ 430,403	€ 1,897,454	€ (17,139)	€ 156,002
Total comprehensive income/(expense) for the year		€ 430,403	€ 1,897,454	€ (17,139)	€ 156,002

Consolidated Statement of Financial Position
As at 31 December 2015

	Notes	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Assets					
Property, plant and equipment	9	2,462,967	768,830		
Intangible assets	10	725,000			
Investment in subsidiaries	11			222,140	210,033
Deferred tax assets	12	40,281			
Trade and other receivables	14	440,792	1,406,558	3,421,256	3,722,954
Total non-current assets		3,669,040	2,175,388	3,643,396	3,932,987
Inventories	13	157,850	275,776		
Trade and other receivables	14	3,959,712	6,757,842	8,000	
Cash and cash equivalents		2,587,222	2,733,709	100,508	100,563
Total current assets		6,704,784	9,767,327	108,508	100,563
Total assets		€ 10,373,824	€11,942,715	€ 3,751,904	€ 4,033,550
Equity					
Issued capital	15	500,000	500,000	500,000	500,000
Reporting currency conversion reserve	24	(8,185)	(37,273)	(295)	(402)
Other reserve		18,305	18,149		
Retained earnings	16	4,513,423	4,083,176	77,049	94,188
Total equity		5,023,543	4,564,052	576,754	593,786
Liabilities					
Trade and other payables	18	425,000		1,362,071	1,362,071
Borrowings	17	1,226,733	1,532,513	1,226,733	1,532,513
Total non-current liabilities		1,651,733	1,532,513	2,588,804	2,894,584
Borrowings	17	607,695	475,101	581,346	511,566
Trade and other payables	18	2,340,820	4,493,894	5,000	5,000
Current tax liabilities		750,033	877,155		28,614
Total current liabilities		3,698,548	5,846,150	586,346	545,180
Total liabilities		5,350,281	7,378,663	3,175,150	3,439,764
Total equity and liabilities		€ 10,373,824	€11,942,715	€ 3,751,904	€ 4,033,550

The financial statements on pages 5 to 33 were approved and signed by the board of directors on 5 July 2016.

Ray Ciantar
Director

Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

Group

	Issued capital €	Reporting currency conversion reserve €	Other reserve €	Retained earnings €	Total €
Changes in equity for 2014					
Balance at I January 2014	500,000	(77,550)	16,439	2,187,432	2,626,321
Profit for the year				1,897,454	1,897,454
Transfer to reporting currency conversion reserve		40,277			40,277
Transfer to other reserve (Egypt tax)			1,710	(1,710)	
Dividends proposed and paid					
Balance at 31 December 2014	500,000	(37,273)	18,149	4,083,176	4,564,052
Changes in equity for 2015					
Balance at I January 2015	500,000	(37,273)	18,149	4,083,176	4,564,052
Profit for the year				430,403	430,403
Transfer to reporting currency conversion reserve		29,088			29,088
Transfer to other reserve (Egypt tax)			156	(156)	
Dividends proposed and paid					
Balance at 31 December 2015	€ 500,000	€ (8,185)	€ 18,305	€ 4,513,423	€ 5,023,543

Consolidated Statement of Changes in Equity (continued)
For the year ended 31 December 2015

Company

	Issued capital €	Reporting currency conversion reserve €	Retained earnings €	Total €
Changes in equity for 2014				
Balance at 1 January 2014	500,000	(991)	(61,814)	437,195
Profit for the year			156,002	156,002
Transfer to reporting currency conversion reserve		589		589
Balance at 31 December 2014	500,000	(402)	94,188	593,786
Changes in equity for 2015				
Balance at 1 January 2015	500,000	(402)	94,188	593,786
Loss for the year			(17,139)	(17,139)
Transfer to reporting currency conversion reserve		107		107
Balance at 31 December 2015	€ 500,000	€ (295)	€ 77,049	€ 576,754

Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	Notes	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Cash flows from operating activities					
Cash generated from/(used in) operations	20(a)	1,855,773	1,965,040	(27,294)	259,874
Tax paid		(442,797)	(453,665)	(28,995)	(72,029)
Interest paid		(123,250)	(16,448)		(6,524)
Bank interest received		7,199	3,321	2,535	3,295
Net cash generated from/(used in) operating activities		1,296,925	1,498,248	(53,754)	184,616
Cash flows from investing activities					
Purchase of property, plant and equipment		(1,946,133)	(285,863)		
Payments to acquire investment				(12,000)	
Payments to acquire intangible asset		(300,000)			
Net cash used in investing activities		(2,246,133)	(285,863)	(12,000)	
Cash flows from financing activities					
Settlement of long-term borrowings		(28,850)	(20,000)		
Repayment of bank loans		(308,709)	(870,656)	(308,709)	(870,655)
Advances from related party balances		965,766	1,481,203	1,000,000	1,239,121
Advances to subsidiaries				(698,301)	(718,066)
Net cash generated from/(used in) financing activities		628,207	590,547	(7,010)	(349,600)
Net movement in cash and cash equivalents		(321,001)	1,802,932	(72,764)	(164,984)
Cash and cash equivalents at beginning of year		2,736,527	933,595	5,853	170,837
Effects of exchange rate changes on the balance of cash held in foreign currencies		(922)	(11,063)		
Cash and cash equivalents at end of year	20(b)	€2,414,604	€2,725,464	€ (66,911)	€ 5,853

Notes to the Consolidated Financial Statements
For the year ended 31 December 2015

NEW AND REVISED STANDARDS

The following new and revised Standards issued by the International Accounting Standards Board (IASB) have been adopted (where applicable) in the current period financial statements:

Standard	Subject of amendment	Effective date
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IFRS 7 Financial Instruments: Disclosures	Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	1 January 2015
	Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IFRS 9 Financial Instruments	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	1 January 2018
IFRS 10 Consolidated Financial Statements	Amendments regarding the application of the consolidation exception	1 January 2016
IFRS 11 Joint Arrangements	Amendments regarding the accounting for acquisition of an interest in a joint operation	1 January 2016
IFRS 12 Disclosure of Interests in Other Entities	Amendments regarding the application of the consolidation exception	1 January 2016
IFRS 14 Regulatory Deferral Accounts	Original Issue	1 January 2016
IFRS 15 Revenue from Contracts with Customers	Original Issue	1 January 2018
	Amendments to defer the effective date to January 2018	1 January 2018
IFRS 16 Leases	Original Issue	1 January 2019
International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)	Amendments as the result of the first comprehensive review	1 January 2017

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

1 NEW AND REVISED STANDARDS (continued)

IAS 1 Presentation of Financial Statements	Amendments resulting from the disclosure initiative	1 January 2016
IAS 7 Statement of Cash Flows	Amendments as result of Disclosure initiative	1 January 2017
IAS 12 Income Taxes	Amendments regarding the recognition of deferred tax assets for unrealised losses	1 January 2017
IAS 16 Property, Plant and Equipment	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
	Amendments bringing bearer plants into scope of IAS 16	1 January 2016
IAS 19 Employee Benefits	Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 27 Separate Financial Statements	Amendments reinstating the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements	1 January 2016
IAS 28 Investments in Associates and Joint Ventures	Amendments regarding the application of the consolidation exception	1 January 2016
	Amendments deferring the effective date of the September 2014 amendments	1 January 2016
IAS 34 Interim Financial Reporting	Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 38 Intangible Assets	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 41 Agriculture	Amendments bringing bearer plants into the scope of IAS 16	1 January 2016

The directors are of the opinion that the adoption of these Standards (where applicable) did not have a material impact on the financial statements.

2 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

2.1 BASIS OF ACCOUNTING

The consolidated financial statements include the financial statements of Ablecare Oilfield Services Holdings Limited and its subsidiary undertakings. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and comply with the Companies Act, 1995. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

2 ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

The Group has foreign subsidiaries whose accounts are prepared under the legal currency of that country respectively. For consolidation purposes the foreign subsidiaries Statement of Financial Position is translated by using the year end exchange rate and the Income Statement is translated by using the average exchange rate. Both rates are derived from the Central Bank of Malta.

2.3 REVENUE

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

2 ACCOUNTING POLICIES (continued)

2.3 REVENUE (continued)

The group recognized revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.4 FOREIGN CURRENCY AMOUNTS

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

2.5 BORROWING COSTS

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.6 CURRENT AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

2 ACCOUNTING POLICIES (continued)

2.6 CURRENT AND DEFERRED TAX (continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for 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: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, 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 recognized or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be recognized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be recognized.

2.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The annual rates used are:

	%
Improvements to premises	1
Plant and equipment	20
Office equipment	25
Computer equipment	25
Furniture and fittings	10
Motor vehicles	20
Tools	20
Asset under construction	No depreciation is being taken since the project is underway and improvements are in progress

2 ACCOUNTING POLICIES (continued)

2.7 PROPERTY, PLANT AND EQUIPMENT (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.8 INTANGIBLE ASSETS

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. No amortization is taken.

2.9 IMPAIRMENT

The carrying amounts of the company's assets, other than investment property, inventories and deferred tax assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

2 ACCOUNTING POLICIES (continued)

2.10 FINANCIAL ASSETS

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

2.10.1 Investments in subsidiaries

Investments in subsidiaries are shown in the statement of financial position of the company at cost less impairment losses.

2.11 LOANS WITH NO FIXED MATURITY DATE

Loans receivable by the Company, which do not have a fixed maturity date, but which are repayable after more than twelve months from the end of the reporting period, are measured at the fair value of the consideration given less impairment losses and are included with non-current assets.

2.12 INVENTORIES AND WORK-IN-PROGRESS

Inventories and work-in-progress and are valued at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net recognized value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 ACCOUNTING POLICIES (continued)

2.13 TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flow, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Income.

2.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash in hand, bank overdraft or any call deposits. Cash equivalents are short-term, high liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the company cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.15 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends are recognised as liability in the period in which they are declared.

2 ACCOUNTING POLICIES (continued)

2.16 BORROWINGS

Borrowings are recognized as liabilities at fair value less attributable transactions costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings at an effective interest rate.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.17 PROVISIONS

A provision is recognised in the statement of financial position when the company has legal or constructive obligations as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows as a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.18 TRADE AND OTHER PAYABLES

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

3 REVENUE

Revenue which is presented net of indirect taxation, represents the invoice value of goods supplied both on the local market and for export.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

4 PROFIT/(LOSS) BEFORE TAX

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Profit/(Loss) before tax is stated after charging:				
Auditors' remuneration	21,000	21,000	5,000	5,000
Directors' remuneration	224,872	177,479		
Staff salaries (note 5)	1,190,017	978,800		
Depreciation of property, plant and equipment	251,996	123,815		

5 STAFF COSTS

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Staff salaries	1,083,344	891,264		
Social security costs	106,673	87,536		
	€ 1,190,017	€ 978,800	€	€
Average number of employees	60	54		

6 FINANCE INCOME

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Bank interest receivable	9,925	15,873	2,535	3,295
Realised exchange differences	53,259	31,907		
	€ 63,184	€ 47,780	€ 2,535	€ 3,295

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

7 FINANCE COSTS

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Bank overdraft and loan interest	113,039	150,353		6,524
Bank charges	28,084	15,052	8,583	6,655
Other interest and charges	9,953			
HP Interest	7,356			
Interest on overdue income tax	479			
Unrealised difference on exchange	61,473	59,134	2,601	14,115
	€ 220,384	€ 224,539	€ 11,184	€ 27,294

8 INCOME TAX EXPENSE

The tax charge for the year consists of:

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Company tax in Malta and foreign tax on subsidiaries and foreign branches for the year	314,885	1,090,384		
Final withholding tax @ 15%	789	1,701	380	494
Income subject to foreign tax		3,628		
Withholding tax @ 35% on dividend received				100,149
Deferred tax expense in respect of the year	(40,281)			
	€ 275,393	€1,095,713	€ 380	€ 100,643

8 INCOME TAX EXPENSE (continued)

Tax on profit for the year differs from the theoretical tax expense that would apply on the company's profit for the year before tax using the applicable tax rate in Malta of 35% as follows:

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014
Profit/(Loss) before tax	705,796	2,993,167	(16,759)	256,645
Theoretical tax at 35%	247,029	1,047,608	(5,866)	89,826
Tax effect of expenses not deductible for tax purposes:				
Company not trading	11,340	6,182	5,843	6,536
Donations	1,394	812		
Gifts and samples	700			
Tax effect on depreciation on improvements	431	431		
Tax effect on motor vehicles depreciation	3,570	3,570		
Unrealised exchange differences	4,773	42,184	910	4,940
Other income not subject to tax- Grants	(2,408)			
Taxation effect of income that is subject to different rates of tax:				
Bank interest receivable			(507)	(659)
Different rate of tax		30		
Tax at 15% on untaxed amount distributions	(1,053)	(2,268)		
Income subject to foreign tax	9,617	(2,836)		
	€ 275,393	€ 1,095,713	€ 380	€ 100,643

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

9 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Land €	Improvement to premises €	Plant and equipment €	Office equipment €	Furniture & fittings €	Motor vehicles €	Tools €	Asset under Construction €	Total €
Cost									
At 1 January 2014	232,052	93,024	412,236	196,840	134,051	230,328	50,901	-	1,349,432
Additions	97,765	30,219	103,231	36,517	9,536	-	8,596	-	285,864
At 31 December 2014	329,817	123,243	515,467	233,357	143,587	230,328	59,497	-	1,635,296
At 1 January 2015	329,817	123,243	515,467	233,357	143,587	230,328	59,497	-	1,635,296
Additions	24,521	-	1,217,032	48,084	5,531	29,219	21,011	600,735	1,946,133
At 31 December 2015	354,338	123,243	1,732,499	281,441	149,118	259,547	80,508	600,735	3,581,429
Depreciation									
At 1 January 2014	-	3,943	305,178	178,810	65,813	162,471	26,436	-	742,651
Charge for the year	-	1,233	56,046	22,153	12,300	24,135	7,948	-	123,815
At 31 December 2014	-	5,176	361,224	200,963	78,113	186,606	34,384	-	866,466
At 1 January 2015	-	5,176	361,224	200,963	78,113	186,606	34,384	-	866,466
Charge for the year	-	1,232	175,278	25,419	12,084	25,983	12,000	-	251,996
At 31 December 2015	-	6,408	536,502	226,382	90,197	212,589	46,384	-	1,118,462
Carrying amounts									
At 31 December 2015	€ 354,338	€ 116,835	€ 1,195,997	€ 55,059	€ 58,921	€ 46,958	€ 34,124	€ 600,735	€ 2,462,967
At 31 December 2014	€ 329,817	€ 118,067	€ 154,243	€ 32,394	€ 65,474	€ 43,722	€ 25,113	€ -	€ 768,830

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

10 INTANGIBLE ASSETS-GROUP

	Licences
Cost	
At 1 January 2015	
Additions	725,000
At 31 December 2015	725,000
Amortisation	
At 1 January 2015	
For the year	
At 31 December 2015	
Carrying amount:	
At 31 December 2015	€ 725,000

11 INVESTMENT IN SUBSIDIARIES

The investment in group undertakings is as follows:

	Group Shares in group undertakings €	Company Total
Cost		
At 1 January 2014		209,444
Additions		
		209,444
Transfer to Reporting Currency Conversion Reserve		589
At 31 December 2014		210,033
At 1 January 2015		210,033
Additions		12,000
		222,033
Transfer to Reporting Currency Conversion Reserve		107
At 31 December 2015	€	€ 222,140

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

11 INVESTMENT IN SUBSIDIARIES (continued)

The principal group undertakings at 31 December 2015 are shown below:

Name of subsidiary	Registered office	Proportion of ownership interest and voting power held 2015	2014
Ableman International Ltd	UB 22, Industrial Estate, San Gwann, Malta	99.99%	99.99%
Mainticare Ltd	UB 22, Industrial Estate, San Gwann, Malta	99.9%	99.9%
Able Energy Ltd	UB 22, Industrial Estate, San Gwann, Malta	99.99%	99.99%
Mainti Sea Support Ltd	UB 22, Industrial Estate, San Gwann, Malta	99.99%	99.99%
Ableman Drilling Careers Academy Limited	UB 22, Industrial Estate, San Gwann, Malta	99.99%	99.99%
Mulberry Brokers Limited	UB 22, Industrial Estate, San Gwann, Malta	60%	
Acare Oil and Gas Services Ltd	Tel - Aviv-Yaffo 111 Arlozorow St., Zip code 62098, c/o Rozenblum-Holzman CPA, Israel	100%	100%
Ablecare Oilfield Services (Egypt) Ltd	3, El Me'raj city, Apartment No. 301, Premises No. 3061, Cario, Egypt	90%	90%

12 DEFERRED TAX ASSETS

	Group 2015	Group 2014	Company 2015	Company 2014
Deferred tax assets	€ 40,281	€	€	€

The balance of and movements on the provision for deferred taxation can be analysed as follows:

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Opening balance:				
Other temporary differences				
Movements for the year:				
Other temporary differences	40,281			
Closing balance:				
Other temporary differences	€ 40,281	€ -	€ -	€

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

13 INVENTORIES

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Works in progress	157,850	275,776		
	€ 157,850	€ 275,776	€	€

14 TRADE AND OTHER RECEIVABLES

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Amounts falling due after more than one year:				
Amounts due from related companies (note)	440,792	1,406,558		
Amounts due from subsidiaries (note)			3,421,256	2,722,954
Amounts due from related parties (note)				1,000,000
	€ 440,792	€ 1,406,558	€ 3,421,256	€ 3,722,954
Amounts falling due within one year:				
Trade receivables	2,536,710	4,735,040	8,000	
Other receivables	505,481	912,509		
Prepayments and accrued income	5,118	357,165		
Deferred expenditure	563,646	33,486		
Vat refundable	348,757	719,642		
	€ 3,959,712	€ 6,757,842	€ 8,000	€

Note –

The amounts due from subsidiaries, related companies and related parties are unsecured, interest free and have no fixed date of repayment.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

15 ISSUED CAPITAL

	Group/Company 2015	Group/Company 2014
Authorised		
250,000 ordinary shares class A of €1 each	250,000	250,000
250,000 ordinary shares class B of €1 each	250,000	250,000
	€ 500,000	€ 500,000
Called-up, issued and fully paid		
250,000 ordinary shares class A of €1 each	250,000	250,000
250,000 ordinary shares class B of €1 each	250,000	250,000
	€ 500,000	€ 500,000

16 RETAINED EARNINGS

The profit and loss account represents accumulated retained and distributable profits.

17 BORROWINGS

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Borrowings due within one year				
Bank overdrafts (note a)	172,618	8,245	167,419	94,710
Bank loans (note c)	413,927	416,856	413,927	416,856
Other loan (note b)	21,150	50,000		
Total borrowings within one year	€ 607,695	€ 475,101	€ 581,346	€ 511,566
Borrowings due after between two and five years				
Bank loans (note c)	€ 1,148,477	€ 1,373,575	€ 1,148,477	€ 1,373,575
Borrowings due after more than five years				
Bank loans (note c)	€ 78,256	€ 158,938	€ 78,256	€ 158,938
Total borrowings after more than one year	€ 1,226,733	€ 1,532,513	€ 1,226,733	€ 1,532,513
Total borrowings	€ 1,834,428	€ 2,007,614	€ 1,808,079	€ 2,044,079

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

17 BORROWINGS (continued)

The exposure to interest rates of the company's borrowings was as follows:

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014
At variable rates	1,813,278	1,957,614		
At fixed rates	21,150	50,000	1,808,079	2,044,079
	€ 1,834,428	€ 2,007,614	€ 1,808,079	€ 2,044,079

The average interested rates on the company's borrowings were as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Bank overdrafts	6.375%	6.375%	6.375%	6.375%
Bank loan	6.375%	6.375%	6.375%	6.375%

Notes –

(a) Bank overdrafts

The bank overdraft facilities are secured by general and special hypothec over the company's assets and by guarantees of the director and related companies.

(b) Other loan

Other loan consists of an amount due to related party which carries an interest rate.

(c) Bank loans

The bank loan facilities are secured by general and special hypothec over the company's assets and by guarantees of one of the directors, subsidiaries and related companies. Moreover the bank loans are secured by third parties as well.

18 TRADE AND OTHER PAYABLES

	Notes	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Amounts falling due after more than one year:					
Amounts due to subsidiaries	(a)			190,142	190,142
Amounts due to related parties	(b)			1,171,929	1,171,929
Amounts due to third party	(c)	425,000			
		€ 425,000	€	€ 1,362,071	€ 1,362,071

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

18 TRADE AND OTHER PAYABLES (continued)

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Amounts falling due within one year:				
Trade payables	2,192,137	4,423,192		
Other payables	32,411	8,940		
Accruals	116,272	61,762	5,000	5,000
	€2,340,820	€ 4,493,894	€ 5,000	€ 5,000

Notes –

(a) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and have no fixed date of repayment.

(b) Amounts due to related parties

The amounts due to related parties are unsecured, interest free and have no fixed date of repayment.

(c) Amounts due to third party

The amounts due to third party are unsecured, interest free and have no fixed date of repayment.

19 DIVIDENDS

The directors do not recommend the payment of a final dividend.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

20 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash from operations:

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Profit/(Loss) before tax	705,796	2,993,167	(16,759)	256,645
Adjustments for:				
Depreciation	251,996	123,814		
Unrealised exchange differences	899	54,523		
Transfer to reserves	29,088	41,986		
Interest expense	122,993	16,662		6,524
Bank interest receivable	(7,199)	(3,321)	(2,535)	(3,295)
Net effect of accrued interest	257	(214)		
Operating profit/(loss) before working capital changes	1,103,830	3,226,617	(19,294)	259,874
Movement in inventories	117,926	1,421,802		
Movement in receivables	2,798,130	(2,367,108)	(8,000)	
Movement in payables	(2,164,113)	(316,271)		
Cash generated from/(used in) operations	€1,855,773	€ 1,965,040	€ (27,294)	€ 259,874

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Cash in hand and at bank	2,587,222	2,733,709	100,508	100,563
Bank overdrafts	(172,618)	(8,245)	(167,419)	(94,710)
	€ 2,414,604	€ 2,725,464	€ (66,911)	€ 5,853

Note –

The cash and cash equivalents are disclosed net of unrealised differences on exchange.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

21 FINANCIAL RISK MANAGEMENT OBJECTIVES

The company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance. The Board provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

21.1 Market risk

(i) Foreign exchange risk

Foreign currency transactions arise when the company buys or sells goods or services of which are denominated in a foreign currency, borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency.

At the end of the reporting period, the company is subject to unrealized exchange difference amounting to € 61,473 that arose on payables, receivables, borrowing and related party balances. Foreign currency transactions comprise mainly transactions in US Dollar, British Pound, Israeli Shekel and Egypt Pound.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises principally from borrowings and cash and cash equivalents. Amounts due from the Group and bank borrowings that are issued at variable rates (refer to Notes 14, 17 and 19) expose the Group to cash flow interest rate risk. Management monitors the level of floating rate borrowings as a measure of cash flow risk taken on.

Based on the above, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

21.2 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2015	2014 €
Amounts due from related companies (Note 14)	440,792	1,406,558
Trade receivables (Note 14)	2,536,710	4,735,040
Other receivables (Note 14)	505,481	912,509
Cash and cash equivalents (Note 20)	2,587,222	2,733,709
	€ 6,070,205	€ 9,787,816

21 FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

21.2 Credit risk (continued)

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount. The Group does not hold any collateral as security in this respect.

The Group banks only with financial institutions with high quality standing or rating.

Financial assets which potentially subject the company to concentrations of credit risk are trade receivables. This is due to the fact that the Group's trade receivables are almost entirely made up of three major customers. The Group has policies in place to ensure that sales are made to customers with a proven credit history. The Group monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Group's receivables taking into account historical experience in collection of accounts receivable.

The Group manages credit limits and exposures actively in a practicable manner such that there are no material past due amounts receivable from customers as at the end of the reporting period.

21.3 Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally borrowings and trade and other payables (refer to Note 17 and 18). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the company's obligations.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than one year	Between 2 and 5 years €	Over 5 years €	Total €
As at 31 December 2015				
Trade and other payables (Note 18)	2,192,137			2,192,137
Bank borrowings (Note 17)	607,695	1,148,477	78,256	1,834,428
	€ 2,799,832	€ 1,148,477	€ 78,256	€4,026,565

Management monitors liquidity risk by reviewing expected cash flows and ensures that additional financing facilities needed over the coming year can be accessed by the Group to meet its liquidity needs.

21.4 Fair value of financial instruments

At 31 December 2015 and 2014 the carrying amounts of cash at bank, receivables, payables, and accrued expenses approximated their fair values in view of the nature of the instruments or their short-term maturity.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2015

22 RELATED PARTIES

The immediate parent and ultimate controlling party of the Group is Ablecare Oilfield Services Holdings Limited. Its subsidiaries are Ableman International Limited, Mainticare Limited, Abel Energy Limited, Mainti Sea Support Limited, Ableman Drilling Careers Academy Limited, Mulberry Brokers Limited, Acare Oil and Gas Services Ltd and Ablecare Oilfield Services (Egypt) Ltd.

22.1 Related party transactions

During the year under review, the company did not entered into transactions with related parties.

22.2 Related party balances

Balances at year end with related parties are disclosed in Notes 14 and 18 to these financial statements accordingly.

23 REPORTING ENTITY

Ablecare Oilfield Services Holdings Limited is a limited liability company domiciled and incorporated in Malta.

24 REPORTING CURRENCY CONVERSION RESERVE

The company has investments in two foreign subsidiaries, one in Israel and the other one in Egypt. When accounting for such investments it is the company's policy to account for foreign transactions by using the exchange rate prevailing on the date of the transaction. In such circumstances, the share capital of the foreign subsidiary is taken as a base and translated to Euros as on that date. Any differences are reported in the statement of comprehensive income. As at the end of the financial year the share capital of the foreign subsidiary is taken as a base and this is translated into Euro by using the rate of exchange prevailing on that date. Any differences that arise are accounted for under Equity as Reporting Currency Conversion Reserve.

25 CONTINGENCIES, COMMITMENTS AND GUARANTEES

At the end of the reporting period, the company was exposed to a number of bank guarantees. These bank guarantees given in the normal course of business amounted to € 150,000.

Consolidated Statement of Comprehensive Income - Schedule
For the year ended 31 December 2015

	Pages	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Gross profit	35	3,786,574	5,485,633		286,141
Administrative expenses	37	(2,639,631)	(2,090,851)	(8,110)	(5,497)
Selling and distribution	37	(283,947)	(224,856)		
Finance income	36	63,184	47,780	2,535	3,295
Finance costs	37	(220,384)	(224,539)	(11,184)	(27,294)
Profit/(Loss) before tax		€ 705,796	€ 2,993,167	€ (16,759)	€ 256,645

Consolidated Statement of Comprehensive Income – Trading Account Schedule
For the year ended 31 December 2015

	Group 2015	Group 2014 €	Company 2015 €	Company 2014
Revenue	13,706,594	40,797,829		286,141
Direct costs				
Direct costs	9,802,094	33,890,394		
Opening work in progress	275,776	1,697,578		
Closing work in progress	(157,850)	(275,776)		
	9,920,020	35,312,196		
Gross profit – to page 34	€ 3,786,574	€ 5,485,633	€	€ 286,141

Consolidated Statement of Comprehensive Income – Income Schedule
For the year ended 31 December 2015

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Finance income				
Bank interest receivable	9,925	15,873	2,535	3,295
Realised exchange difference	53,259	31,907		
– to page 34	€ 63,184	€ 47,780	€ 2,535	€ 3,295

Consolidated Statement of Comprehensive Income – Expenses Schedule
For the year ended 31 December 2015

	Group 2015 €	Group 2014 €	Company 2015 €	Company 2014 €
Administrative expenses				
Auditors' remuneration	21,000	21,000	5,000	5,000
Depreciation	251,996	123,815		
Directors' remuneration	224,872	177,479		
Donations	14,482	4,061		
General expenses	29,814	28,674		
Licences, subscriptions and permits	11,914	19,005		
Printing, postage and stationery	61,246	56,073		
Professional fees	179,960	120,878	2,554	
Accountancy fees	42,807	78,757		
Insurance	63,698	19,372	556	497
Rents	183,956	272,610		
Software support	39,285	2,421		
Cleaning		4,515		
Travelling	5,906	15,988		
Repairs and maintenance	190,472	95,902		
HSE expenses	3,097	4,677		
Alimony Payment	3,960	2,700		
Telecommunications	38,828	46,730		
Wages and salaries	1,083,344	891,264		
Employer's NI	106,673	87,536		
Security costs	66,082			
Water and electricity	16,239	17,394		
– to page 34	€ 2,639,631	€ 2,090,851	€ 8,110	€ 5,497
Selling and distribution				
Advertising and promotion	77,237	61,510		
Meetings and conventions	106,320	74,027		
Motor vehicle expenses	100,390	89,319		
– to page 34	€ 283,947	€ 224,856	€	€
Finance costs				
Bank overdraft and loan interest	113,039	150,353		6,524
Bank charges	28,084	15,052	8,583	6,655
Other interest and charges	9,953			
HP Interest	7,356			
Interest on overdue income tax	479			
Unrealised difference on exchange	61,473	59,134	2,601	14,115
– to page 34	€ 220,384	€ 224,539	€ 11,184	€ 27,294